



Management's Discussion and Analysis

**Year Ended
December 31, 2024**

(Expressed in Canadian Dollars)

Report Date – March 14, 2025

Supernova Metals Corp.

Management's Discussion and Analysis
Year Ended December 31, 2024

INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Supernova Metals Corp. ("Supernova" or the "Company") for the year ended December 31, 2024. It should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024 and the related notes thereto.

The following information includes financial information derived from the consolidated financial statements of the Company, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). All financial results are reported in Canadian dollars.

The Company's head office is located at 400-1681 Chestnut Street, Vancouver, BC V6J 4M6. Additional information relating to the Company can also be found on the Company's website at www.supernovametals.com or on the SEDAR+ website at www.sedarplus.ca.

FORWARD LOOKING STATEMENTS

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

Management believes the primary risk factors have been identified in the Risks and Uncertainties section of this document.

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the availability of equity and other financing on reasonable terms;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and
- our ability to attract and retain skilled labour and staff.

We caution you that the foregoing lists of important risk factors and assumptions are not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

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DESCRIPTION OF BUSINESS

Supernova is a Canadian exploration company incorporated on November 20, 2000 and continued under the Business Corporations Act (British Columbia) on December 30, 2010, and its common shares are listed for trading on the Canadian Securities Exchange (the "CSE") under the symbol "SUPR".

The Company is focused on adding, creating and increasing value through the acquisition and exploration of mineral resource properties in North America.

The Company continues to explore new projects and investment opportunities which can enhance shareholder value.

RESULTS OF OPERATIONS

Year Ended December 31, 2024

The Company reported a net loss of \$250,463 during the current year compared to \$216,542 during the prior year. The increased loss in the current year is due to a loss on debt settlement of \$68,379. However, other expense items have declined as management has tried to minimize these costs as much as possible in the current year in order to conserve cash.

EXPLORATION AND EVALUATION ASSETS

TT Claims

In April 2024, the Company staked 33 mineral claims under two licenses in central Labrador. The licenses are contiguous to the north and west of the Two Tom rare earth element ("REE") project. The Two Tom has an historical 43-101 resource estimate, at 0.6 TREO% cut-off, which reports an Inferred Resource of 41Mt at 1.18% TREO, 0.26% Nb205, 0.18% BeO and 0.06 ThO2% with 5% of the TREO being made up of HREOs (43-101 Technical Report by Tetra Tech Wardrop for Rare Earth Metals Inc., 2012).

The new staked licenses do not cover any portion of the historical resource area, so these results should not be relied upon as being indicative of the potential of the new licenses.

The Company is trying to procure exploration capital in order to continue with the next steps of exploration on the TT claims.

SELECTED ANNUAL INFORMATION

The following table presents selected audited financial information for the three most recent fiscal year ends.

	2024	2023	2022
	(\$)	(\$)	(\$)
Net loss	(250,463)	(216,542)	(1,127,081)
Loss per share— basic and diluted	(0.02)	(0.02)	(0.11)
Total assets	39,553	102,361	81,381

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SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the eight most recent quarters.

	Three month period ended			
	Dec. 31 2024	Sep. 30 2024	Jun. 30 2024	Mar. 31 2024
	(\$)	(\$)	(\$)	(\$)
Net loss	(122,032)	(43,335)	(44,767)	(40,329)
Loss per share, basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)

	Three month period ended			
	Dec. 31 2023	Sep. 30 2023	Jun. 30 2023	Mar. 31 2023
	(\$)	(\$)	(\$)	(\$)
Net loss	(41,847)	(67,421)	(42,512)	(64,762)
Loss per share, basic and diluted	(0.00)	(0.01)	(0.00)	(0.01)

Notes on Material Quarterly Variations:

There are no material differences in the results reported other than for the three months ended December 31, 2024 which includes a loss on debt settlement of \$68,379

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Material components of the Company's general and administrative expenses are disclosed in the audited consolidated financial statements for the year ended December 31, 2024 to which this MD&A relates.

OUTSTANDING SHARE DATA

	December 31, 2024	Report Date
Common Shares	15,397,071	31,323,994
Stock Options	100,000	100,000
Warrants	3,381,468	2,854,545
RSUs	-	1,100,000
Fully Diluted	18,878,539	35,378,539

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RELATED PARTY TRANSACTIONS

Key management includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), directors and companies controlled by them. The Company incurred the following transactions with key management of the Company during the years ended December 31, 2024 and 2023.

