



## **CANADIAN METALS INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Quarter ended  
January 31, 2025  
(Second Quarter)

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

This management discussion and analysis ("MD&A") of Canadian Metals Inc., ("Canadian Metals" or "CME" or the "Company") follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of Canadian Metals, on how the Company performed during the six-month period and year ended January 31, 2025. It includes a review of the Company's financial condition and a review of operations for the six-month period ended January 31, 2025 as compared to the six-month period and year ended January 31, 2024.

This MD&A complements the unaudited consolidated financial statements for the six months ended January 31, 2025 but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the audited consolidated financial statements as at July 31, 2024 and related notes thereto.

The unaudited consolidated financial statements for the six months ended January 31, 2025 and 2024 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to the preparation of annual consolidated financial statements. The accounting policies applied in the consolidated financial statements are based on IFRS issued and effective as at January 31, 2025. On March 19, 2025, the Board of Directors approved, for issuance, the quarterly consolidated financial statements.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). The shares of Canadian Metals are listed on the Canadian Securities Exchange ("CSE") under the symbol "CME".

## FUNCTIONAL AND PRESENTATION CURRENCY

The selected annual consolidated financial information, selected quarterly financial information and other financial information are presented in Canadian dollars, the Company's functional currency.

## REPORT'S DATE

The MD&A was prepared with the information available as at March 19, 2025.

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Canadian Metals, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks. The preliminary assessments contained in the Technical Report referred to in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CAUTION REGARDING FORWARD-LOOKING INFORMATION (CONTINUED)

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

## NATURE OF ACTIVITIES:

Canadian Metals, incorporated on August 17, 2012 under the *Québec Business Corporations Act*, specializes in the acquisition, exploration, evaluation and development of mineral properties in New Brunswick.

## MINING PROPERTIES – DESCRIPTION:

Canadian Metals Inc. properties are located in two very different geological environments, TV Tower, Black Shale / Sedex and Mountain Brook properties are located within the Bathurst Mining Camp (BMC) with typical Volcanic Massive Sulphide (VMS) type deposits. The Bathurst Mining Camp (BMC) was in operation between 1957 and 2013 and produced a total of approximately 179 Mt, with an average grade of 3.12% Pb, 7.91% Zn, 0.47% Cu, and 93.9 g/t Ag from 12 deposits.

However, Oxford, Goldstrike and Nicholas Denys properties are located along a major deformation zone related to the Taconic Orogeny and Iapetus Suture, caused by the collision of ancient land masses at approximately 440 million years ago. The deformation zone consists of a series of anastomosing shears and faults that can be traced from Ireland to Newfoundland, New Brunswick to South Carolina and host major gold deposits along North America's Atlantic coast. During the deformation phase the rheology and lithology of the rock units created zones of increased permeability favouring the precipitation of silica, sulfides and gold. Canadian Metals' three properties cover approximately 41-kilometre section of this fertile deformation zone. In addition, the Nicholas Denys property hosts a Quartz Monzonite-Granodiorite pluton that has potential for skarn and porphyry type deposits.

The **Nicholas Denys** property is 100% owned by CME and located near Bathurst, comprising 356 units held in two contiguous mineral claims encompassing 7,591 Ha (75.9 km<sup>2</sup>). It is an advanced project containing high-grade silver polymetallic mineralization, with both 43-101 Compliant and Historic\* (non-43-101 Compliant) resources located next to the city of Bathurst, New Brunswick, north of highway 180 (see Figure 1 below). The property contains 100's of known mineral occurrences, mostly under-explored and many non-explored geophysical anomalies. The property also covers over 15 km of a major regional structure – the Rocky Brook - Millstream Deformation Zone (RBMDZ) known to host major gold deposits along North America's Atlantic coast.

The property hosts other styles of mineralization including porphyry copper-gold-molybdenite style mineralization with Nicholas Denys Granodiorite Pluton returning a best result of 209.1m with 319ppm Cu plus 627ppm Mo. Skarn type deposits including Beresford Copper Deposit where mineralization consists of magnetite-chalcopyrite-rich lenses that occur within a calc-silicate skarn zone. Has a historic\* (non NI43-101 compliant) resource of 411,800t with 1.29% Cu (Canadian Mines Handbook 1972-73, PG.226). The property hosts several other non-compliant historic resource estimates on Ag-Pb-Zn targets and compliant resources including the following:

- **Hachey Deposit:** In 2008 Puma reported a NI 43-101 resource estimate for the Hachey deposit at a 1% Zn Eq cut off, the deposit is estimated to contain an indicated resource of 364,312 tonnes grading 1.43% Zn, 0.7% Pb, 95g/t Ag and 0.53g/t Au; and an Inferred resource of 442,703 tonnes grading 1.06% Zn, 0.66% Pb, 55g/t Ag and 0.31g/t Au. (Innovexplo, Turcotte B., Peletier C., 2008-02-18 for Puma Exploration).

# MANAGEMENT'S DISCUSSION AND ANALYSIS

- Shaft Deposit:** Mineralization occurs along the South Branch of the RBMDZ. The mineralization is represented by zones of pyrrhotite, pyrite, sphalerite and galena veins and is structurally controlled. Historic\* (non-NI 43-101 compliant) **Indicated Resource 74,800 Tonnes @ 1.17% Pb, 4.58% Zn, 124.46g/t Ag** to a depth of 76.2m and **Inferred Resource 238,100 Tonnes @ 2.28% Pb, 3.3% Zn, 111.77g/t Ag** to a depth of 152.4m, (JL Davies et al. (1969) GSC Paper 67-49, Pg.20, and Mackenzie 1957).

CME reported results (see Aug 10, 2021, Press Release) of grab sampling completed in 2020 by the former company on the Nicholas Deny property Hachey, Dante and Henry zones. A total of 43 samples were collected. These samples were sent to the AGAT laboratory in Toronto for analysis. Most samples had high values in gold, silver, zinc, and lead including the highest value for: gold (Au) 90.8 g/t, silver (Ag) 3590 g/t, zinc (Zn) 27% and lead (Pb) 80.6%. A resolution helicopter-borne magnetic (MAG) and time-domain electromagnetic (TDEM) survey was completed on the Nicholas Deny project in 2021 (see October 12, 2021 Press Release). CME is in the process of completing a detailed compilation and review of the extensive databases of geological and geophysical data to develop targets for the 2025 exploration season.

