



VVC EXPLORATION CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the Year Ended

January 31, 2024

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JANUARY 31, 2024

This Management's Discussion and Analysis ("MD&A") of VVC for the year ended January 31, 2024 (the "Period") was prepared on May 30, 2024 and should be read in conjunction with the Company's January 31, 2024 audited condensed consolidated financial statements and related notes, prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial information disclosed in this report was prepared in accordance with IFRS unless otherwise disclosed. **[NTD – Do we also include Jan 31, 2023?]**

All amounts herein are expressed in Canadian dollars unless otherwise indicated. The technical information regarding the mineral properties in the MD&A has been approved by Peter Dimmell, P. Geo. (NL, ON), a mineral exploration consultant and a director of VVC, who is a qualified person (QP) under National Instrument (NI) 43-101.

FORWARD LOOKING INFORMATION

This MD&A includes forward-looking statements that are subject to risks and uncertainties and other factors that may affect the actual results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general economic and business conditions, which among other things, affect the price of metals, the foreign exchange rate, the ability of the Company to implement its business strategy, and changes in, or the failure to comply with government laws, regulations and guidelines. Unless otherwise required by applicable securities laws, VVC disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required pursuant to securities laws. Additional information relating to VVC can be obtained from its News Releases and other public documents at the SEDAR website <www.sedar.com>.

BUSINESS OVERVIEW

The Company is a venture issuer reporting in Ontario, British Columbia, Alberta and Quebec. The Company's common shares trade on the TSX Venture Exchange under the symbol "VVC". In 2022, VVC rebranded to reflect its current operations in a diversified natural resources business by creating a new logo, trade name or DBA "VVC Resources" and website <vvcresources.com>.

VVC is in the business of acquisition and exploration of resource properties in the mineral and petroleum sectors. Its principal business activity is the petroleum properties (natural gas and helium) in the USA and the exploration and development of gold and base metal mineral properties in Mexico. The Company, through its wholly owned subsidiary, Plateau Helium Corporation ("PHC"), is exploring for, and producing, helium (He) and natural gas in Kansas and Colorado, USA. Throughout this document the term "the Company" refers to VVC and its wholly-owned subsidiaries, Camex Mining Development Group Inc ("Camex"), VVC Exploración de Mexico, S. de R.L. de C.V. ("VVC Mexico"), Samalayuca Cobre S.A. de C.V. and PHC.

(A) Plateau Helium Corporation ("PHC")

On December 21, 2020, VVC acquired a minority 10% interest in PHC in consideration for US\$100,000. Incorporated in Wyoming, US, PHC is focused on helium exploration and development, primarily in the western US. Following completion of its due diligence and obtaining TSXV approval, VVC acquired the remaining 90% interest in PHC in consideration for the issuance of 21 million shares of VVC. Of these shares, 14 million were placed in escrow until January 2022. PHC is now a wholly owned subsidiary of VVC.

At the time of acquisition by VVC, PHC had one project, the Syracuse Helium Project in Southwestern Kansas with a total of approximately 16,000 acres leased. Other leases were acquired on the Syracuse Helium Project and other helium project areas were subsequently added, resulting in control of approximately 29,000 acres, with leasing for specific projects continuing. Other leasing operations in Kansas are on hold while testing is being performed in Kansas and all leasing in Colorado is on hold because no new permits are being issued by the state of Colorado at this time.

Syracuse Helium Project

PHC owns a 100% (88% net interest after landowner royalty) of its initial project, the Syracuse Helium Project (the "Syracuse Project"), located in the State of Kansas, comprising 69 leases covering over 16,000 acres. The property (the "Syracuse Property") on which the Syracuse Project is located hosts more than 75 potential well sites in the Chase zone. The acreage was previously explored with 5 wells, all of which either produced, or tested positively, for natural gas containing helium in the Chase zone. One existing well Chase well (Levens 2-31) was connected to the Tumbleweed pipeline and needed minor repairs and to be connected to a salt water disposal well. This well has produced for over 27 years and has produced a total of almost a billion cubic feet of helium rich gas. The project also hosts a salt water disposal well.

Geologically, the Syracuse Project lies to the south of the Bradshaw and Byerly fields, to the west of the Hugoton and Panoma Fields, and to the north of the Greenwood Gas Area. Historically, these fields have collectively produced in excess of 27 trillion cubic feet of helium rich gas.

To assist with the costs of exploration (drilling) on the Syracuse Project and acquiring more leases, PHC raised the following financing:

2020 - PHC raised US\$1.4 million in financing through Plateau Helium Syracuse LLP1 ("LLP1"), a limited liability partnership in the state of Wyoming. LLP1 purchased royalty interests in the first 10 wells of the Syracuse Project. Through LLP1, the limited partners are entitled to a royalty of 28% of the net revenue from the first 10 wells after the payment of a 17% Overriding Royalty related to the leasing of property and deduction of the costs of production (the "LP Interest").

2021 - the Company raised US\$3.4 million in financing through Plateau Helium Syracuse LLP2 ("LLP2"), a limited liability partnership in the state of Wyoming. LLP2 purchased royalty interests in the next 20 wells of the Syracuse Project. Through LLP2, the limited partners are entitled to a royalty of 34% after the payment of a 17% Overriding Royalty related to the leasing of property and deduction of the costs of production.

Because PHC acquired more leases than originally expected, overall leasing costs were higher than budgeted. Well drilling and completion costs were also higher than budgeted due to unanticipated developments that included weather delays and other factors.

The Syracuse Project and all helium projects acquired by PHC are also subject to a 15% royalty held by a company controlled by the previous shareholders of PHC (the "15% Royalty") as well as a 1% royalty held by a third-party (the "1% Royalty"). The 15% Royalty and the 1% Royalty are payable on the net proceeds received by PHC after deducting all costs of production and payment of all pre-existing royalties. One VVC insider holds 9.5% of the LP Interest as a result of investing US\$100,000 in the limited partnership financing. Another insider of VVC holds a 16.67% interest in the 15% Royalty.

In 2020, it was estimated that: (i) PHC will be entitled to approximately 48% and 44% of the net proceeds from the first 10 wells and the next 20 wells respectively on the Syracuse Project; and (ii) all remaining wells on the Project will yield approximately 68% in net proceeds to the Company.

Activity on the Syracuse Project

In 2021, PHC reworked a pre-existing well (Levens 2-31) that had indicated good casing pressure. As a first step to proving reserves and generating cashflow, the Company connected the well to the Tumbleweed Pipeline which transports the helium rich gas to the Ladder Creek Helium plant. Historically (in 2008), based on a Shamrock Gas Analysis, the well produced gas with 1.273% helium concentration, producing at marginally profitable rates as expected after more than 27 years of production. In September 2023, the well was shut in, with the intention of re-activating it when new wells are connected to the Tumbleweed Pipeline. PHC had initially planned to rework/re-enter 5 other existing wells and return them to production. Initial efforts to drill out the plug in the first old well targeting the Wabansee zone (Blackwell 1-28) was unsuccessful because of the unconventional plugging of the well. That effort was abandoned after substantial time and expense.

A total of eight (8) new wells have been drilled on the Syracuse property. One (1) of the eight (8) wells (Durler 2-21) was drilled to the deeper Wabansee zone (X & Y) where there was no gas show however the well did show helium rich gas in the shallower Chase zone. Seven (7) additional wells were drilled to the Chase zone and all seven (7) had helium rich gas shows.

Initial gas flow, helium and methane content of the gas stream from these wells can only be established after they are producing. Historically, Chase zone wells in the area have initial gas flows of up to 400 mcf per day with 1.2% helium and low-grade methane. ***These historical results have not been verified by PHC, or any other independent party, and cannot not be relied upon.***

In May 2022, the Company completed a major infrastructure enhancement to the Company's Syracuse Project with the installation of the 14-mile Syracuse Gas Gathering System. In addition, the Company completed the 14-mile salt water disposal system. Together these two pipelines cost approximately US \$ 1 million. The Syracuse Gas Gathering System was connected to the Tumbleweed Midstream Ladder Creek Pipeline. The gas and salt water gathering systems have a capacity of connecting to 100 wells.

