



# **Lion Copper and Gold Corp.**

## **Management's Discussion and Analysis**

**For the three and nine months ended September 30, 2024**

Dated: November 14, 2024

(In U.S. dollars)

This Management's Discussion and Analysis ("**MD&A**") of Lion Copper and Gold Corp. and its subsidiaries (collectively, "**Lion CG**" or the "**Company**"), dated **November 14, 2024**, should be read in conjunction with the condensed interim consolidated financial statements for the three and nine months ended September 30, 2024 and audited consolidated financial statements for the year ended December 31, 2023, and related notes thereto which have been prepared in accordance with accounting principles generally accepted in the United States ("**U.S. GAAP**"). All dollar amounts in this MD&A are United States dollars unless otherwise noted.

Additional information about Lion CG, including the Company's press releases, quarterly and annual reports is available through the Company's filings with the securities regulatory authorities in Canada at [www.sedarplus.com](http://www.sedarplus.com) or the United States Securities Exchange Commission ("**SEC**") at [www.sec.gov/edgar](http://www.sec.gov/edgar). Information about mineral resources, as well as risks associated with investing in the Company's securities is contained in the Company's most recently filed 10-K.

Steven Dischler, CEO of the Company, is a Qualified Person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**"), and has approved the scientific and technical information in this MD&A.

## ABOUT LION CG

Lion Copper and Gold Corp., formerly Quaterra Resources Inc., is a Canadian-based Company advancing its 100% owned flagship copper projects at Yerington, Nevada through an option to earn-in agreement with Nuton LLC, a Rio Tinto Venture. The Company also looks for opportunities to acquire projects on reasonable terms that have the potential to host large mineral deposits attractive to major mining companies.

The Company is incorporated in British Columbia, Canada on May 11, 1993. Its registered and records offices are located at 1200 - 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8.

On November 22, 2021, the Company changed its name and began trading on the TSX Venture Exchange ("**TSXV**") under the new symbol "LEO" and on the OTCQB Market under the symbol "LCGMF". On September 19, 2024, the Company's common shares were voluntarily delisted on the TSXV and were subsequently listed on the Canadian Securities Exchange ("**CSE**") under the same symbol "LEO".

During the year ended December 31, 2022, the Company transitioned into the SEC reporting system because more than 50% of its outstanding voting common shares are held directly or indirectly by residents of the United States, and the majority of its directors are U.S. citizens. Consequently, the Company must adhere to the SEC's reporting and disclosure requirements.

On March 18, 2022, the Company entered an option to earn-in agreement (the "**Rio Agreement**") with Rio Tinto America Inc. ("**Rio Tinto**"), to advance studies and exploration at the Company's copper projects in Mason Valley, Nevada. The Agreement defines three stages of investment by Nuton. Following the completion of Stage 2, Rio Tinto has the exclusive option to earn an initial 65% interest in the projects comprising Yerington, MacArthur, Wassuk, Bear and associated water rights (the "**Mining Assets**") by making staged investments in the Mining Assets at Yerington.

Rio Tinto is evaluating the potential commercial deployment of its Nuton™ technologies at the site. Nuton™ offers copper heap leaching technologies developed by Rio Tinto to deliver greater copper recovery from mined ore and access new sources of copper, such as low-grade sulfide resources and reprocessing of stockpiles and mineralized waste. These technologies have the potential to deliver leading environmental performance through more efficient water usage, lower carbon emission, and the ability to reclaim mine sites by reprocessing waste.

The Agreement was subsequently assigned to Nuton LLC, a Rio Tinto venture. The Rio Agreement was amended in October 2023 with Stage 2 being modified into Stage 2a and Stage 2b. The Company completed Stage 1 on December 22, 2022, Stage 2a on January 12, 2024, and is currently progressing in Stage 2b.

Should the Parties agree that Stage 2c is necessary, the Parties will memorialize the scope of work in a letter agreement. Subject to internal approvals, Nuton will advance another \$5,000 of Stage 3 within 30 days of the execution of the Stage 2c Program of Work Agreement.