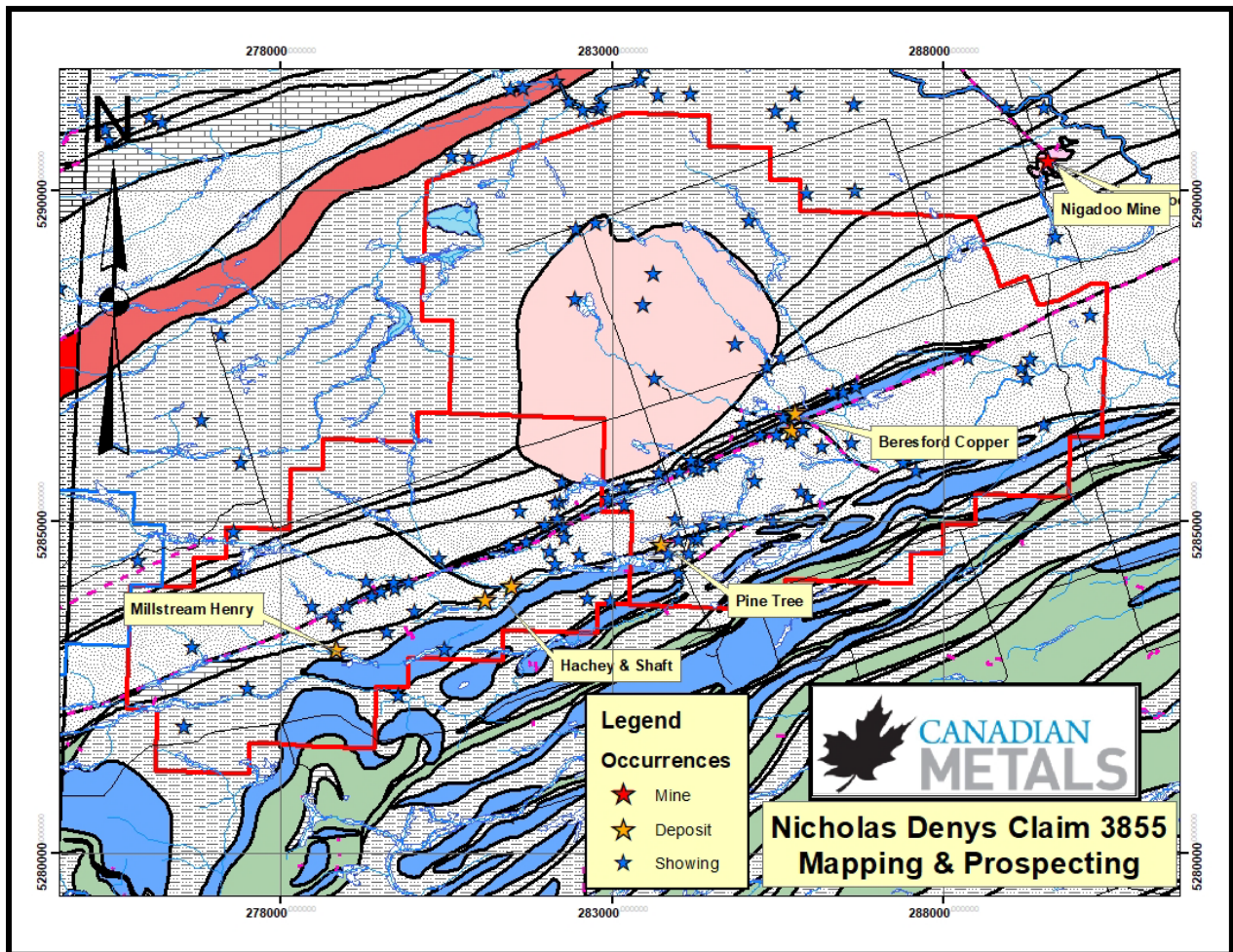


Figure 1: Nicholas Denys Property showing historic deposits and prospects.

The **Goldstrike** property comprises 6 contiguous claims totaling 7,924 ha., 100% owned by CME and contiguous to the Nicholas Denys project to the east and road accessible. The property also covers over 20 km of a major regional structure – the Rocky Brook - Millstream Deformation Zone (RBMDZ) known to host major

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

gold deposits along North America's Atlantic coast. In the 2021 and 2022 trenching programs new gold mineralization was discovered with visible gold and bonanza grades in grab samples.

Historical highlights include the **LG Gold Zone Area** which includes a series of gold occurrences related to the Benamine Rhyolite (Clarinda, Clarinda NE Extension, Alyssa, and Arleau). See Figure 2 below. As described above they were formed by the interaction of the Rocky Brook-Millstream Deformation Zone with competent rock units undergoing brittle ductile deformation thus creating zones of increased permeability where hydrothermal fluids favoured the deposition of silica, sulphides and gold.

These occurrences are in a similar geological and structural setting to Puma's Lynx, Cougar, Jaguar and Panthera, high grade gold zones, including Stratabound's, and Gold Terra's high grade gold zones, which are all hosted within similar felsic volcanic rock units within the Rocky Brook-Millstream Deformation Zone. The Clarinda NE Extension was discovered in 2019 by Tim Lavoie where a grab sample from an exploration trench returned an assay of 455 g/t Au from a quartz vein. This was followed up in 2022 with a more extensive trenching and channel sampling program and in 2024 with diamond drilling. Results are still pending and will be reported on when received. The Clarinda Showing was discovered by Lorenzo Noël in 1997 while prospecting located gold bearing gossanous sediments. More recent follow-up work included 15 DDH which returned: 3.1g/t Au over 5.5m, 0.43g/t Au over 11.5m, 0.674g/t Au over 17.1m and shorter intervals of up to 8g/t Au and 15.8g/t Au in outcrop. CME is planning to follow up on this historic work in the 2025 season. The LG gold zone is a high priority target to make new discoveries and expand the known occurrences.

The **Millstream West Gold-A** was discovered in 1987 by Delbert Stewart when he found an angular, locally derived boulder of quartz-ankerite ( $\pm$  5% arsenopyrite, pyrite) that returned of 6.2 g/t Au. In 1988 Nineteen holes were drilled along the 366m strike length of the dyke. Several holes intersected significant gold mineralization in altered siltstone and diabase contacts, the best intersection being 9.95 g/t Au over 1.5 m. The Millstream West Gold-B was discovered during a drilling program to test geochemical anomalies intersected 28.9 g/t Au over 0.15 m and 30.8 g/t Au over 0.11m for a weighted average of 3.39 g/t Au over 2.47m in Drill Hole SM88-17 within and at the contact between sediments and a gabbro dike. There is great potential to add value as this showing is within the RBMDZ and the gabbro rock units underwent brittle-ductile deformation like the rhyolite described above. A high-resolution drone magnetic survey is being planned for this area in 2024.