With the cash infusion from the sale of the Proton Green partial interest in Q3, the Company resumed field operations at Syracuse, by reconnecting the Durler 2-21 and Levens 2-31 wells to the internal gathering system. Both wells started producing helium and natural gas in November 2023. Production from the Durler 2-21 will be optimized to ensure maximum efficiency and overall productivity over the next 8-10 weeks, allowing our Team to gain a better understanding of the attributes of this well, and the overall Syracuse Project. We expect the wells to start generating cashflows following this optimization period.

Additionally, five (5) of the previously drilled wells - Levens 4-31, Weaver 1-15, C-Double 1-16, Hodgson1-17, T Spiker 1-7 - have been perforated in November 2023. The Hodgson 1-17 & C Double D 1-16 wells were completed and started producing in January 2024. These two wells lie approximately midway between the Durler 2-21 and the Levens 2-31 wells, and their completion will provide more insight on the production capacity of the Syracuse Project. These two wells are in the output analysis phase, which is crucial for understanding the wells' production capacities, optimal settings for both immediate and long-term production and potential contributions to the overall project.

The team has also readied the Levens 4-31, Weaver 1-15, and T Spiker 1-7 wells for completion. Next steps for these wells await the analysis of the Durler, Hodgson and C Double wells. Each helium/natural gas project has its idiosyncrasies and every time a new well is completed, introduced into production, and optimized, the more information the team has for the next wells. This thorough preparatory plan and step by step optimization of these wells increases the probability for successful integration into the production line-up, at the most reasonable cost, underscoring the team's commitment to thoughtful strategic growth and resource optimization.

The next step in the Syracuse Project is to allow the completed wells to flow and stabilize, and to evaluate the results before commencing further work.

Monarch Project

In March 2021, PHC purchased a helium / methane property, known as the Monarch Lease Property, from Monarch Petroleum ("MP"), at a nominal cost and a commitment to recommence production, with MP retaining a 3% royalty in the shallow well rights from surface to 3,100 feet (the "Shallow Rights") and a 50% non-operated working interest in the deep oil and gas rights below 3,100 feet (the "Deep Rights"). In addition to the 3% royalty, standard industry royalties of 12.5% are payable to land owners from the proceeds of production and a 15% Royalty is payable on the net proceeds received by PHC after deduction of all costs of production and payment of all pre-existing royalties.

The Monarch Lease Property, totalling over 1,700 acres, is located in the Byerly Field in Greely County, Kansas near the Syracuse Helium Project. It includes six formerly producing gas wells that are still connected to the Tumbleweed Midstream pipeline with all wells producing both methane and helium. After operating the wells in 2022, PHC concluded that without an efficient water disposal system these wells were not economic and they were all shut in.

PHC owns a 100% operating working interest in the Shallow Rights of the Monarch Lease and a 50% operating working interest in Deep Rights, subject to the underlying royalties. In the deep zone, MP will be required to contribute 50% of any development expenses. The focus in this Project however, is the 14 additional well drilling locations which are conveniently located for connection to the Tumbleweed pipeline. This project is on hold for the time being.

Syracuse Extension Kansas Project

The Company expects the Syracuse Extension Kansas (the "SEKP") to be the primary focus of PHC's exploration and production efforts in 2024. To-date, over 13,000 acres have been leased over 24 wells that flowed gas that tested helium in excess of 2%, and then plugged, as there was at the time, no available market for the gas (ie no pipeline). PHC has defined 3 areas of the SKEP where leased acreage is in place.

The first of those areas is the Stockholm field where geology and planning work has identified 4 potential well sites. Once these sites are prepped and permitted, the first test well will be drilled which, if successful, will lead to drilling of additional wells. Once these test wells are drilled and tested the He potential will be better understood, however the expectation is for up to 5 wells in the Stockholm field with additional leasing adding to those totals.

Permitting is in progress for the first test well, the second leg of VVC's strategic approach to expanding its portfolio of helium and natural gas. Results will provide guidance for the next stage of VVC's helium and natural gas expansion.

The Stockholm project is the first of a series of projects that are expected to have significantly higher flow volume and helium percentages than the Syracuse project. Another two areas in the SEKP are being defined by geological analysis and engineering, with plans to start drilling after work on the Stockholm field has been completed. Other acreage will be added to Syracuse Extension Kansas as it becomes available.

Syracuse Extension Colorado Project

A 320-acre gas property located in Cheyenne County, Colorado, was purchased by PHC in April 2021. An additional 13,000 acres have been leased, with a total of 26 historical wells that flowed gas, tested helium in excess of 2% and then were plugged as there was no available market for the gas (i.e. no pipeline) at that time.

Standard industry royalties of 12.5% are payable to arm's length land owners from the proceeds of any production and the 15% Royalty is payable on the net proceeds received by PHC after deduction of all costs of production and payment of all pre-existing royalties. PHC owns a 100% operating working interest in the leases, subject only to the royalties.

The initial acreage includes 2 gas wells drilled in 1989/90 which were never put into production. It is adjacent to the Tumbleweed Midstream pipeline which is linked to the Ladder Creek Helium plant. Both wells are reported to contain methane and helium. At the time of drilling, one well tested over 2,000 mcf per day and the other, over 3,000 mcf per day, of helium rich gas. ***These historical results have not been verified by PHC, or any other independent party, and should not be relied upon.***

No project work has commenced in Colorado because the State of Colorado issued new regulations for permitting natural gas wells in 2022 and as of the date of this MDA no permits have been issued under these new regulations. Until this regulatory log jam is broken, the Company will not be able to drill in Colorado State. Industry expectations were for the issues to be resolved in 2023, but this did not happen. The project will remain on hold until the State of Colorado re-starts issuing permits.

Additional Kansas and Colorado Acreage

PHC was negotiating a development contract with a major mineral owner for up to an additional 60,000 acres in the state of Colorado but that is on hold until the Colorado permitting issue is resolved. The Company also has had exploratory discussions to take over a project with 15,000 acres of direct leases and another 60,000 acres of contracted acreage in Colorado, on hold due to the permitting issues and is also evaluating the potential of a 35,000-acre project that is available in Kansas.

The Company will continue to identify additional acreage in Kansas and Colorado where helium rich gas wells have flowed and tested then plugged for lack of a market or access to markets via pipelines. These areas are expected to be comparable to the Syracuse Extension Kansas and the Syracuse Extension Colorado projects, with respect to percentage of helium, gas flow rates, pipeline connection availability and drilling costs, etc.

Stockholm Kansas Project

The Stockholm Field Re-Development Projects consists of 2,560 acres of oil and gas leases within the abandoned Stockholm Field, Wallace County, Kansas. This field was developed with the drilling of six (6) wells; 5 of which successfully tested gas and one dry hole. At Stockholm Field, gas was tested from the Morrow Sandstone at an average rate of 2,282 MCFG/D. Helium content was 1.8%.

Although commercial production rates and helium concentrations were exhibited by Stockholm Field wells, little or no gas was produced because existing wells were drilled prior to the construction of any gas infrastructure. All historic wells have been plugged and abandoned. Today, a six-inch (6") Tumbleweed Midstream Pipeline runs through the field and will enable PHC to monetize any future produced gas.

As the initial re-development well, Plateau has permitted the Josephine Mack 18-1 located within the NE/4 of Section 18, Township 15 South Range 42 West, Wallace County, Kansas. This well will be drilled to 5,300' to test helium rich gas from the Morrow Sandstone. In addition to the Josephine Mack 18-1 well, Plateau has proposed three (3) additional drilling locations within the leased acreage at Stockholm Field.

Moor-Johnson Kansas Project

The Moore-Johnson Field Re-Development Project consists of 3,840 acres of oil and gas leases within the Moore-Johnson Field, Greeley County, Kansas. The field is approximately seven (7) miles long and one and one-half (1.5) miles wide and produces oil and helium rich gas from the Morrow Sandstone.

Historically, wells drilled within the Moore-Johnson Field that tested gas were plugged and abandoned due to low gas prices, lack of monetary compensation for the associated helium content, and lack of infrastructure. Current favorable helium prices provide the economic incentive to pursue these gas reserves even if the capital cost of infrastructure construction is incurred.