As of September 30, 2024, the Company has received \$23 million cumulative funding from Rio Tinto, of which \$9,000 was for Stages 1 and 2, and \$14,000 was advanced funding of Stage 3. As of September 30, 2024, the Company has, incurred \$19.011 million expenditures, including \$14.074 million in exploration, \$4.335 million in general operating and \$0.602 million in capital items under the Rio Agreement.

## SELECTED FINANCIAL INFORMATION

(In thousands)	September 30, 2024		December 31, 2023	
<b>Financial Position:</b>				
Cash and cash equivalents	\$	5,487	\$	2,310
Working capital deficit	\$	(416)	\$	(2,854)
Investments	\$	789	\$	1,206
Mineral properties	\$	7,857	\$	7,647
Total assets	\$	14,332	\$	11,258
Total long-term liabilities	\$	8	\$	-

## SUMMARY OF QUARTERLY RESULTS

(In thousands except for per share amount)	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23	Q1'23	Q4'22
General administration	(1,502)	(1,358)	(1,821)	(1,161)	(2,148)	(723)	(877)	(515)
Fair value (loss) gain on derivative liabilities	439	(427)	680	(131)	6	1,421	(940)	377
Foreign exchange gain (loss)	(4)	(7)	(1)	(2)	-	-	-	(11)
Other Income	95	152	86	16	32	51	12	-
Loss on settlement of convertible notes	-	-	(1,695)	-	-	-	-	-
Gain on transfer of shares	-	-	-	-	-	-	22	19
Gain on settlement of debt	-	-	-	-	-	-	-	-
Accretion	(31)	(29)	(111)	(136)	(129)	(121)	(74)	(57)
Loss on revaluation of SAFE notes	-	-	-	-	-	-	(305)	(364)
NSR buy-down	-	-	-	-	-	-	-	-
Share of loss of investment in associate	(105)	(218)	(94)	(287)	3	22	(26)	(316)
Exploration Expenditures	(1,591)	(2,389)	(2,660)	(1,597)	(1,344)	(2,159)	(1,250)	(1,370)
Rio Tinto Deposit	2,336	3,102	3,218	1,682	1,262	2,250	1,322	1,104
Impairment of mineral properties	-	-	-	-	-	(602)	-	-
Loss on Extinguishment	-	-	(55)	-	-	-	-	-
<b>Net income (loss)</b>	<b>(363)</b>	<b>(1,174)</b>	<b>(2,453)</b>	<b>(1,616)</b>	<b>(2,318)</b>	<b>139</b>	<b>(2,116)</b>	<b>(1,133)</b>
<b>Basic income (loss) per share</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>0.00</b>	<b>(0.01)</b>	<b>(0.00)</b>

The Company's results have been driven by its general corporate and exploration activities. Other income and expenses fluctuate due to changes in the fair value of the Company's convertible notes and investment in associate.

The Company's results are also impacted, from time to time, by other non-recurring events arising from its ongoing activities, as discussed below, where applicable

## RESULTS OF OPERATIONS

### Preliminary Economic Assessment (“PEA”)

On January 30, 2024, the Company announced the results of a PEA on its Yerington Copper Project. The PEA envisions an open pit mining strategy followed by a heap leach operation, enhanced by the application of Rio Tinto’s Nuton™ technologies to process primary sulfide copper materials. Highlights of the PEA results include:

- Post-tax NPV7% of \$356 million and IRR of 17.4%, calculated at a copper price of \$3.85/lb.
- 12-year open pit mine life encompassing operations at Yerington and MacArthur, with projected lifetime copper (Cu) production of 1.4 billion pounds, averaging 117 million pounds per year
- Initial capital expenditure of \$413 million including all mine pre-production costs, with sustaining capital of \$653 million
- Post-tax payback period of 5.0 years
- Average cash operating costs of \$2.20/lb. copper payable
- Cumulative cashflow of \$1.00 billion post-tax and \$1.24 billion pre-tax on base case assumptions

### Rio Agreement

On March 12, 2024, the Company announced the commencement of the Stage 2b and Stage 3 Programs of Work to advance the flagship Yerington Copper Project through completion of a Pre-Feasibility Study (“PFS”) and progress permitting and exploration initiatives on the Bear Deposit.