On March 2021st the Company reported results (see March 9, 2022 Press Release) of the 42 grab samples collected on the LG Discovery Zone of the Goldstrike Property of which 30 samples reported more than 1 g/t Au. The LG Discovery Zone is located 800 meters NE of the Clarinda Zone and 2450 meters SW of the Arleau Zone where high grade gold samples were collected and assayed during the 2020 exploration and trenching program. Historic bedrock samples grading up to 2.40 g/t Au at Clarinda have been observed in brecciated quartz veins at the contact between the sediments and the altered rhyolite. The contact sediment/rhyolite is hosting most of the high-grade gold samples collected along the Goldstrike Gold Trend (GGT) so far. Also, Silver-Antimony and bismuth mineralization were encountered in the trenches. When added to the geological model, they will be used as high-grade gold pathfinders. The GGT is represented as an altered and brecciated rhyolite unit hosting significant gold showings and occurrences followed by trenching over a strike length of about 3.0 km. The favourable unit (rhyolite) is similar and parallel to the structures hosting the Clarinda and Arleau Zones. The gold bearing quartz veins are mostly perpendicular to the major trend and contain the gold mineralization. The LG Discovery Zone and the surrounding area have never been drilled before. The Goldstrike property which includes three (3) zones named Clarinda, Arleau and LG Discovery, is covering more than 6580 hectares. The project is located about 40 km NW of Bathurst with full road access and existing road crosscuttings the property. CME is currently focusing its field work on the LG Discovery Zone. To build on the available data and interpretation from the Company completed initial ground IP and aerial MAG-TDEM surveys in 2021 over parts of the property and trenching in 2022 (see PR August 8, 2022). In 2023 the Company expanded the magnetic coverage of the area including the western block with a high resolution drone magnetic survey. The unsurveyed northern portion is proposed to be done in 2023 along with a tighter spaced (100 m spacing to 35 metres) and lower elevation survey for the LG-Clarinda Zones. The LG trench area has been tested by diamond drilling in 2023 and will be reported on when received.



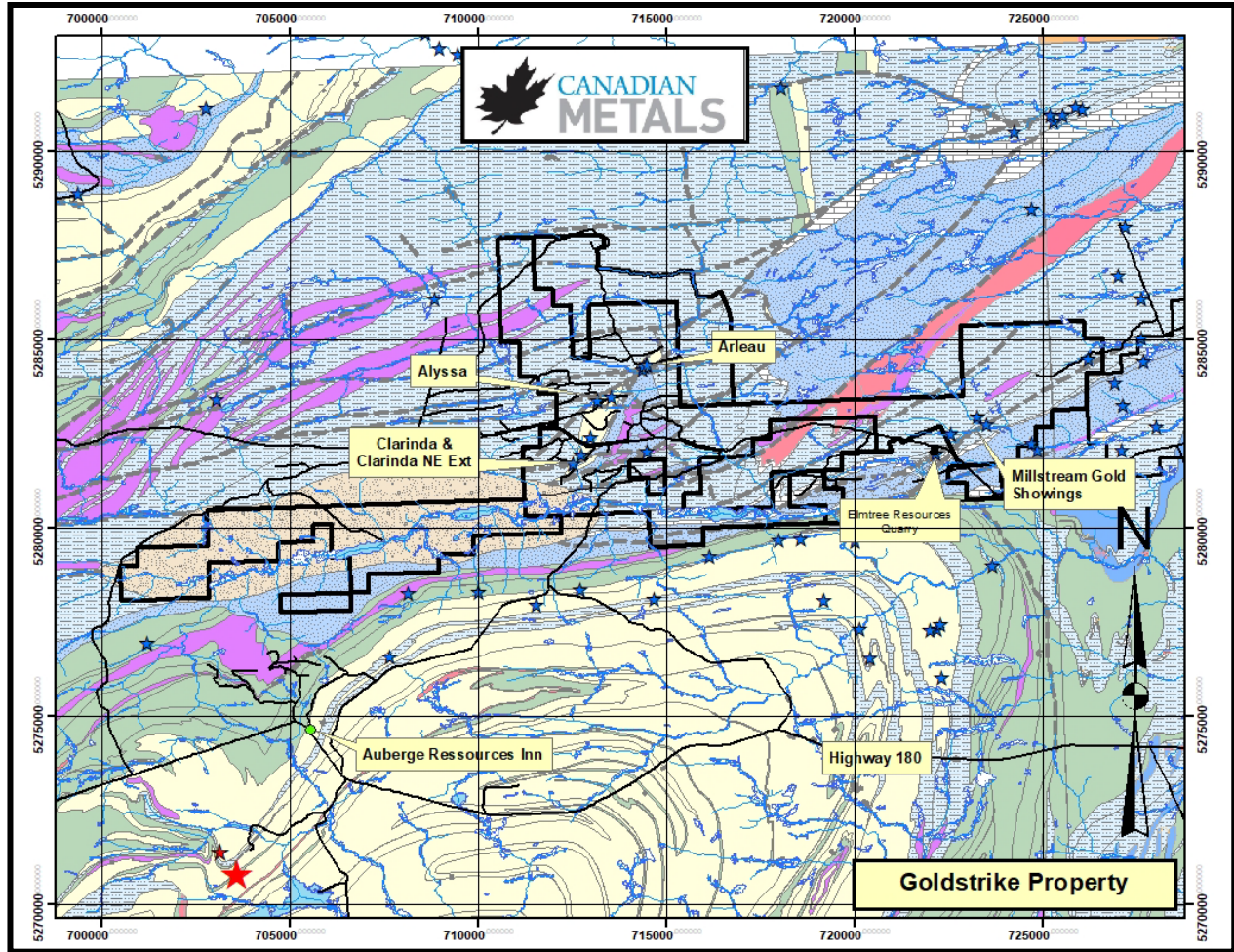


Figure 2: Goldstrike Property –map showing historic prospects and new showings.

The **Oxford** property comprises 169 units held in one mineral claim totaling 3,667 Ha (36.7 km<sup>2</sup>), 100% owned by CME and contiguous to the north of the Puma's William Brook property (see Figure 3 below). Historical highlights included a felsic volcanic hosted VMS style zinc-lead-silver type mineralization with disseminated sphalerite and galena and locally up to 10% pyrite grading up to 3g/t Au, 15 g/t Ag, 1.11% Zn and 0.48% Pb. Recently an Induce Polarization survey was completed and in 2023 several showing and geophysical targets were tested by diamond drilling. Results are still pending and will be reported on when received.