Currently, PHC has identified four (4) proposed Moore-Johnson Field locations that offset historic wells that tested high flow rates of helium rich gas. These historic gas wells tested an average 3,698 MCFG/D from the Morrow Sandstone but were plugged and abandoned. Plateau's initial Moore-Johnson Field Re-Development well will be drilled as soon as leasing has been completed.

Ardery Oil Well Project

The Ardery 11-1 well was drilled by Ring Energy, Inc. (Ring) in April of 2014. While drilling, the well encountered significant oil and gas shows in the Morrow Sandstone and the "B" and "C" porous zones within the St. Louis Limestone.

Initially, the well was completed in the St. Louis Limestone and produced a highly emulsified oil. Unable to effectively treat the emulsified St. Louis oil, Ring set a cast iron bridge plug (CIBP) and perforated the Morrow Sandstone. Although oil produced from the Morrow Sandstone was of much higher quality compared to the oil produced from the St. Louis, the rate of produced oil was relatively small. Eventually, Ring drilled out the CIBP and combined the Morrow and St. Louis production. After producing in excess of 6,000 barrels of oil, Ring suspended its operations and shut-in the well.

PHC negotiated terms to earn a 100% working interest ownership (80% NRI) in the Ardery 11-1 wellbore and the surrounding 640 acre of oil and gas leases by attempting to re-work the well and returning it to producing status. After a thorough analysis it was determined that the Ardery 11-1 represents 149,698 barrels of recoverable oil based on a volumetric estimate. PHC began re-working the Ardery 11-1 well in March of 2024. The re-work included the isolation and testing of the St. Louis C zone; the isolation and testing of the St. Louis B zone; and isolation and testing of the Morrow Sandstone. Both the St. Louis C and St. Louis B zones produced moderate to high volumes of total fluid with a 20% to 30% oil cut. The oil was emulsified and will require modification to the existing production facility to economically produce. The Morrow Sandstone produced nearly 100% oil but at a low production rate. Efforts to increase the production rate were ineffective. Currently, PHC is producing the Morrow Sandstone while it studies the method(s) to increase future daily oil production by de-emulsify oil produced from the St. Louis.

Reserves Evaluation

VVC is required, pursuant to National Instrument 51-101 (NI 51-101), to report, on an annual basis, Reserves Data and Other Oil and Gas Information prepared by an independent Qualified Reserves Evaluator (QRE).

In 2022, VVC engaged Sproule Associates Limited ("Sproule") of Calgary, Alberta to prepare the various reports required pursuant to National Instrument 51-101 (NI 51-101). Sproule is a global energy consulting firm, recognized as having natural gas and helium expertise, that provides technical and commercial knowledge to its clients. Sproule worked closely with Foreland Operating, who were managing our gas operations in Kansas, to prepare an independent evaluation of the helium (He) and natural gas resources as at January 31, 2022, as required under NI 51-101. The required reports were filed on SEDAR at the same time as the Year End Financial Statements. The Reserve Committee of the Board of Directors determined that nothing substantially changed as at January 31, 2024 to affect the content of the Reports filed in May 2022.

With six wells connected in the later part of Q4, there was not enough data available as of January 31, 2024, due to limited production during the optimization period. Sproule will need to re-engaged next year to prepare updated reports as of January 31, 2025. If so, these reports will be filed on SEDAR in May along with the Financial Statements.

(B) Other Mineral Properties in Mexico

The Company has 3 mineral properties in Mexico:

- Gloria Cooper Project in Samalayuca area of Mexico;
- Cumeral Project;
- LaTuna Project

Our main project in Mexico is the Gloria Copper Project. No exploration has been carried out in Mexico on any of the other two projects, Cumeral and La Tuna Properties, since 2019. There are no material updates to prior

disclosures related to any of these properties. It is not known when, or if, exploration will take place on these projects. These properties are described below.

1 - Gloria Copper Project

Through its acquisition of Camex in 2013, and through subsequent agreements with vendors in 2020, VVC acquired all the shares of Samalayuca Cobre S.A. de C.V. ("SCSA"), and SCSA is now a wholly owned subsidiary of VVC. VVC was still required to pay one of the vendors of SCSA an aggregate of US\$400,000 over a period of 19 months following the receipt of the first copper sales from the Kaity property. This obligation was settled during the year by the issuance of 10 million warrants.

SCSA is the owner of the "Kaity Property", now called the Gloria Copper Project, which covers stratiform, sediment hosted, copper mineralization over a 5 km long trend, in Permian age, chloritized sandstones, along the Samalayuca Sierra. The Property, comprises one mining concession of 1623 ha in Chihuahua State, approximately 40 km southwest of Juarez MX / El Paso, Texas. It is road accessible via Highway 45 and unpaved roads/trails that extend around the Sierra.

The Samalayuca Sierra has been explored for copper since the early 1950's with small scale, artisanal mining from open pits carried out for a few years in the 1960's over a strike length of at least 4 km. From east to west the main named zones include: Suerte, Zorra, Juliana, the Gloria deposits and Concha.

Geology

The copper mineralisation is characterised as a "Stratiform Copper Deposit" type, as recognized by qualified persons, Michel Gauthier and Jocelyn Pelletier (2012), and Jacques Marchand and Michel Boily (2013). Fine disseminated chalcopyrite-bornite and associated oxide copper minerals, are found in a wide chloritized zone along the Sierra with mineralized zones from 3 to 36 m wide, true thickness, in the old surface pits. The stratigraphy strikes NW and dips variably gently approximately 25 degrees to the NE. Vertical faults generate supergene copper enrichment when they cut the mineralised strata. The old mining works by the artisanal miners (gambusinos) targeted the higher grade, surface, copper zones, exploiting them by shallow (< 20 m deep) open pits and hand cobbing (selecting) the ore for direct shipping to the smelters.

Exploration

Exploration since 2010 consisted of geological and structural mapping of the key Cu-mineralized areas, including the old artisanal pits, where channel samples across the sandstone layers, were used to calculate an Inferred Resource of 4,100,281 t grading 0.47 wt. % Cu and 5.8 g/t Ag (Boily 2013). The stratiform copper mineralization extends over a 5 km strike length based on the shallow, artisanal open pits and VVC's drilling in 2017/18 which totalled 5721 m in 32 holes testing the Gloria, Gloria NW, Gloria Extension, Gloria Extension E, Thor and Zorra copper zones. Highest results included: SC17-022 - 0.51 % Cu / 27 m from 14.5 m downhole – approx. 27 m true width and SC17-023 - 0.36 % Cu / 51 m from 10 m downhole – approx. 36 m true width.

Results, including plans and sections, were summarized in news releases issued on [August 2, 2017](#), and [October 11, 2018](#), and [January 17, 2019](#), and 30, 2019.

NI 43-101 Report - 2013

A [National Instrument \(N.I.\) 43-101 report by Michel Boily](#), PhD, P.Geo, dated April 20, 2013, filed on SEDAR on October 7, 2013, describes the Kaity Property and mineralization as part of a pluri-kilometer-thick sedimentary assemblage deposited in the Chihuahua trough from the Paleozoic through Early Cretaceous eras. The sedimentary trough is a right-lateral pull-apart basin that was deformed during the Late Cretaceous-Early Tertiary Laramide orogeny. The sedimentary formations with the Cu mineralization are cyclic sequences of fine to coarse-grained sandstones (chloritized quartzites/arenites) with subordinate phyllitic and conglomeratic intervals exhibiting low grade regional metamorphism. Copper mineralization occurs as fine-grained primary and supergene copper sulphides, including digenite, chalcocite, covellite, bornite and chalcopyrite with oxidized copper minerals such as malachite and azurite common.

NI 43-101 Report - 2019

A [National Instrument \(NI\) 43-101 Technical Report](#) on the Kaity Property by Jacques Marchand P.Eng. Geology, dated April 21, 2019, filed on SEDAR on May 7, 2019, gives Indicated Resources of 9.6 million tonnes grading 0.282% Cu (59.5 million lbs) and Inferred Resources of 14.398 million tonnes grading 0.281% Cu (89.44 million lbs) using a cut-off grade of 0.15%. The Resource Estimate covers eight zones of the Kaity Property: Gloria, Gloria Extension, Concha, Gloria North, Juliana, Zorra, Trinidad and Suerte, which occur along a 5.5 km long by 0.5 km wide, northwesterly oriented ridge.