### PFS Work Programs

During the quarter ending September 30, 2024, PFS progressive work included drilling and resource updates, environmental and geotechnical studies, metallurgical testing and engineering.

Eighteen drill holes were completed at MacArthur.

Four core drill holes were drilled at Yerington. The recently completed drilling, together with the discovery of an additional 17 historic Anaconda holes that were not included in the January 2024 Preliminary Economic Assessment (“PEA”), are now being incorporated into an updated mineral resource as a key input into the PFS. One of the core holes has been converted into a water level measuring well.

Eighteen reverse circulation drill holes were completed at MacArthur and a well was installed in one of the holes.

The objective of the 2024 drilling programs at MacArthur and Yerington was to convert as much of the inferred resource to the indicated resource classification so that it can be included in the prefeasibility study (“PFS”).

The Vat Leached Tailings (“VLT”) resource model was re-evaluated by incorporating highwall and backhoe sampling that was completed in 2011 and 2012. A detailed statistical evaluation of this information has allowed for increased search distances, influencing the assigned mineral resource classes. The updated resource will be used in the PFS.

Yerington core drilling provided material for geomechanical testing, oriented core measurement and geotechnical logging to assess pit slope design. A pit slope stability evaluation, including geotechnical pit bench mapping was initiated during Q2. Additional drill core samples were selected and delivered for metallurgical column leach test work. Drill core samples were submitted for laboratory testing to characterize the geochemistry of the planned mined materials. Laboratory results have been received and are currently in review and an analysis will be provided in the PFS.

Nine geotechnical test pits were completed, and samples from the test pits have been submitted for laboratory testing. Geotechnical drilling at Yerington and MacArthur to support the PFS are in the planning stages. The timing and scope of additional drilling is dependent on receipt of permits from NDEP, as discussed in the next section. This geotechnical field and test work will progress the optimization and siting of project infrastructure for the PFS.

Metallurgical column leach testing is currently underway for MacArthur and Yerington material. Four columns representing the main MacArthur pit area and the North Ridge area started September 9, 2024. Five columns representing the oxide and transition portion of the Yerington pit started on September 30, 2024. Material from the Gallagher portion of the MacArthur deposit and the VLT have also been submitted to the laboratory for metallurgical testing. Column leach testing and hydrodynamic leach characterization of sulfides is also ongoing by Nuton™.

Two rotosonic drill holes were completed for a combined footage of 358 feet. A third drill hole is in progress. These drill holes were completed north of MacArthur for evaluating a potential Rapid Infiltration Basin (RIB) location for Yerington pit dewatering. One additional drill hole was completed in Q3 and material from drilling will be submitted for column testing and geochemical evaluation.

### **Bear Drilling**

The Bear deposit is a large and partially defined porphyry copper exploration target located primarily on private lands approximately three miles north of the Yerington pit. Two diamond core holes, B-055 and B-056A, were drilled to depths of 3,435 feet and 3,613 feet, respectively, to further define the target. Drilling was completed in Q2, and assays were also received in Q2. B-055 was drilled on the far western extent of the deposit and directed to intersect a +55 Induced Polarization (IP) anomaly. Weak copper mineralization was encountered within a 2,330-foot intercept of sulfide mineralization, starting at 1,105 feet. B-056A was drilled to test a wide spaced drilling gap along the district northwest mineralization trend. This drill hole identified 0.40% TCu over 2,376 feet from a depth of 1,237 feet, including 130 ft of 0.65% TCu and 138 Ft of 0.62% TCu. The final two intervals encountered 1.150% TCu and 0.904% TCu, respectively, below which the borehole was lost. Oriented core measurements from this hole confirmed the northwest trend with a 40-50° north to northeast dip.