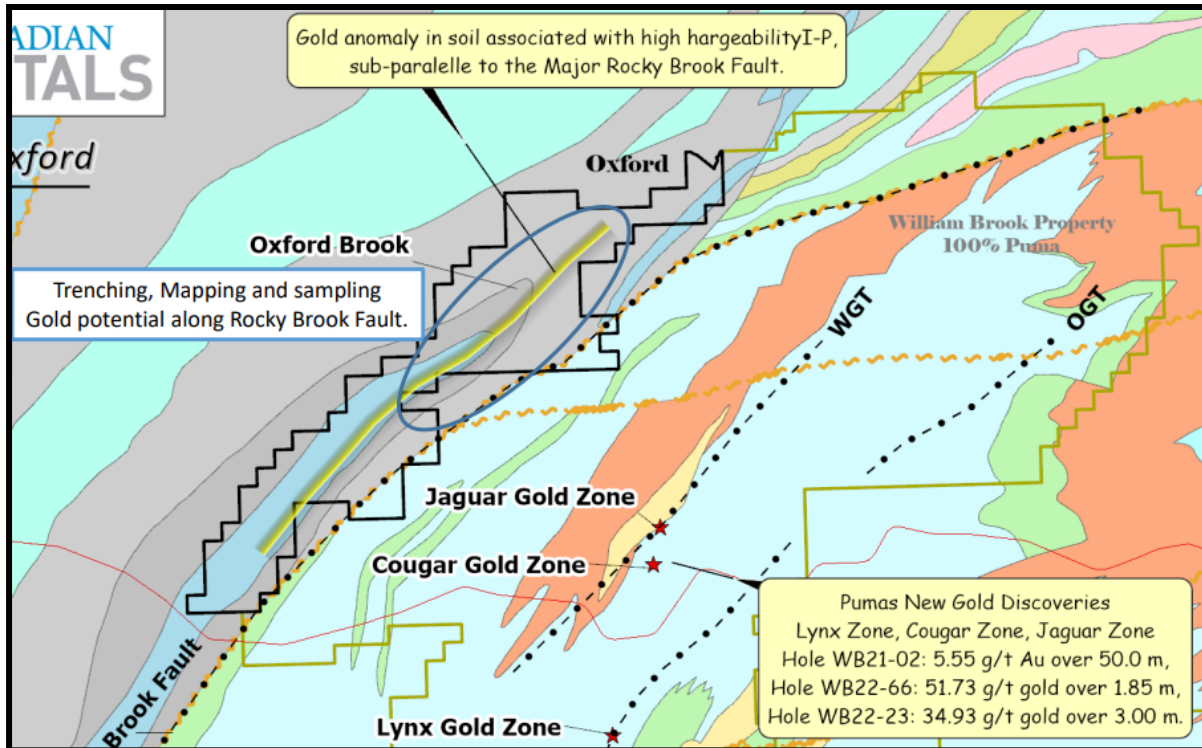


Figure 3: Oxford Property Geology and showings.

The **Mountain Brook** property comprises 139 claim units totaling 3,048 hectares and 100% owned by CME. The property is located only seven km south of the past-producing Heath Steele Mine and located over similar geology (see Figure 4 below). Historical highlights include in 2017 diamond drilling intersected sulphide stringer mineralization (pyrrhotite / pyrite / chalcopyrite) and highly prospective units often found in a VMS feeder system. Highlights included MB82-01 (1.48% combined Pb, Zn, Cu) over 4.9m, MB83-04 (13.37 g/t Ag, 4.95% Pb, 4.6% Zn, 0.36% Cu) over 0.5m, and MB83-05 (19.89 g/t Ag, 1.42% Pb, 2.33% Zn, 0.09% Cu) over 1.9m.

In addition, the Tomogonops-Tozer and Pringle Brook Faults that crosscuts the sediments and felsic volcanics may be a structurally favorable areas to prospect for Gold. The geological unit comprises quartz-feldspar crystal tuff and mafic volcanic rocks of the Tetagouche group. Mineralization consists of Zn, Pb, Cu and Ag disseminated mineralization along the contact of the mafic and felsic rock and it is closely associated with magnetite and siderite mineralization. The company has completed prospecting and diamond drilling targeting historic showings and geophysical anomalies. Results are still pending and will be reported on when received.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

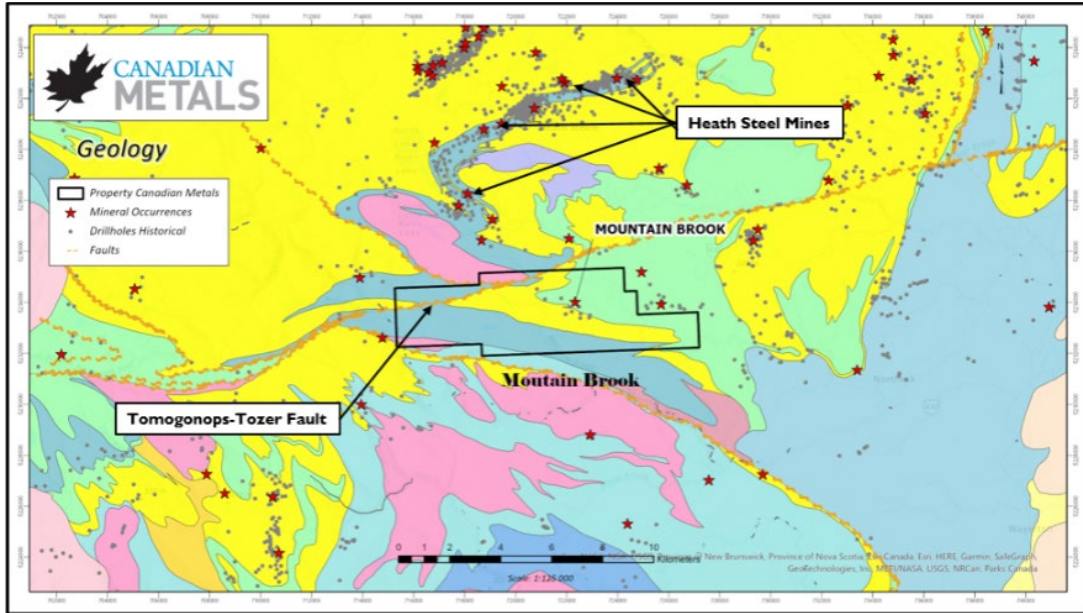


Figure 4: Mountain Brook Geology and showings.