The largest zones are: Gloria Ext., - 4.1 million tonnes 0.26% Cu Indicated, 2.5 million tonnes - 0.24% Cu Inferred;

Concha - 3.2 million tonnes - 0.30% Cu, Indicated, 6.2 million tonnes - 0.27% Cu, Inferred, the most favorable areas for the delineation of Measured Resources. Gloria Extension lies near the top of the Sierra and dips shallowly along the northeast slope of the Sierra, an ideal situation for low-cost exploration and possible exploitation. Concha mineralization has good potential for more resources with good continuity demonstrated by drilling at depth.

Metallurgical Testing

In June 2019, metallurgical bench testing of copper mineralized samples from the Gloria Zones were conducted using an on-site lab to evaluate the impact of crushing (ore size), acid flow rates and other leach related parameters, to determine the optimum requirements for the recovery of copper. The leach columns were 6 meters in height, matching the proposed thickness of the heap leach ore pads, to determine the optimum conditions for processing mineralized material from the Gloria Zones. After the ore is leached, copper recovery using electrowinning will be tested and considered for the proposed Gloria Pilot Mining Project. The metallurgical testing was under the supervision of Everardo Morga Monárrez, a Senior Metallurgist from Hermosillo, Mexico.

Metallurgical testing to refine the reactant / water mixture to minimize the use of both, and to minimize costs was also carried out with the objective of decreasing residence time, and increasing recoveries, thereby reducing costs and increasing profitability with preliminary results encouraging. It was found that the optimum procedure is vat leaching using an ore granulometry of -3/8", a time of lixiviation of 30 days followed by a wash of eight days, with industrial grade sulfuric acid concentrations of 3.0% although testing continues to increase recoveries and reduce costs.

Analytical Techniques – Rock and drill core samples were analyzed at the ALS Chemex laboratory in Chihuahua city, MX using their ICP21 and ICP 4-acid (ME-MS61) techniques. Standard QA/QC techniques, such as duplicates and blanks were used as required.

No exploration has been carried out since the Covid pandemic shut down all exploration in Mexico. The Company, while in Covid lockdown, found opportunities in helium and natural gas exploration in the United States in Kansas and Colorado. The Company is re-examining its Pilot mine and processing plan, including its financing, and staffing options. We expect to have a revised mine / processing plan in 2024 at which time the company will examine its options for financing the project and will update shareholders accordingly.

2 - Cumeral Property

Through its subsidiary, VVC Mexico, VVC owns a 100% interest in 685-hectare Cumeral gold mining project consisting of 3 mining concessions, known as the Cumeral Property located in Sonora State, MX. The property was optioned from 2 Mexican individuals subject to a 2 % NSR and all option payments have been completed. In addition, VVC Mexico acquired additional concessions from the Ministry of Mines. Over the years, the size of these concessions was reduced to 1,000 ha, for a current total property size of 1,685 ha. These additional concessions are 100% owned by VVC Mexico and are not subject to the NSR.

The Property is located approximately 140 kilometres south of the City of Tucson, Arizona / Nogales, MX and 200 kilometres north of the City of Hermosillo, MX. A network of gravel roads and paved highways provide excellent year-round access. The Cumeral Property is situated in the under-explored Sierra Madre Occidental along the well mineralized "Sierra La Jojoba" trend, approximately 15 km northeast of the Mina Lluvia de Oro and Mina La Jojoba deposits which host over 26 million tonnes of measured, indicated and inferred resources grading 0.525 to 0.741 g/T gold (over 500,000 ounces of gold). This area of Sonora is host to numerous other gold deposits and mines, including Fresnillo PLC's & Newmont Mining Company's La Herradura Gold Mine which in 2009 produced over 255,000 ounces of gold and has proven and probable reserves of 193 million tonnes grading 0.65 g/T gold (4.1 million ounces). Other deposits in the area include San Francisco (780,000 ounces of gold reserves) and La Colorada (605,000 ounces of measured and indicated gold resources).

Exploration has included geological mapping, prospecting and rock chip sampling over a 120-hectare area in the vicinity of the old pits and shallow shafts (Tularcito area). Regional sampling has given values as high as 12.65 g/T in selected grab samples, and has defined five areas of gold/silver mineralization (Areas A to E) associated with strong alteration (sericite and quartz veining) with associated pyrite and hematite, trending in a northwest-southeast direction. The host units are heavily oxidized quartz sericite to biotite/muscovite schists. The Company also completed 28 air track drill holes totalling 572 metres with 15 holes in Area B and 13 holes in Area C and 1,020 meters in 14 holes in 2013 in Area A (1); Area B (3); Area C (4); Area E (4); Area F (2) for extensions to the east, down dip, on the stratigraphy of the known mineralized structures.

Area B, the main area of artisanal (gambusino) workings, covers an area of 155 by 180 metres. Air track drilling returned values as high as 1.45 g/T gold and 6.74 g/T silver over 14 metres including 4.19 g/T gold over 4 metres.

Other values varied from insignificant to 0.42 g/T gold and 14.56 g/T silver over 10 metres. Eight of the holes returned values of 0.1 to 0.4 g/T gold and 1 to 4 g/T silver over widths varying from 4 to 22 metres. Air track drilling on Area C which covered an area of 115 by 200 metres, also gave significant values including 0.44 g/T gold and 0.48 g/T silver over 10 metres, and 0.21 g/T gold and 0.53 g/T silver over widths varying from 6 to 26 metres. Area A which covers an area of 80 by 300 metres, in the northern part of the Cumeral Property, consists of quartz veins/veinlets carrying minor malachite and azurite. The north copper vein along the contact of a mafic dyke, gave a value of 2.2 g/T gold, 493 g/T silver and 3.73 percent copper from a grab sample. Area D which covers an area of 100 by 270 metres and Area E which covers 140 by 200 metres, located in the southern part of the Cumeral, also show good potential.

In 2011/12, exploration, including geological mapping, rock chip sampling and soil geochemistry was carried out by independent geological consultant Michel Boily, PhD, P. Geo. resulting in a National Instrument 43-101 report on the Cumeral Property prepared and filed on SEDAR on August 27, 2012. Combined results from the 2010-2012 mapping/rock sampling programs show high gold values (i.e 0.5 to >10 g/t) in hematized and pyritized quartz veins/veinlets associated with mylonitized, gently eastward-dipping, low angle (20° to 40°) faults. Geological mapping in the southern segment of the Cumeral Property has defined at least ten gold-mineralized structures generally confined to areas tested by the air track drilling program of 2010. The combined 2010 to 2012 rock assay results for 407 samples taken over an area of 3 km along strike by 1 km wide, gives 8 values from 10 to 40 g/t Au (2 %), 42 from 1 to 10 g/t (10 %), 31 from 0.5 to 1.0 g/t Au (8 %) and 64 from 0.1-0.5 g/t Au (16 %). Using these results, 36 % give gold values varying from a low of 0.1 to a high of 40 g/t with a little less than half in the lowest range. These samples are grab samples representing mineralized quartz veins, altered / mineralized units and altered units. Approximately 25 samples, mainly quartz-hematite-goethite±tourmaline veins, give Ba values > 0.1 %.

A second phase of reverse circulation (RC) drilling using an air track drill was carried out in the early summer of 2013 to test the theory that the gold bearing units dipped to the east. A total of 1,020 m in 14 holes tested five mineralized areas (Area A – one hole (14) – 100m; Area B – 3 holes (3, 10, 11) – 280 m; Area C – 4 holes (1, 2, 4, 5) – 310 m; Area E – 4 holes (6-9) - 220 m; Area F – 2 holes (12, 13) – 100 m) for extensions to the east, down dip, on the stratigraphy of the known mineralized structures. Intersection of the water table in some of the holes made the recovery of the rock unit fragments difficult in these areas. Results were not encouraging for a mineralized system dipping to the east along the stratigraphy and fault systems as the exploration team had hypothesized. No strong gold values over good widths were encountered.