### **Permitting and Environmental**

During the quarter ending September 30, 2024, the following material permit related activities occurred:

- On August 12, 2024, SPS received approval from the Nevada Division of Environmental Protection (NDEP) for an amendment to Reclamation Permit Number 0294 to allow for geotechnical drilling and monitoring well installation within the MacArthur Exploration project area.
- On August 22, 2024, SPS received a decision notice from the Bureau of Land Management (BLM) authorizing exploration work on public lands located north and east the MacArthur Exploration project area. The authorized work supports completion of the PFS.
- On September 17, 2024, SPS received a decision notice from the BLM authorizing the same work approved by NDEP in the August 12 permit approval. The work authorized by both agencies supports completion of the PFS.

All permits either applied for or received during the period are aligned to the Stage 2B work plan requirements. For those permits that SPS has applied for but has not yet received, the Company continues to work cooperatively and proactively with NDEP to facilitate permit issuance in a timely manner. SPS expects to receive the remaining permits from NDEP in the fourth quarter of 2024.

On July 15, 2024, SPS applied for a permit to appropriate water contained within the Yerington Pit Lake for storage purposes only. The permit application did not seek appropriate additional water for consumptive use. While the water storage permit is not a prerequisite for future dewatering of Yerington Pit Lake, it would have streamlined anticipated future administrative changes to other existing water rights. On August 5, 2024, SPS received correspondence from the State of Nevada that the application for water storage was denied based on similar applications for water storage that were also denied by the State in 2011 for an applicant other than SPS. SPS disputes this rationale as SPS provided information clearly showing how its application materially differed from those denied by the State in 2011. SPS filed a timely appeal of the denial with the District Court.

## **Water Rights**

On July 23, 2021, the Company received notice from the State of Nevada that three water rights permits had been forfeited. Further, the application for an extension of time to prevent forfeiture of a fourth certificate was denied. On August 20, 2021, the Company filed a Petition for Judicial Review of the Forfeiture Notice and has retained legal counsel to undertake the appeal process. SPS subsequently filed and was granted a Stay of the Forfeiture Notice on September 15, 2021. SPS filed its Opening Brief on March 28, 2022. The State Engineer filed its Answering Brief on July 8, 2022. SPS filed its Reply Brief on August 25, 2022. A hearing regarding the status of the forfeiture appeal was held in the Third Judicial Court District in Lyon County on November 4, 2022. On December 6, 2022, the Judge remanded the case back to the State for further written findings based on issues raised at the hearing.

On August 30, 2023, SPS received written notice from the Nevada State Engineer in response to the Remand Order that the three water rights applications for Extensions of Time were denied and declared forfeited. The fourth certificate was not forfeited although the Extension of Time has not yet been approved.

On September 28, 2023, SPS simultaneously timely filed an Amended Petition for Review and a Complaint for Equitable Relief with the Third Judicial District Court in Lyon County, Nevada seeking judicial relief from the August 30 Forfeiture Notice. On October 10, 2023, the Judge signed an order granting a Stipulated Stay of August 30, 2023 Forfeiture Notice while the appeal process is ongoing.

The US firms representing SPS completed the briefing on the Amended Petition for Judicial Review and filed the opening brief on the Complaint for Equitable Relief. The hearing on both matters is tentatively scheduled to occur in the first quarter of 2025. The firms interviewed the likely witnesses in the matter and developed the Declarations in Support of the Equitable Relief briefing. The State of Nevada timely filed its responsive brief. SPS timely filed its reply brief on November 1, 2024. Further review of witness testimony is ongoing, and decisions are being contemplated regarding the necessity of expert testimony. The hearing is tentatively scheduled for Q1 2025 in Lyon County Circuit Court. Simultaneously with diligently defending against the forfeiture, SPS seeks non-judicial resolutions with the State Engineer.

Just as SPS did with the initial forfeiture decision that was remanded by the Court, SPS continues to diligently defend against the wrongful forfeiture of its water rights with clear evidence of the need for those water rights in mine remediation, production and reclamation.