The **SEDEX (including Black Shale)** property comprises 249 claim units totaling 5,434 hectares and 100% owned by CME. It is located 10 km west of the Brunswick #12 mine which is considered one of largest underground base-metal mines in the world (see Figure 5 below).

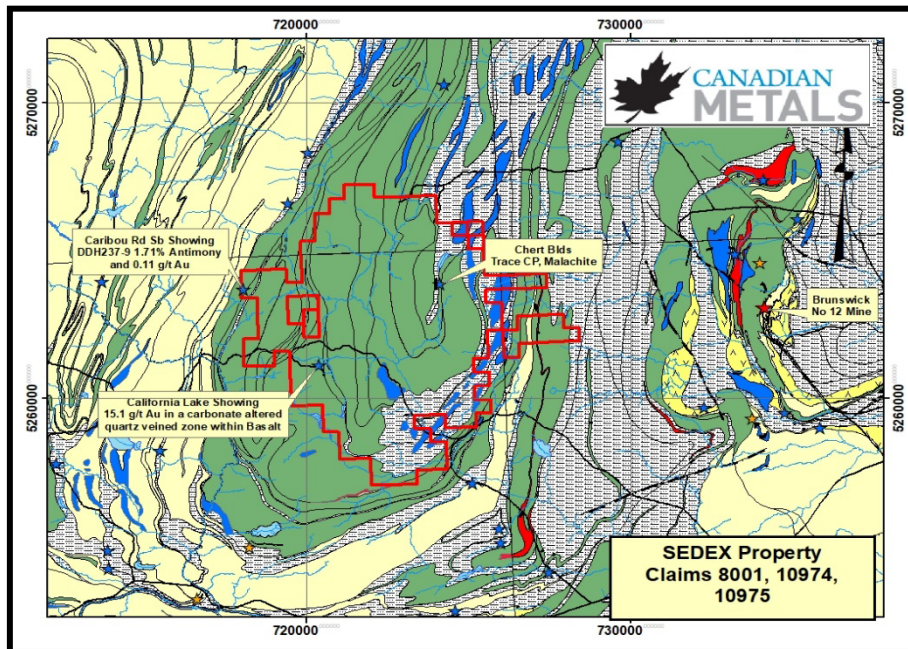


Figure 5: Sedex Property Geology & Showings

Historical highlights include a local prospector reporting a brecciated boulder containing 4.1 g/t Au. Noranda reported float containing 12,600 ppm Zn and 2,320 ppm Pb in the vicinity of a conductor. Slam Exploration trenched a quartz carbonate zone with assay results up to returned 15.1 g/t Au from a carbonate altered quartz vein zone within a basaltic unit coincident with a prominent magnetic anomaly. Soil Geochemical survey carried out in 2022 has identified several targets. Very little follow-up work has been done on the property. CME completed a gravity survey in the area of large untested regional gravity anomaly and is planning to complete



# MANAGEMENT'S DISCUSSION AND ANALYSIS

a high-resolution drone magnetic survey to help develop targets to test in 2025. Several untested chargeability anomalies have been identified and follow up is being planned in 2025.

The **TV Tower** property comprises 53 claim units totaling 1,157 hectares and 100% owned by CME. It is located 14 km south of the Trevali's Caribou mine. Host rocks are like those at Brunswick Mine, with strongly altered dacitic to rhyolitic quartz feldspar crystal tuff, dark grey iron formation and massive sulphides. A report by Goldminds (2018) outlined 6 magnetic and EM anomalies that may be related to sulphide mineralization and remain untested (see Figure 6 below). The property includes historical diamond drill results with intersections up to 5.15% Zn.

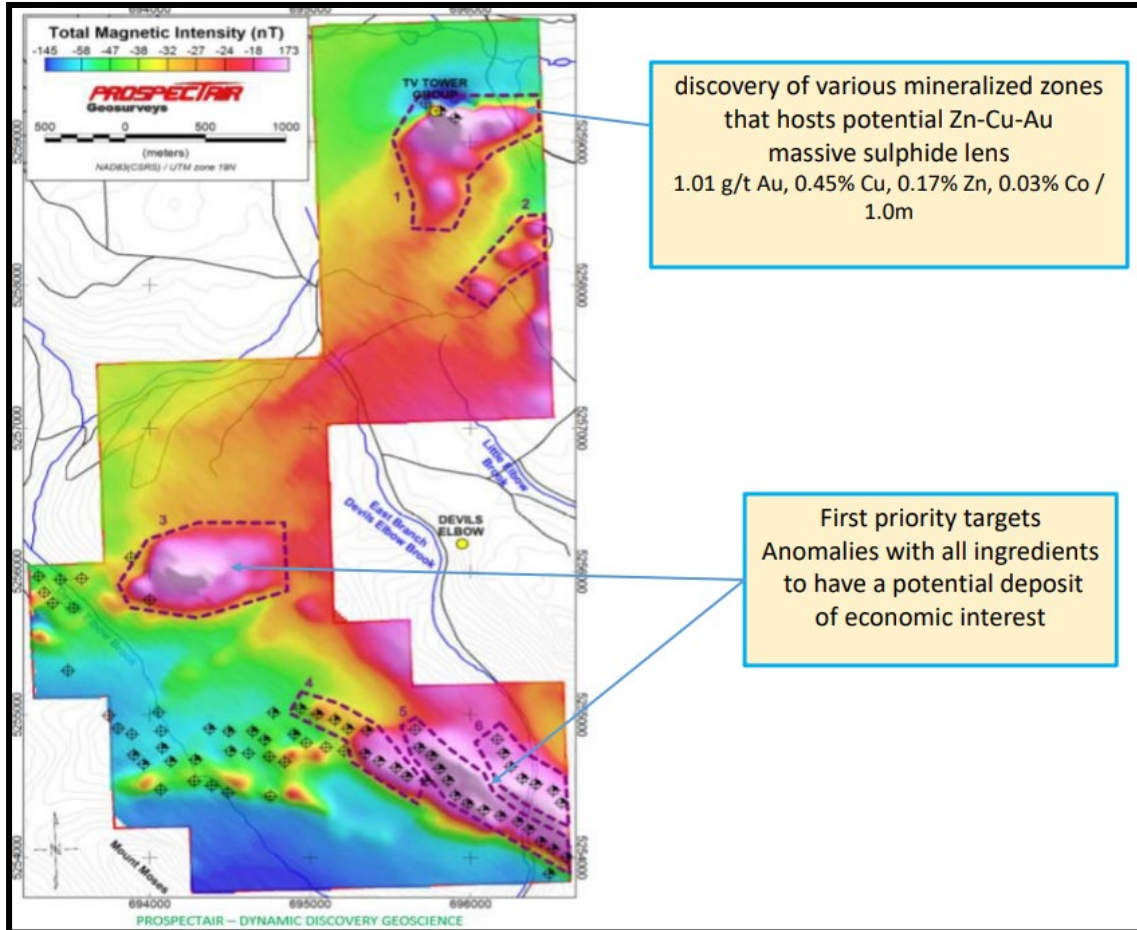


Figure 6: TV Tower Property with untested EM-magnetic anomalies iremain.