In 2013, one selected grab sample was acquired by the QP from Area F where sampling in 2012 gave significant gold values in narrow quartz veins. The sample gave 6.37 g/T Au, 22 g/T Ag and 518 ppm Pb from a shallow dipping, 3 cm wide quartz vein, carrying euhedral pyrite, cutting sericite schists. Bright white sericite schist, assumed to be a potassic alteration of the original units, was noted in many of the areas drilled in 2013. This is considered to be evidence of strong fluid flow, required for significant gold deposition, although associated gold mineralization may be peripheral to the sericitic (potassic) alteration. Further exploration is required in these areas.

A compilation map showing the soil geochemical anomalies and gold mineralization related to the [June 12, 2012 news release](#).

Based on the geological setting and known deposits in the area, it is believed that the Cumeral Property has the potential to host significant gold / silver deposits in the 500,000 to 1-million-ounce range. The Company had a systematic exploration program planned which includes drilling in all prospective areas on the Cumeral Property, however this plan has been put on hold due to the Pandemic and the limited cash resources available to the Company. No work is planned for the foreseeable future.

3 - La Tuna Property

Through its subsidiary, VVC Mexico, VVC owns a 100% interest in the 3,533 hectare gold project known as the La Tuna Property, located in Municipality of Alamos, Sinaloa and Sonora States, Mexico, at the junction of the Rio Fuerte and Rio Baboyahui rivers. VVC Mexico, a subsidiary of the Company, acquired a 100% interest in the La Tuna Property in consideration of a one-time payment of US\$40,000 plus applicable taxes, the issuance of 300,000 common shares of the Company and a 2% NSR Royalty on mineral production, with a buy-back option.

The Property has gold potential in: vein type deposits such as the "Perdida" and "Plomosa" showings, paleo placers (gold disseminated in bedrock), present day placers derived (eroded) from the paleo placers and possibly low sulphidation epithermal systems. The river placer deposit and the paleo-placer zones are located mainly along the Rio Baboyahui near the river junction extending to the Rio Fuerte, an area of approximately 500 by 500 meters.

2018 Exploration – The property was visited 3 times in 2018. Highlights of the first 2 visits include:

- A grab sample from the "Perdida" adit gave 61.1 g/t Au, 28.6% Fe, and 0.1% Bi.
 - Grab sample values ranged from 0.01 to 61.1 g/t with 13 >0.5 g/t and 7 >2 g/t Au. Au values were noted in sericite/pyrite mineralized zones with variable but significant, silver, lead, zinc, and copper associated.
 - Two chip samples over 1 m each, crosscutting the mineralized sericite/pyrite zone, assayed 2.8 and 4.13 g/t Au.
- Two grab samples from the "Plomosa" adit assayed 20.1 g/t Au, 0.1 % Cu, and 1.7% Pb, and 6.4 g/t Au, and 1.37% Pb.
 - High grade, gold mineralization, as disseminated galena-sphalerite-pyrite, gives chip sample values up to 32.4 g/t Au, 7.9% Pb, and 2.2% Zn over 30 cm with low values at <0.5 g/t over 20 cm. Au mineralization is associated with phyllic alteration with quartz veinlets, over a 3-6 m wide zone with significant to anomalous silver, lead, zinc, and copper.

A third visit to the Property by Jocelyn Pelletier, P.Geo. consultant, and Peter M. Dimmell, P.Geo., a director of the Company, took place in early May, 2018. The Perdida, and Plomosa areas in the northeast of the property and the Buena Vista area on the west side, were visited over a 3-day period. Artisanal workings, consisting of pits and excavated areas along the hillside, were located and sampled mainly in the Plomosa area, with 1 pit identified in the Perdida area. Mineralization consisting of pyrite/hematite, similar to Perdida, which is located approximately 400 m to the east, and quartz veining carrying copper mineralization (chalcopyrite) were noted to the north, down hill from the Plomosa adits and float of narrow (1 cm or less), banded, probable low sulphidation, quartz veining in rhyolite ignimbrite, was noted uphill, to the south of the adits during a 2-line soil survey to the east and west of the Plomosa adits. Grab samples of the mineralization and the 21 soil samples were taken. Highlights of the exploration program (from [news release of August 20, 2018](#)) are as follows:

- 1) The exploration, all in the Perdida (LPE) / Plomosa (LPL) areas, in the eastern part of the La Tuna Property, has defined four parallel to subparallel, mineralized trends, from north to south, LPE, PP1, PP2 and LPL (see [Figures 1 and 2](#) on VVC website) over 400 m along strike and 300 m across strike. LPE and LPL are defined by artisanal adits and pits while the two central ones are defined by artisanal pits and rock samples only. Based on the state of the pits and adits, which are overgrown by vegetation, including Saguaro cactus up to 50 cm across, it is estimated that the artisanal mining/exploration took place 40 to 50 years ago at least and there is no evidence of modern exploration, including drilling, in the area.
- 2) The gold / silver mineralization is associated with base metals and anomalous arsenic with samples with semi massive to massive pyrite / hematite giving the highest values of 61.1 g/t Au and 49.4 g/t Ag at Perdida and >25 g/t Au and 104 g/t Ag and another grading 0.42 g/t Au and 630 g/t Ag at Plomosa (see news release of [February 27, 2018](#) for adit assay info). Pyrite/chalcopyrite in narrow (25 cm) quartz veins in the artisanal pits in the LPL area also give good Au values with a selected grab sample (JP-029) giving 3.1 g/t Au and 158 g/t Ag with 2230 ppm Cu, 9140 ppm Pb and associated As at 1710 ppm from a pit located on Line L2. Mineralization, variable in grade from background (<10 ppb Au) to the higher grade values, is associated with potassic alteration consisting of white micas (sericite), and pervasive pyrite/hematite.
- 3) Soil samples were taken to the east and west of the LPL adits, from the A/B horizon, by digging with a shovel until rock was encountered at approximately 10-25 cm depth with the sample taken above the rock, either talus or outcrop. Results (see Figure 2 on the website) show anomalous areas in Au, Ag and base metals on both lines, associated, but downhill, of the artisanal pits. Values range as follows: Au - background (< 10) to 789 ppb, with 8 > 50 ppb, Ag - background (0.2) to 4.36 ppm with 7 > 2 ppm, Cu - background (< 30) to 466 ppm with 4 > 200 ppm, Pb - background (< 50) to 2910 ppm with 5 > 500 ppm and Zn - background (< 200) to 1940 ppm with 3 > 1000 ppm. Background, determined empirically for all elements, is considered to be higher than usual, possibly indicating weaker mineralization is present through the area. The soil results fit well, although somewhat downhill, of the 2 new mineralized trends and the adit trend defined in the LPL area, mainly to the north of the artisanal adits.
- 4) Narrow (1 cm or less) low sulphidation (LS) style banded quartz veins (L1 LS veins) were noted in rhyolite ignimbrite float cobbles on the upper part of the hill on soil line L1. No outcropping ignimbrite units were noted and no anomalous values in gold or silver were found. Geological maps for the area show rhyolite units in contact with granodiorite further up the hill. Prospecting up hill, to the south of the float location was not carried out due to lack of time and the source remains unexplained.

Plans – The La Tuna Property is 100% owned, subject to the NSR, and has good exploration potential. Due to the Pandemic and other priorities, the Company placed this project on hold, and will re-evaluate if further exploration is warranted, if the project can be sold to an interested third party, or if it should be abandoned.

Analytical Techniques – Rock and soil samples for both Cumeral and La Tuna were sent to the ALS Chemex laboratories in Chihuahua, Zacatecas or Hermosillo, Mexico. All Au analyses were by Fire Assay with a gravimetric finish. All other assays were performed by ICP-AES or AAS methods. Samples with ore grade values (>100 ppm Ag, >10,000 ppm Cu) were re-analyzed by ICP-AES or AAS. Gold values in soil samples (at least 25g) were determined by ICP-MS following digestion in Aqua Regia.