## **FALCON COPPER CORP.**

### **Blue Copper Project, Montana**

The Blue Copper project is a Butte-style copper-gold system in Powell County and Lewis & Clark County in Montana, located 45 miles north of the world-famous Butte, Montana copper mines. District-scale land consolidation almost completely encompasses a prolific placer gold system with extensive copper showings.

### **Schell Creek Project, Nevada**

The Schell Creek Project is composed of the Cabin and Muncy Properties in White Pine County, Nevada, which represent two immediately adjacent copper targets composed of approximately 15,000 acres of mineral claims.

The Cabin Property represents a potential major copper-moly porphyry discovery concealed beneath the Spring Valley pediment within a district-scale BLM land package, located immediately north of the Muncy Property.

### **Muncy Option to Joint Venture Agreement**

On November 22, 2023, Falcon Copper Corp. entered into an Option to Joint Venture Agreement with Kennecott Exploration Company (“Kennecott”), a Rio Tinto subsidiary.

Pursuant to the Agreement, Kennecott grants FCC the sole and exclusive right and option to acquire 100% interest in the Muncy Property. To exercise this option, FCC must satisfy the following:

- pay the Payment Commitment of \$95,059 to Kennecott on or before the Effective Date of November 22, 2023 (Paid);
- pay an additional payment commitment of \$5,000 by February 18, 2024 (Paid);
- pay an additional payment commitment of \$51,000 by July 1, 2024 (Paid);
- incur exploration expenditures of \$1,500,000 with respect to the Muncy Property and \$1,000,000 with respect to the Cabin Property on or before November 22, 2025.

Upon FCC satisfying the exploration expenditures, Kennecott has the option to opt in for 40% of an asset-level joint venture for the Schell Creek Project; if Kennecott chooses to not opt in, FCC takes 100% ownership of the Muncy Property, along with the Cabin Property, with a Muncy Property royalty granted to Rio Tinto.

If FCC decides to terminate the option at any time, they will grant Kennecott a 2.0% net smelter royalty in the Cabin Property. After this is done, the agreement, except for specified sections, will terminate

If Kennecott elects not to form a joint venture, Kennecott must transfer all their rights in the Muncy Property to the FCC. In return, FCC will grant the optionor a 2.0% net smelter royalty (NSR) in the Properties. Before FCC decides to develop a commercial mining operation on any portion of the Properties, FCC has the right to reduce the net smelter royalty (NSR) from 2.0% to 1.0% by paying the optionor \$10,000,000 in cash

### **Pioneer, Arizona**

Pioneer is an approximate 1,300 acre covered target area prospective for high grade primary or enriched porphyry copper mineralization located within Arizona's prolific Copper Triangle - within 10 miles of the Resolution & Ray mines.

### **Groundhog, Alaska**

The Groundhog prospect lies on the Alaskan peninsula on state lands, within an established copper porphyry belt 200 miles southwest Anchorage.

### **Reconnaissance**

FCC incurred reconnaissance evaluation expenditures on targets in Nevada, Arizona and Montana in order to determine whether they warranted further pursuit.

### **BLUE COPPER ROYALTIES, LLC**

Blue Copper Royalties, LLC holds the Butte Valley Royalty and the Nieves interest.

The Butte Valley Royalty is represented by a 1.0% NSR, subject to a buy-down to a 0.5% NSR in exchange for an aggregate payment of \$15 million.

The Nieves Interest is represented by a 5% net profits interest associated with the Nieves Silver property in Mexico.

### **Operating and Other Expenses**

For the nine months ended September 30, 2024, the Company incurred operating expenses of \$2.665 million compared to \$3.667 million in the prior period. The decrease of \$1.002 million is primarily due to an increase in net Rio Tinto funding of \$1.935 million as a result of stage 2(b) and 3 funding received, partially offset by professional fees in the current period related to convertible debenture and water rights dispute.

During the nine months ended September 30, 2024, the Company recognized a \$1.75 million loss on debenture conversion and repayment. The Company also recorded \$0.789 million share-based payments expense versus \$1.133 million expense in the same prior period.