Target mineralization is Zn-Cu-Au massive sulphide style including newly defined targets that the company plans to test in 2025.

Mr. Donald Boucher, P.Geo, consultant geologist and qualified person under NI 43-101 has reviewed and approved the content.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## EXPLORATION ACTIVITIES:

### NEW BRUNSWICK

#### Exploration activities for the three-month ended January 31, 2025

During the three-month ended January 31, 2025, the Company invested \$23,798 in exploration and evaluation assets.

Exploration and evaluation assets For the three months ended January 31, 2025								
New Brunswick								
	Blackshale	Mountain Brook	TV Tower	Frenette	Oxford Brook	Nicholas Denys	Goldstrike & Millstream	Total
Exploration and evaluation costs:	\$	\$	\$	\$	\$	\$	\$	\$
Consultant	-	-	-	-	-	15,340	-	15,340
Core storage	3600	-	-	-	-	-	1,253	4,853
Travel	-	-	-	-	-	1,604	-	1,604
Miscellaneous expenses	-	-	-	-	-	-	-	2,000
	3600	-	-	-	-	18,945	1,253	23,798
<b>Balance at the beginning</b>	289,851	521,492	382,676	8,050	431,465	231,381	1,129,438	2,994,352
<b>Balance at the end</b>	293,451	521,492	382,676	8,050	431,465	250,326	1,130,691	3,018,150

#### Exploration activities for the three-month ended January 31, 2024

During the three-month ended January 31, 2024, the Company invested \$730,241 in exploration and evaluation assets and received a grant of \$22,000 in connection with the Mountain Brook project.

Exploration and evaluation assets For the three months ended January 31, 2024								
New Brunswick								
	Blackshale	Mountain Brook	TV Tower	Frenette	Oxford Brook	Nicholas Denys	Goldstrike & Millstream	Total
Exploration and evaluation costs:	\$	\$	\$	\$	\$	\$	\$	\$
Geology	-	(5,000)	-	-	22,000	(83,834)	(11,000)	(77,834)
Consultant	3,500	65,924	-	-	9,500	233,450	26,500	338,874
Drilling	-	315,429	-	-	(17,370)	-	24,270	322,329
Surveys	(6,042)	10,950	-	-	-	-	111,814	116,722
Transportation	-	15,306	-	-	(4,525)	(20,361)	(5,529)	(15,109)
Analysis	-	16,500	-	-	13,737	-	69,322	99,560
Travel and field supplies	1,511	(104,707)	2,400	-	-	47,806	-	(52,989)
Core storage	750	-	-	-	-	-	-	750
Technical reports	-	-	-	-	-	17,079	-	17,079
Others	-	871	-	-	-	1,987	-	2,859
Other items:								
Grant received	-	(22,000)	-	-	-	-	-	(22,000)
	(281)	293,274	2,400	-	23,343	196,129	215,377	730,241
<b>Balance at the beginning</b>	259,542	221,718	379,876	8,050	398,280	279,687	646,676	2,193,829
<b>Balance at the end</b>	259,261	514,992	382,276	8,050	421,623	475,816	862,053	2,924,070

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Exploration activities for the six-month ended January 31, 2025

During the six-month ended January 31, 2025, the Company invested \$26,941 in exploration and evaluation assets.

Exploration and evaluation assets								
For the six months ended January 31, 2025								
New Brunswick								
	Blackshale	Mountain Brook	TV Tower	Frenette	Oxford Brook	Nicholas Denys	Goldstrike & Millstream	Total
<b>Exploration and evaluation costs:</b>	\$	\$	\$	\$	\$	\$	\$	\$
Consultant	-	-	-	-	-	16,630	-	16,630
Core storage	4,200	-	-	-	-	-	2,506	6,706
Travel	-	-	-	-	-	1,604	-	1,604
Miscellaneous expenses	-	-	-	-	-	2,000	-	2,000
	4200	0	0	0	0	20,235	2,506	26,941
<b>Balance at the beginning</b>	289,251	521,492	382,676	8,050	431,465	230,091	1,128,185	2,991,210
<b>Balance at the end</b>	293,451	521,492	382,676	8,050	431,465	250,326	1,130,691	3,018,151

### Exploration activities for the six-month ended January 31, 2024

During the six-month ended January 31, 2024, the Company invested \$1,321,013 in exploration and evaluation assets and received a grant of \$22,000 in connection with the Mountain Brook project.

Exploration and evaluation assets								
For the six months ended January 31, 2024								
New Brunswick								
	Blackshale	Mountain Brook	TV Tower	Frenette	Oxford Brook	Nicholas Denys	Goldstrike & Millstream	Total
<b>Exploration and evaluation costs:</b>	\$	\$	\$	\$	\$	\$	\$	\$
Geology	-	7,476	-	-	25,000	10,938	-	43,414
Consultant	3,500	65,924	-	-	9,500	233,450	26,500	338,874
Line cutting	-	-	-	-	-	-	-	-
Drilling	-	315,429	-	-	210,065	-	24,270	549,764
Surveys	52,996	10,950	-	-	-	-	111,814	175,760
Transportation	-	15,306	-	-	13,053	-	-	28,359
Analysis	-	21,363	-	-	13,737	-	70,458	105,559
Travel and field supplies	1,511	22,083	2,400	-	2,075	52,101	425	80,596
Core storage	750	-	-	-	-	-	-	750
Technical reports	-	-	-	-	-	17,079	-	17,079
Others	-	871	-	-	-	1,987	-	2,859
Other items:								
Grant received	-	(22,000)	-	-	-	-	-	(22,000)
	58,757	437,403	2,400	-	273,431	315,556	233,467	1,321,013
<b>Balance at the beginning</b>	200,504	77,589	379,876	8,050	148,192	160,260	628,586	1,603,057
<b>Balance at the end</b>	259,261	514,992	382,276	8,050	421,623	475,816	862,053	2,924,070

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## FINANCIAL CONDITION

### SELECTED FINANCIAL INFORMATION FOR SIX-MONTHS ENDED JANUARY 31, 2025

The following discussion of the Corporation's financial performance is based on the unaudited Condensed Interim Financial Statements as of January 31, 2025 ("Financial Statements") set forth herein.