(D) Segmented Expenditures per Property

As of January 31, 2024, the Company has spent the following on its active mineral and natural gas properties:

	Samalayuca	Helium Properties	Other Properties	Total
Opening Balance	\$ 11,961,948	\$ 8,430,289	\$ 4,334,895	\$ 24,727,132
Current Exploration	437,349	1,603,451	123,377	2,164,177
Balance	\$ 12,399,297	\$ 10,033,740	\$ 4,458,272	\$ 26,891,309

(E) Investments

In 2022, the Company acquired a 19% interest in Proton Green LLC ("Proton Green"), a limited liability Company in the State of Wyoming for \$23,480. The Company does not have control over Proton Green. Proton Green's primary purpose is the collection and storage of carbon emissions in an effort to aid in the reduction of US carbon emissions, helium sales and sales of food grade CO2. The Company intends to hold its investment in Proton Green for the long-term. The investment is measured at fair-value and will be remeasured at each reporting date with gains or losses reflected in the other comprehensive income (loss).

On July 17, 2023, the Company sold one seventh (1/7) of its interest in Proton Green for \$6,593,500 (USD\$5,000,000). Prior to the sale, the Company's position was diluted to 13.91%. After the sale, the Company held an 11.91% in Proton Green. The Company recognized a gain on \$6,590,124 on the sale.

On July 28, 2023, Proton Green signed a definitive share exchange agreement with Cyber App Solutions (Ticker: CRYB). Upon closing the transaction, Proton Green will become publicly traded. The Company received 8,097,660 shares of Cyber App Solutions in exchange for its interest in Proton Green. The Company's 8,097,660 shares are carried at \$13,560,543 (2023 - \$23,480) on the consolidated statements of financial position.

SELECTED ANNUAL INFORMATION

Set forth below is a summary of the financial data derived from the Company's consolidated financial statements for the past 3 years:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net loss for the year	\$ (1,947,827)	\$ (5,521,035)	\$ (8,405,207)
Total assets	18,599,114	1,836,987	3,951,392
Mineral and natural gas properties expense	2,164,177	3,031,278	5,369,656
Stock-based compensation	419,703	616,413	1,540,101

SUMMARY OF QUARTERLY RESULTS

Set forth below is a summary of the financial data derived from the Company's consolidated financial statements of the 8 most recently completed quarters:

	<u>Jan 31/24</u> <u>Q4 2024</u>	<u>Oct 31/23</u> <u>Q3 2024</u>	<u>Jul 31/23</u> <u>Q2 2024</u>	<u>Apr 30/23</u> <u>Q1 2024</u>	<u>Jan 31/23</u> <u>Q4 2023</u>	<u>Oct 31/22</u> <u>Q3 2023</u>	<u>Jul 31/22</u> <u>Q2 2023</u>	<u>Apr 30/22</u> <u>Q1 2023</u>
Sales	\$ 28,290	\$ -	\$ -	\$ 2,024	\$ 311	\$ 12,521	\$ 13,552	\$ 10,190
Operating costs less mineral and natural gas property expenses	(1,005,952)	(411,175)	(438,597)	(380,050)	(595,448)	(446,829)	(629,320)	(764,308)
Foreign exchange	-	-	-	-	(66,000)	-	-	-
Other	(178,190)	-	-	-	(91,780)	-	-	67,354
Mineral and natural gas properties expenses	(1,165,015)	(890,910)	(50,360)	(57,892)	(615,182)	(378,808)	(614,602)	(1,422,686)
Net loss before taxes	(2,320,867)	(1,302,085)	(488,957)	(437,942)	(1,368,098)	(813,116)	(1,230,371)	(2,109,450)
Net income (loss) after taxes	279,133	(1,302,085)	(488,957)	(437,942)	(1,368,098)	(813,116)	(1,230,371)	(2,109,450)

RESULTS OF OPERATIONS – THREE MONTHS

The Company had operating costs less mineral and natural gas properties expense (“Operation Costs”) of \$1,005,952 for Q4 2024 as compared to \$595,448 in Q4 2023.

The following discusses the reasons for the \$410,504 increase from Q4 2023 to Q4 2024:

Natural gas revenue was \$28,290 in Q4 2024 compared to \$311 in Q4 2023. The Company connected a new well to the pipeline in Q4 2024. The connected well was not optimized for gas production, however, the gas that was produced generated revenue of \$28,290 during Q4 2024.

Non-cash stock-based compensation increased by \$324,124 from \$79,939 in Q4 2023 to \$404,063 in Q4 2024. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Depreciation increased by \$37,039 from \$3,462 in Q4 2023 to \$40,501 in Q4 2024. The Company purchased and installed over 14 miles of pipeline in Kansas for the purposes of connecting its helium producing wells to the gathering system which will deliver helium to the processing facility. The pipeline is ready for use and is being depreciated. There was no associated depreciation in 2023.

Professional fees decreased by \$87,156 from \$224,715 in Q4 2023 to \$137,559 in Q4 2024. In 2023, the Company increased its portfolio of resource properties, legal and professional fees are incurred to ensure the Company’s rights are protected and appropriately documented.

Investor relations increased by \$60,567 from \$40,799 in Q4 2023 to \$101,366 in Q4 2024. The Company increased its investor relations activity in order to draw attention to its helium property opportunities and its investment in Cyber App Solutions (formerly Proton Green LLC). The increased investor relations contributed to the Company’s ability to raise USD\$5,000,000 of cash from the sale of a small portion of the Company’s equity in Proton Green.

While the Operation Costs in Q4 2024 was \$1,005,985, the Company had a net loss before taxes of \$2,320,867 as compared to net loss before taxes of \$1,368,098 in Q4 2023. Mineral and natural gas properties expense in Q4 2024 was \$1,165,015 compared to \$615,182 in Q4 2023. Mineral property expenses increased in Q4 2024 because the Company obtained financial resources that has allowed it to expedite its mineral property development related to its natural gas properties.

The Company had net income of \$279,133 in Q4 2024. The net income was a result of non-cash income tax recovery of \$2,600,000. The non-cash income tax recovery resulted from the sale and associated increase in the fair value of the Company’s investment in Proton Green LLC. (Renamed to Cyber App Solutions).

RESULTS OF OPERATIONS – TWELVE MONTHS

The Company had operating costs less mineral and natural gas properties expense (“Operation Costs”) of \$2,235,774 for the twelve months ended January 31, 2024 (“2024”) as compared to \$2,435,905 for the twelve months ended January 31, 2023 (“2023”).

The following discusses the reasons for the \$200,131 decrease in 2024 from 2023:

Non-cash stock-based compensation decreased by \$196,710 from \$616,413 in 2023 to \$419,703 in 2024. The change in stock-based compensation from 2023 to 2024 is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Professional fees decreased by \$266,970 from \$498,351 in 2023 to \$231,381 in 2024. In 2023, the Company increased its portfolio of resource properties, legal and professional fees are incurred to ensure the Company’s rights are protected and appropriately documented.

Interest and accretion expense increased by \$87,366 from \$124,741 in 2023 to \$212,107 in 2024. The Company received a short-term loan of US\$1,500,000 from the Chairman of the Board in the past fiscal year. While the Company settled its remaining convertible debentures and eliminated the related interest costs, it incurred new interest costs related to the higher debt obligation.

Depreciation increased by \$92,400 from \$11,737 in 2023 to \$104,137 in 2024. The Company purchased and installed over 14 miles of pipeline in Kansas for the purposes of connecting its helium producing wells to the gathering system which will deliver helium to the processing facility. The pipeline is ready for use and is being depreciated. There was no associated depreciation in 2023.

While the Operation Costs in 2024 was \$2,235,774, the Company had a net loss before taxes of \$4,547,827 compared to net loss before taxes of \$5,521,035 in 2023. Mineral and natural gas properties expense in 2024 was \$2,164,177 compared to \$3,031,278 in 2023. Due to a lack of resources, the Company kept its activity to the minimum amount required to maintain its mineral and natural gas properties. The Company obtained financial resources at the end of Q2 2023 and subsequently increased its mineral property activities. The cumulative activity was, however lower in 2023.

The Company had a net loss of \$1,947,827 in 2024 compared to a net loss of \$5,521,035. The net loss was a result of non-cash income tax recovery of \$2,600,000. The non-cash income tax recovery resulted from the sale and associated increase in the fair value of the Company's investment in Proton Green LLC. (Renamed to Cyber App Solutions).