	2024	2023
	(\$)	(\$)
Consulting fees paid or accrued to a corporation controlled by Ken Brophy, Director and former CFO of the Company	-	20,000
Management and professional fees paid or accrued to a corporation controlled by Sean McGrath, the CEO of the Company	120,000	120,000
	<u>120,000</u>	<u>140,000</u>

As at December 31, 2024, a total of \$63,128 (2023 - \$42,000) was included in accounts payable and accrued liabilities owing to key management of the Company.

LIQUIDITY

The Company's cash position decreased from \$95,863 on December 31, 2023 to \$34,514 on December 31, 2024. In addition, working capital decreased from \$39,240 on December 31, 2023 to a deficit of \$48,949 on December 31, 2024. The decline in working capital is a result of normal operating expenses during the year.

EVENTS AFTER DECEMBER 31, 2024

Subsequent to December 31, 2024, the Company:

- completed the acquisition of Namlith Resources Corp. ("Namlith"), a privately held arm's-length company established under the laws of Seychelles, in exchange for the issuance of 15,000,000 common shares of the Company. Namlith controls a 12.5% equity interest in Westoil Ltd., also a privately held company established under the laws of Seychelles, which itself controls a 70% interest in petroleum exploration licence (PEL 107), located offshore of Namibia in the Orange basin.
- issued 526,923 common shares pursuant to the exercise of share purchase warrants for proceeds of \$52,692.
- issued 100,000 common shares pursuant to the exercise of stock options for proceeds of \$15,000.
- entered into a capital markets consulting agreement with a consultant whereby the Company agreed to pay \$7,500 monthly for a six-month commitment period and issue 300,000 common shares as a bonus for providing advisory services to the Company (issued on February 18, 2025).
- granted a total of 1,100,000 RSUs to officers and consultants of the Company, which will vest over periods of up to 12 months and will expire on December 31, 2028.
- entered into a digital marketing and investor awareness agreement with a consultant. Pursuant to the agreement, the Company paid \$25,000 for one month of services and granted 100,000 stock options whereby each stock option is exercisable at \$0.50 per common share, vest quarterly over a period of 12 months, and expiring on August 18, 2026.

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OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the year ended December 31, 2024.

CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended December 31, 2024.

COMMITMENTS

As at December 31, 2024, the Company has no commitments.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

A number of new standards, and amendments to standards and interpretations, are not yet effective for the current financial year, and have not been early adopted in preparing the consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Exploration for and development of mineral properties involves a high degree of risk, and the cost of conducting programs may be substantial and the likelihood of success is difficult to assess.

Beyond exploration risk, management is faced with other possible risks which include the following:

Financial Market Risk

The Company is in part dependent on the equity markets as a source of capital for making acquisitions or completing exploration programs. Accordingly, the Company's capital resources and ability to make acquisitions or incur exploration expenditures are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, there are no known encumbrances. However, the results of the Company's investigations should not be construed as a guarantee of title.

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RISKS AND UNCERTAINTIES (continued)

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for precious metals are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the year ended December 31, 2024.

Environmental Risk

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the country in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and reclamation of mineral properties. Programs may also be delayed or prohibited in some areas.

Value Risk

There is no material risk as the Company has already previously impaired much of the value of its exploration and evaluations projects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

OUTLOOK

The Company has staked some prospective claims contiguous to the Two Tom REE project in Central Labrador and intends to commence exploration on these claims in 2025 as the future for REEs continues to improve.

The Company has also acquired a minority interest in a private Seychelles corporation which itself controls a 70% interest in petroleum exploration licence (PEL 107), located offshore of Namibia in the Orange basin. This acquisition gives the Company an additional asset which provides a high risk high reward payoff in the oil and gas space which has been having a resurgence in 2024/2025

The Company also continues to evaluate new projects and opportunities which can enhance shareholder value.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

ADDITIONAL INFORMATION

Dr. Kent Ausburn resigned from the Board of Directors effective March 13, 2025.

Additional information concerning the Company can be accessed on the Company's website at www.supernovametals.com or on SEDAR+ at www.sedarplus.ca.

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CORPORATE INFORMATION

Directors:	Sean McGrath Ken Brophy Maximilian Sali Roger March
Officers:	Sean McGrath – CEO Tyler Dilney – CFO Lindsay Hamelin – Corporate Secretary
Auditor:	Saturna Group Chartered Professional Accountants LLP Suite 1605, 1166 Alberni Street Vancouver, BC, V6E 3Z3
Transfer Agent:	Endeavor Trust Corporation 702 – 777 Hornby Street Vancouver, BC, V6Z 1S4