	Year Ended January 31, 2025	Year Ended January 31, 2024
	\$	\$
<b>Statements of loss and comprehensive loss</b>		
Loss from operating activities	235,331	227,192
Net finance expenses	98,823	61,281
Net loss and comprehensive loss	334,155	288,473
Basic and diluted loss per share	0.011	0.002
<b>Statements of cash flows</b>		
Cash flows used for operation activities	16,194	-495,112
Cash flow provided from financing activities	0	-61,386
Cash flow used for investing activities	-29,461	-671,458
Net change in cash	-13,267	-1,227,956
<b>Statements of financial position</b>		
	As at January 31, 2025	As at January 31, 2024
	\$	\$
Cash	95,899	109,165
Short term investment	265,000	270,000
Mining properties	8,745,599	8,738,079
Exploration and evaluation assets	3,018,150	2,991,209
Total assets	12,408,315	12,655,904
Equity	10,734,084	11,068,239
Total liabilities	1,674,231	1,587,665

The basic and diluted loss per share during the six months ended January 31, 2025 is \$0.011 (\$0.002 in the six months ended January 31, 2024). During the six months ended January 31, 2025 the Company realized a net loss and comprehensive loss of \$334,155 as compared to a net loss and comprehensive loss of \$288,473 during the six months ended January 31, 2024 (an increase of \$45,682). The main reasons behind the increase are:

- a) Bad debt expense of \$34,867;
- b) Decrease in finance income pertaining to Purchase price receivable;



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SELECTED QUARTERLY FINANCIAL INFORMATION

Canadian Metals anticipates that the quarterly and annual results of operations will primarily be impacted for the near future by several factors, including the timing and efforts of the exploration's expenditures and efforts related to the development of the Company. Due to these fluctuations, the Company believes that the quarter to quarter and the year-to-year comparisons of the operating results may not be a good indication of its future performance.

The following selected quarterly financial information is derived from our unaudited condensed interim financial statements for each of the two most recently completed financial years.

	2025		2024			2023		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Statements of loss and comprehensive loss</b>								
<i>Figures in (\$'000)</i>								
Operating expenses	126	110	113	171	145	82	99	99
Net finance expense (income)	51	48	(8)	21	24	38	140	(18)
Net loss (income)	177	158	105	192	169	120	222	81
Loss per share	0.006	0.005	0.003	0.001	0.001	0.001	0.002	0.001
Basic and diluted								

## STATEMENTS OF FINANCIAL POSITION

*Figures in (\$'000)*

Cash & ST Investments	361	492	379	513	642	2,060	2,400	2,515
Mining properties	8,746	8,746	8,738	8,707	8,697	8,750	8,750	8,702
Exploration and evaluation assets	3,018	2,994	2,991	2,994	2,924	2,194	1,603	1,529
Total assets	12,408	12,501	12,656	12,735	13,006	13,623	13,408	13,581
Total liabilities	1,674	1,590	1,588	1,562	1,640	2,089	1,754	1,792
Equity	10,734	10,911	11,068	11,174	11,366	11,535	11,654	11,788

The net loss of \$176,591 for Q2 2025 is mainly due to higher consultancy fees incurred during the period.

The net loss of \$157,654 for Q1 2025 is mainly due to the provision of receivable amount from QNB Metals Inc for \$ 34,867.

The net loss of \$ 105,355 for Q4 2024 is mainly due to management and consulting fees and incident of issuance costs during the quarter This was partially offset by the decrement in convertible debentures amounting to \$42,415.

The net loss of \$ 192,282 for Q3 2024 is mainly due to \$46,774 paid in taxes paid to CRA in connection with the Flow Through Shares.

The net loss of \$168,638 for Q2-2024 is mostly attributable to management and consulting fees of \$57,000, and professional fees of \$79,047.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SELECTED QUARTERLY FINANCIAL INFORMATION (CONTINUED)

The net loss of \$119,835 for Q1-2024 is mostly attributable to management and consulting fees of \$57,000, and professional fees of \$11,663 and Finance expense of \$51,084.

The net loss of \$234,971 for Q4-2023 is mostly attributable to the increase in interest expenses..

The net loss of \$80,711 for Q3-2023 is mostly attributable to management and consulting fees of \$27,000, and professional fees of \$58,054.

The net loss of \$57,702 for Q2-2023 is mostly attributable to management and consulting fees of \$27,000, and professional fees of \$31,319.

## RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2025

### Net loss

The basic and diluted loss per share for the three-month period ended January 31, 2025 is \$0.006 as compared to \$0.001 for the three-month period ended January 31, 2025.

During the three-month period ended January 31, 2025, the Company realized a net loss of \$176,591 as compared to a net loss of \$168,611 for the three-month period ended January 31, 2024. The increase of \$7,980 in net loss is mostly attributable to the reduction in interest income pertaining to Purchase price receivable.

### Operating expenses

During the three-month period ended January 31, 2025, operating expenses were \$125,719 as compared to \$144,873 for the three-month period ended January 31, 2024.

The decrease of \$19,154 in operating expenses is mostly attributable to the decrease in professional fees amounting to \$26,854.

### Net finance expense

During the three-month period ended January 31, 2025, net finance expenses were \$50,871 as compared to \$23,738 for the three-month period ended January 31, 2024.

The variance of \$27,133 in net finance expense is mostly attributable to the lower income adjustment in respect of the fair value of Purchase price receivable.

## CASH FLOWS

### Cash flows used for operating activities

Cash inflows for operating activities were \$16,194 during the three months ended January 31, 2025 as compared to cash outflows of \$495,112 used for operating activities during the three months ended January 31, 2024. The decrease in inflows amounting to \$511,306 is mainly due to lower working capital accruals during the same period last year.

### Cash flows provided from financing activities

Cash flows used in financing activities were Nil during the three months ended January 31, 2025 compared to (\$61,386) during the three months ended January 31, 2024 which was the repayment of convertible debentures.