MATERIAL EVENTS OVER THE EIGHT MOST RECENT QUARTERS

Material differences between Q3 2024 and Q4 2024 were in the following areas:

Non-cash stock-based compensation increased by \$404,063 from nil in Q3 2024 to \$404,063 in Q4 2024. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Professional fees increased by \$116,974 from \$20,585 in Q3 2024 to \$137,559 in Q4 2024. Professional fees in Q4 2024 includes the accrual of audit fees.

While the Operation Costs in Q4 2024 was \$1,005,985, the Company had a net loss before taxes of \$2,320,867 as compared to net loss before taxes of \$1,302,085 in Q3 2024. Mineral and natural gas properties expense in Q4 2024 was \$1,165,015 compared to \$890,910 in Q3 2024. Mineral property expenses increased in Q4 2024 because the Company obtained financial resources that has allowed it to expedite its mineral property development related to its natural gas properties.

The Company had net income of \$279,133 in Q4 2024. The net income was a result of non-cash income tax recovery of \$2,600,000. The non-cash income tax recovery resulted from the sale and associated increase in the fair value of the Company's investment in Proton Green LLC. (Renamed to Cyber App Solutions).

Material differences between Q2 2024 and Q3 2024 were in the following areas:

Professional fees decreased by \$30,652 from \$51,237 in Q2 2024 to \$20,585 in Q3 2024. During Q2 2024, the Company recognized audit related costs that were finalized post the preparation of its year financial statements in both Canada and the US.

Material differences between Q1 2024 and Q2 2024 were in the following areas:

Professional fees increased by \$29,237 from \$22,000 in Q1 2024 to \$51,237 in Q2 2024. During Q2 2024, the Company recognized audit related costs that were finalized post the preparation of its year financial statements in both Canada and the US.

Stock-based compensation decreased by \$15,640 from \$15,640 in Q1 2024 to nil in Q2 2024. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Investor relations increased by \$41,448 from \$20,490 in Q1 2024 to \$61,938 in Q2 2024. The Company increased its investor relations program in Q2 2024 as it looked to capitalize on the progress of Proton Green. The increased investor relations contributed to the Company's ability to raise USD\$5,000,000 of cash from the sale of a small portion of the Company's equity in Proton Green.

Material differences between Q4 2023 and Q1 2024 were in the following areas:

Professional fees decreased by \$202,715 from \$224,715 in Q4 2023 to \$22,000 in Q1 2024. During Q4 2023, the Company recognized most of the fees related to the year end audit.

Stock-based compensation decreased by \$64,299 from \$79,939 in Q4 2023 to \$15,640 in Q1 2024. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Travel and promotion decreased by \$28,765 from \$37,082 in Q4 2023 to \$8,317 in Q1 2024. Management of the Company did not travel extensively in Q1 2024. More travel occurred in Q4 2023 due to business opportunities that were being explored in different locations in the US.

Net loss in Q4 2023 was \$1,368,098 compared to \$437,942 in Q1 2024. Mineral property expenses decreased by \$557,290 from \$615,182 in Q4 2023 to \$57,892 in Q1 2024. Due to a lack of resources, the Company kept its activity to the minimum amount required to maintain its mineral and natural gas properties. Additionally, in Q4 2023, the Company had other non-cash losses of \$157,780 related to unrealized foreign exchange losses and fair value adjustments on its convertible debentures prior to their maturity and eventual conversion. The Company did not have comparable losses in Q1 2024.

Material differences between Q3 2023 and Q4 2023 were in the following areas:

Professional fees increased by \$207,134 from \$17,581 in Q3 2023 to \$224,715 in Q4 2023. During Q4 2023, the Company recognized the fees related to the year end audit. Additionally, the expense in Q3 2023 was unusually low because the Company did not expand its portfolio of natural gas properties, therefore it did not incur significant professional fees.

Net loss in Q4 2023 was \$1,368,098 compared to \$813,116 in Q3 2023. Mineral property expenses increased by \$236,374 from Q3 2023 to Q4 2023. The Company has an obligation to drill a number of wells to satisfy its obligation to limited partnership investors who purchased royalty interests in 30 wells. The Company committed substantial effort to both drill and connect wells to the pipeline in order to generate cash flow. The exploration costs increased in Q4 2023 due to funds borrowed from the Chairman of the board. Additionally, the Company had other non-cash losses of \$157,780 related to unrealized foreign exchange losses and fair value adjustments on its convertible debentures prior to their maturity and eventual conversion.

Material differences between Q2 2023 and Q3 2023 were in the following areas:

During Q3 2023, the Company reported net helium sales of \$12,521 compared to \$13,552 in Q2 2023. All sales of helium were from formerly producing wells that were restored and reconnected to the pipeline in order to generate helium and take advantage of the current rates per mcf for helium.

Professional fees decreased by \$161,265 from \$178,846 in Q2 2023 to \$17,581 in Q3 2023. During Q3 2023, the Company did not expand its portfolio of natural gas properties, therefore it did not incur significant professional fees. In Q2 2023, the Company increased its portfolio of resource properties, legal and professional fees are incurred to ensure the Company's rights are protected and appropriately documented.

Stock-based compensation decreased by \$62,783 from \$166,247 in Q2 2023 to \$103,464 in Q3 2023. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Net loss in Q3 2023 was \$813,116 compared to \$1,230,369 in Q2 2023. The biggest driver for the decrease of \$417,255 from Q2 2023 to Q3 2023 was the exploration costs which decreased by \$235,794 from \$614,602 to \$378,808. The Company has an obligation to drill a number of wells to satisfy its obligation to limited partnership investors who purchased royalty interests in 30 wells. The Company committed substantial effort to both drill and connect wells to the pipeline in order to generate cash flow. The exploration costs were reduced in Q3 2023 due to limited funds.

Material differences between Q1 2023 and Q2 2023 were in the following areas:

During Q2 2023, the Company reported net helium sales of \$13,552 compared to \$10,190 in Q1 2023. All sales of helium were from formerly producing wells that were restored and reconnected to the pipeline in order to generate helium and take advantage of the current rates per mcf for helium.

Professional fees increased by \$101,637 from \$77,209 in Q1 2023 to \$178,846 in Q2 2023. The Company increased its portfolio of resource properties, legal and professional fees are incurred to ensure the Company's rights are protected and appropriately documented.

Stock-based compensation decreased by \$100,516 from \$266,763 in Q1 2023 to \$166,247 in Q2 2023. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Net loss in Q2 2023 was \$1,230,371 compared to \$2,109,450 in Q1 2023. The biggest driver for the decrease of \$879,079 from Q1 2022 to Q2 2023 was the exploration costs which decreased by \$808,084 from \$1,422,686 to \$614,602. The Company has an obligation to drill a number of wells to satisfy its obligation to limited partnership investors who purchased royalty interests in 30 wells. The Company committed substantial effort to both drill and connect wells to the pipeline in order to generate cash flow. The exploration costs was reduced in Q2 2023 due to limited funds.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2024, the Company had a working capital deficit of \$5,594,652 compared to working capital deficit of \$8,414,645 at January 31, 2023. The working capital deficit includes non-cash obligations of \$5,175,688 (2023 - \$4,922,656) related to the Company's commitment to drill 30 wells. As the Company drills these wells, the related obligation will be used to off-set drilling costs. In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. The working capital is not considered sufficient to settle the Companies current liabilities and pay for its operating activities over the next 12 months.

At January 31, 2024, the Company had current assets of \$3,354,883 (January 31, 2023 - \$72,825) compared to current liabilities of \$8,949,535 (January 31, 2023 - \$8,487,470).

The Company does, however, have access to equity investments carried at \$13,560,543. The Company may sell some of this equity interest to raise capital in order to fund its operations.

To manage its operating needs, the Company raised US\$1,500,000 (CA\$2,085,000) through a short-term loan facility provided by the Chairman of the Company's Board of Directors. The loan was due on November 30, 2022 and bears interest at an annual rate based on the Secured Overnight Financing Rate plus 2.75%. The loan is secured by a 1% interest in the Company's interest in Proton Green. The maturity date of the loan was extended to May 2024.