## LIQUIDITY AND CAPITAL RESOURCES

The Company is an exploration stage company that has not earned any production revenue. Its operations have been dependent mainly on the Rio-Tinto agreement and private placements in the last few years without diluting shareholders' value. The Company may have capital requirements in excess of its currently available resources and may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

On November 8, 2024, the company closed a non-brokered private placement by issuing 25,155,554 units at \$0.045 per unit for gross proceeds of \$1.13 million. Each Unit comprises one common share and one common share purchase warrant that exercisable at \$0.06 till November 8, 2029. The Company intends to use the proceeds for general working capital purposes and repayment of convertible debentures.

The following table summarizes the Company's cash flows for the nine months ended September 30, 2024, and 2023:

<b>(In thousands)</b>		<b>2024</b>		<b>2023</b>
Cash provided by operating activities	\$	1,714	\$	456
Cash used in investing activities		(210)		(256)
Cash provided by financing activities		1,673		3,410
Increase in cash and cash equivalents		3,177		3,610
Cash and cash equivalents, beginning of period		2,310		1,365
<b>Cash and cash equivalents, end of period</b>	<b>\$</b>	<b>5,487</b>	<b>\$</b>	<b>4,975</b>

As of September 30, 2024, the Company had cash and cash equivalents of \$5.487 million (December 31, 2023 - \$ 2.31 million) and working capital deficit of \$0.416 million (December 31, 2023 - \$2.854 million). The decrease in the working capital deficit of \$2.438 million is primarily due to the increase in cash and cash equivalents of \$3.177 million which was partially offset by an increase in the Rio Tinto deposit of \$2.632 million.

As of September 30, 2024, the Company had convertible debentures with a face value and carrying value of \$1.01 million.

On February 16, 2024, the Company issued 12-month convertible debentures of \$0.941 million to replace previously issued debentures that were due in February 2024. These debentures are convertible into common shares of the Company at \$0.06 (C\$0.08) per share, or at the holder's option, are converted-in-kind for common shares of FCC at \$0.25 per FCC shares. 15,696,883 share purchase warrants exercisable at \$0.06 (C\$0.08) per share were issued associated with these debentures which expire on February 16, 2025.

On March 8, 2024, the Company issued 4,107,998 units and 41,707,215 common shares to settle \$1.924 million of existing debenture debt. The debenture holders converted their principal and interest into units of the Company at \$0.045 (C\$0.06) per Unit. Each Unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one additional common share at a price of \$0.06 (C\$0.08) per share for a period of 5 years from the date of issuance.

In conjunction with the Company's CSE listing on September 19, 2024, 41,707,215 warrants were issued to certain directors and individuals who converted their debts into common shares of the Company on March 8, 2024. Each warrant is exercisable into one common share at \$0.056 per share till September 19, 2029. These warrants were treated as a contingency with their fair value being recorded as a derivative liability on March 8, 2024. On September 19, 2024, these warrants were revalued at \$359 and recorded as equity since all are exercisable in USD, the functional currency of the Company.

Additionally, on March 8, 2024, the Company repaid convertible debentures of a total of \$0.831 million in cash.

The Company has no operating revenues and therefore must utilize its cashflows from financing transactions to maintain its capacity to meet ongoing operating activities.

## TRANSACTIONS WITH RELATED PARTIES

The Company's related parties include its directors and officers whose remuneration was as follows, subject to change of control provisions for officers:

(In thousands)	Nine months ended September 30, 2024		Nine months ended September 30, 2023	
Salaries <sup>(1)</sup>	\$	337	\$	345
Director's fees <sup>(2)</sup>		-		21
Share-based payments <sup>(3)</sup>		381		795
Interest on convertible debenture <sup>(4)</sup>		146		171
	\$	<b>864</b>	\$	<b>1,332</b>

(1) Charles Travis Naugle, Former CEO, Director - \$104 (2023 - \$187); Stephen Goodman, Former CFO, Director - \$83 (2023 - \$158); Steven Dischler, CEO - \$67 (2023 - \$Nil); Lei Wang, CFO - \$30 (2023 - \$Nil); John Banning, COO - \$53 (2023 - \$Nil).