### Cash flows used for investing activities

Cash flows used for investing activities were (\$29,461) during the three months ended January 31, 2025 compared to (\$671,458) during the three months ended January 31, 2024. The increase of \$641,997 is mainly explained by the decrease of \$1,272,162 in exploration and evaluation assets and the decrease of cash and cash equivalents amounting to \$525,000.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## RELATED PARTY TRANSACTIONS

Related parties include the Company's key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

	January 31, 2025	January 31, 2024
	\$	\$
Management and consulting fees	42,000	42,000
Exploration and evaluation assets	-	18,000

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

As at January 31, 2025, trade accounts payable and accrued liabilities include \$ 128 payable to key management personnel.

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

### Debentures from related parties:

	January 31, 2025	January 31, 2024
	\$	\$
Directors	3,000	3,000
Company under control of a director	9,000	9,000
Company under control of an officer	12,600	12,600
	24,600	24,600

## CONTINGENCIES

Governmental laws and regulations regarding environmental protection regulate the Company's operations. The environmental consequences are not easily identifiable, either in terms of results, impacts or the expiration date. Currently, and to the best knowledge of its management, the Company is in conformity with current laws and regulations.

## OFF-FINANCIAL POSITION ARRANGEMENTS

As at January 31, 2025, the Company has no off-financial position arrangements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## GOING CONCERN ASSUMPTION

As at January 31, 2025, the Company has working capital of \$ (1,029,665) including Cash and cash equivalents and Short-term investments of \$265,000 and a cumulative deficit of \$14,318,591 and incurred a loss of \$334,155 during the six-months then ended. Management does not believe it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due. These circumstances indicate the existence of material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

To continue the Company's exploration and evaluation programs on its properties and its operations, the Company will need to raise additional funds through the issuance of new equity instruments, the selling of mineral properties and the search for partners to sign option agreements on certain of its mineral properties. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms that are acceptable to the Company. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

## IFRS ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies and estimates, changes in significant accounting policies and new standards and interpretations that have not yet been adopted under IFRS are disclosed in the audited annual financial statements for the year ended July 31, 2024.

## FINANCIAL INSTRUMENTS

The Company's description of the financial instruments is disclosed in Note 4 of the audited annual financial statements for the year ended July 31, 2024.

### DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT MARCH 19, 2025)

<b>Outstanding common shares:</b>	31,224,204
<b>Outstanding share options:</b>	340,000
<b>Outstanding warrants:</b>	15,822,783
<b>Share price</b>	\$0.075

## OTHER REQUIREMENTS IN THE MANAGEMENT DISCUSSION AND ANALYSIS

The following selected financial information is derived from our unaudited financial statements as at January 31, 2025.

	Share options	Warrants
Outstanding (Numbers)	340,000	15,822,783
Average exercise price	\$1.00	\$0.24
Average remaining life (years)	2.14	1.91



# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## RISK AND UNCERTAINTIES

An investment in the common shares of CME should be considered highly speculative. Canadian Metals is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

### Credit risk

Credit risk is the risk that the other party to a financial instrument fails to honour one of its obligations and, therefore, causes the Company to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date. The Company's management considers that all of the financial assets that are not impaired or past due for each of the reporting dates are of good credit quality. The Company's credit risk is primarily attributable to cash, ST Investment and balance of purchase price receivable. Credit risk of cash and ST Investment is considered negligible, since the counterparty is a reputable bank with excellent external credit rating. The credit risk associated with the balance of purchase price arises from the possibility that the buyer may not be able to pay its debts. This receivable results from the sale of the Langis Property and is guaranteed by the property.

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management serves to maintain a sufficient amount of cash, ST investments and to ensure that the Company has financing sources such as private and public investments for a sufficient amount. Over the past and during the year, the Company has financed its acquisitions of mining rights, exploration costs and working capital needs through private financings (issuance of shares and convertible debentures or private placements).

### Exploration and mining risks

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration and evaluation stage only. The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. Currently, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined. Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs.

The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

### Titles to property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

According to the mining law and regulations of the Province of New Brunswick, to renew its claims, the Company must incur a minimum of exploration expenditures and must pay the New Brunswick government, a rent per claim of \$20 and \$200 of expenditures, for every one-year renewal period. Between the date of this MD&A and January 31, 2025, no claim will need to be renewed for a negligible amount and will not require additional exploration expenditures because the Company has met the requirement.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## RISK AND UNCERTAINTIES (CONTINUED)

### Permits and licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

### Metal prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

### Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

### Environmental regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

### Conflicts of interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

### Stage of development

The Company's properties are in the exploration stage and to date none of them has a proven ore body. The Company does not have a history of earnings or providing a return on investment, and in future, there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## RISK AND UNCERTAINTIES (CONTINUED)

### Industry conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

### Uninsured risks

The Company's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

### Capital needs

The exploration and evaluation, development, mining and processing of the Company's properties may require substantial additional financing. The only current source of future funds available to the Company is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position.

In addition, any future equity financings by the Company may result in a substantial dilution of the existing shareholders. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further exploration and evaluation, development or production on any or all of the Company's properties or even a loss of property interest.

### Key employees

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

### Canada Revenue Agency

No assurance can be made that Canada Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada).

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CERTIFICATION OF ANNUAL FILINGS

The Chief Executive Officer and the Chief Financial Officer have signed the Basic Certifications of Interim Filings as required by National Instrument 52-109 for venture issuer, thus confirming the review, the absence of misrepresentations and the fair presentation of the annual filings.

- The Chief Executive Officer and the Chief Financial Officer confirm to have reviewed the interim financial report and the interim MD&A (together, the “interim filings”) of the Company for the three-month period ended January 31, 2025.
- Based on their knowledge, having exercised reasonable diligence, the Chief Executive Officer and the Chief Financial Officer confirm that the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
- Based on their knowledge, having exercised reasonable diligence, the Chief Executive Officer and the Chief Financial Officer confirm that the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the period presented in the annual filings.

## ADDITIONAL INFORMATION

The additional information on the Company is available through regular filings of quarterly financial statements and press releases on Sedar ([www.sedarplus.ca](http://www.sedarplus.ca)).

### Officers

Kelly Malcolm  
Director and Chairman

Arnab De  
CFO and interim CEO

### Directors

Michel Gagnon (Audit Committee – Chair)

Maxime Lemieux

Yves Rougerie (Audit Committee - Member)

Jonathan Gagné (Audit Committee - Member)

### Transfer agent

Computershare Canada

Montréal (Quebec)

### Legal advisors

McMillan

Montréal (Quebec)

### Head office

2700- 1000 Sherbrooke Street West

Montreal, H3A 3G4

### Auditor

MNP

Montréal (Quebec)