The Company also received a short-term demand loan of US\$50,000 (CA\$67,500) from Plateau Oil and Gas Co. Limited, a Company in Kansas controlled by an officer of PHC. This short-term loan is due on demand. There are no other repayment terms.

During 2024, the Company received a short-term demand loan of US\$50,000 (CA\$66,985) from the Chairman of the Company's Board of Directors. This short-term loan is due on demand. There are no other repayment terms.

On July 17, 2023, the Company sold one seventh (1/7) of its interest in Proton Green for \$6,593,500 (USD\$5,000,000). Prior to the sale, the Company's position was diluted to 13.91%. After the sale, the Company continues to hold an 11.91% in Proton Green. The Company recognized a gain on \$6,590,124 on the sale. The Company's 11.91% interest in Proton Green is carried at \$13,560,543 (2023 - \$23,480) on the consolidated statements of financial position.

OFF-STATEMENTS OF FINANCIAL POSITION ARRANGEMENTS

There are no off-statement of financial position arrangements.

RELATED PARTY TRANSACTIONS

Compensation to key management personnel were as follows:

January 31,	2024	2023
Compensation	\$ 497,475	\$ 518,003
Share-based payments ⁽¹⁾	289,963	454,256
Total	\$ 787,438	\$ 972,259

Included in accounts payable and accrued liabilities is \$227,981 (January 31, 2023 - \$187,114) payable to key management personnel.

During the year, the Company paid or accrued \$18,000 (2023 - \$18,000) in fees to a firm controlled by a director for legal services.

In 2022, the Company raised US\$1,500,000 (CA\$2,085,000) through a short-term loan facility provided by the Chairman of the Company's Board of Directors. The loan was due on November 30, 2022 and bears interest at an annual rate based on the Secured Overnight Financing Rate plus 2.75%. The loan is secured by a 1% interest in the Company's interest in Proton Green. The maturity date of the loan was extended to May 2024.

In 2022, the Company received a short-term demand loan of US\$50,000 (CA\$69,500) from Plateau Oil and Gas Co. Limited, a Company in Kansas controlled by an officer of PHC. This short-term loan is due on demand. There are no other repayment terms.

During 2024, the Company received a short-term demand loan of US\$50,000 (CA\$66,985) from the Chairman of the Company's Board of Directors. This short-term loan is due on demand. There are no other repayment term

Directors are also focused on ensuring that sufficient cash is available to manage the projects. They are not paid for their services.

OUTSTANDING SHARE DATA

a) Outstanding Common Shares

	Number of shares
Balance, January 31, 2024	572,681,815
Balance, May 30, 2024	572,681,815

b) Warrants and Stock Options

There were 104,975,300 warrants outstanding and exercisable at various prices ranging from \$0.06 to \$0.10 at January 31, 2024 and May 30, 2024.

There were 81,700,000 stock options outstanding at a weighted average price of \$0.07 as at January 31, 2024 and May 30, 2024.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are as follows:

	January 31, 2024	January 31, 2023	Fair value Hierarchy
Fair value through profit or loss (FVTPL):			
Loans and receivable, measured at amortized cost:			
Investment	\$ 13,560,543	\$ 23,480	Level 2
Cash	\$ 3,263,929	\$ 49,882	
Other liabilities, measured at amortized cost:			
Accounts payable and accrued liabilities	\$ 1,643,033	\$ 1,500,985	
Loan payable	\$ 2,130,814	\$ 2,063,829	
Payable on asset purchase	\$ -	\$ 284,875	

Interest Rate and Credit Risk

It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from its financial instruments given their short-term nature.

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company is exposed to the variability of copper 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. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk

The Company has no income and relies on equity financing or the sale of its investments to support its exploration programs. Management prepares budgets and ensures funds are available prior to commencement of any such program. As at January 31, 2024, the Company has sufficient capital to fund its operations over the next twelve months. The Company had a cash balance of \$3,263,929 (January 31, 2023 - \$49,882) and investments of \$13,560,543 (January 31, 2023 - \$23,480) to settle current liabilities of \$8,949,535 (January 31, 2023 - \$8,487,470) of which \$5,175,688 is non-cash (January 31, 2023 - \$4,922,656).

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices. The Company is exposed to market risk on its investment with Cyber Apps Solutions.

Currency Risk

The Company engages in significant transactions and activities in currencies other than its reported currency. The Company's exploration activities are primarily in Mexico and the United States of America; accordingly, the resulting assets and liabilities are exposed to foreign exchange fluctuations.

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, deposits and other receivables and accounts payable and accrued liabilities that are denominated in US Dollars and Mexican Pesos. Sensitivity of closing balances to a plus or minus 10% change in foreign exchange rates, with all other variables held constant, would affect net loss by approximately \$26,000 (January 31, 2023 - \$330,000).

BUSINESS RISKS

The Company's business of exploring for mineral and natural gas resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry, and the same applies to the oil and industry for the drilling of gas wells. For mining sector, these factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. For the gas sector, these factors include inherent risks involved in reopening old wells, drilling new wells and putting them into production. In addition, to those risks there also risks related to the supply chain, subcontractor availability, the geological environment, gas price fluctuation risks, and sale contracts, etc. Because of the existence of previously drilled wells on both Syracuse Extension Projects, the exploration risk is much less than the normal risk for gas projects in areas not-previously drilled. Also, because helium sale prices can be contracted for up to 10 years, helium price fluctuations risks can be mitigated substantially.

The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative.

The recoverability of financial amounts shown as mining interests and equipment or as oil and gas interests, are dependent upon a number of factors including environmental risks, legal and political risks, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying assets, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

There can be no assurance that any funding required by the Company will become available to it, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or natural gas properties or projects, or that they can be secured on competitive terms.

INVESTMENT IN SAMALAYUCA COBRE S.A. DE C.V. (SCSA)

Prior to 2021, the Company had invested the majority of its cash inflows in SCSA and much of its focus had been directed to the Gloria project. To-date, this investment has not produced any returns and it is still uncertain when SCSA will be able to generate cash flows such that the Company may recover its investment. We cannot be assured that we will be able to extract copper from the identifiable reserves at rates that are commercially feasible. Further, the price of copper is dictated by factors beyond the control of the Company and these prices will determine the ultimate viability of the Company's investment in SCSA.

OUTLOOK

In January 2021, the Company acquired PHC which has Helium Projects in the western US. PHC completed limited partnership financing in both fiscal 2021 and 2022, to cover the costs of reworking existing wells and/or drilling an additional 30 wells. This schedule was readjusted due to delays in obtaining the necessary permits during the Pandemic, unexpected technical difficulties with reworking the existing wells, drilling the new wells, building a gathering system to connect the wells to the Tumbleweed Pipeline and acquiring the necessary capital. Two wells on the Syracuse Project are now connected to the Tumbleweed Pipeline, with six previously drilled wells, in varying phases of completion, and expected to be connected to the Tumbleweed Pipeline via the gathering system in early 2024. The Company is also planning first test well in the Stockholm project in 2024.

Prior to the Covid Pandemic, the Company's primary focus was on preparation for Pilot Mining and Processing on the Gloria Copper Project located on the Kaity Property in Chihuahua State, Mexico. Developing the Gloria Project is dependent upon the Company's ability to raise significant funding through (i) a private placement financing; (ii) a Debt Financing that had been contemplated in March 2020, (iii) cash flow from PHC, and/or other sources. Due to the Pandemic, the potential investors for the Gloria Project backed away in March-April 2020. With limited access to the Gloria Project over the last 2 years, the Company's technical team in Mexico has worked on optimizing the pilot mining plan and recovery methodology, to speed up and maximize the potential copper recovery, with the objective of creating significant cash flows sooner to enhance the economics of the Project. When the optimizing has been finalized, we will have a better feel for the timing of the reopening and we will also be re-examining our financing options for the development of the Project.

The Cumeral Property in Sonora and the La Tuna Property in Sinaloa / Sonora MX, projects are in good standing and are located in areas of Mexico where there is active exploration and opportunities for good projects are limited. With our main focus in Mexico the Gloria Copper Project, the Company is exploring other alternatives for Cumeral and La Tuna that could include joint venture opportunities with companies looking to acquire projects in Mexico.

For more information about these projects, refer to the Business Overview section from page 1 to 11.



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