(2) Thomas Pressello, Former Director - \$Nil (2023 - \$ 21).

(3) Charles Travis Naugle, Former CEO, Director - \$Nil (2023 - \$215); Stephen Goodman, Former CFO Director - \$85 (2023 - \$166); Tony Alford, Director - \$215 (2023 - \$306), Thomas Patton, Director - \$Nil (2023 - \$54), Thomas Pressello, Director - \$Nil (2023 - \$54); Steven Dischler, CEO - \$44 (2023 - \$Nil); John Banning, COO - \$37 (2023 - \$Nil)

(4) Charles Travis Naugle, Former CEO, Director - \$55 (2023 - \$25); Tony Alford, Director - \$82 (2023 - \$139); Ekaterina Naugle, spouse of a director - \$7 (2023 - \$3); Stephen Goodman, Former CFO, Director \$2 (2023 - \$3); Thomas Pressello, Director - \$Nil (2023 - \$1)

These transactions have occurred in the normal course of the business and are measured at the equivalent number of the services rendered.

Other transactions for the nine months ended September 30, 2024

- a) On February 16, 2024, the former CEO, former CFO and directors of the company restructured \$407,000 of their existing convertible debentures into the New Debentures. The debentures bear interest at a rate of 20% per annum and mature on November 16, 2025, and are convertible into shares of the Company at \$0.06 (C\$0.08) per share. Additionally, certain directors converted \$259 of their existing convertible into 3,500,000 common shares at a price of \$0.074.
- b) On March 8, 2024, the former CFO and directors converted \$1,541,000 of their outstanding convertible debentures into 36,675,478 common shares at a price of US\$0.042.
- c) On March 8, 2024, the Company recognized 41,707,215 Contingent Warrants for the current CEO, former CEO, former CFO, directors, and other related parties who converted their existing debentures into units. The value of the contingent warrants upon recognition was \$649,000. The related parties received these warrants, which were valued to be \$359,000, on September 19, 2024, upon the Company's listing on the CSE.
- d) On March 8, 2024, the former CFO and directors subscribed for 12,202,380 common shares for total proceeds of \$513,000 in relation to a private placement. Additionally, the directors received 12,202,380 warrants with a value of \$177,000.
- e) As of September 30, 2024, the Company had \$50,000 (December 31, 2023 - \$290,000) in interest accrued relating to outstanding convertible debentures with directors and officers of the Company.
- f) As at September 30, 2024, there was \$Nil (December 31, 2023 - \$11,000) in prepaid expenses to the former CEO of the Company relating to wages paid during the year for services subsequent to period end.

## OUTSTANDING SHARE INFORMATION

As of November 14, 2024, the Company has:

- 411,011,264 common shares
- 46,575,248 stock options
- 110,477,171 warrants

## OFF - BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

## PROPOSED TRANSACTIONS

The Company has no proposed transactions other than as disclosed in this MD&A.

## FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis contains "forward-looking information" and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable securities laws.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

The Forward-Looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Statements. Such factors include, but are not limited to, general business and economic uncertainties; exploration and resource extraction risks; uncertainties relating to surface rights; the actual results of current exploration activities; the outcome of negotiations; conclusions of economic evaluations and studies; future prices of natural resource based commodities; increased competition in the natural resource industry for properties, equipment and qualified personnel; risks associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation; the risk of arbitrary changes in law; title risks; and the risk of loss of key personnel.

The foregoing lists of factors and assumptions are not exhaustive. The reader should also consider carefully the matters discussed under the heading "Risks Factors and Uncertainties" elsewhere in this MD&A. Forward-Looking Statements contained herein are made as of the date hereof (or as of the date of a document incorporated herein by reference, as applicable). No obligation is undertaken to update publicly or otherwise revise any Forward-Looking Statements or the foregoing lists of factors and assumptions, whether as a result of new information, future events or results or otherwise, except as required by law. Because Forward-Looking Statements are inherently uncertain, readers should not place undue reliance on them. The Forward-Looking Statements contained herein are expressly qualified in their entirety by this cautionary statement.