AJN RESOURCES INC.

Management's Discussion and Analysis

For the three and six months ended January 31, 2025 and 2024

(Expressed in Canadian dollars, except where noted)

1. EFFECTIVE DATE AND FORWARD-LOOKING STATEMENTS

a) Reporting period and effective date

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations provides an analysis of the operations and financial results of AJN Resources Inc. (the "Company") for the three and six months ended January 31, 2025 and 2024. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements (the "Financial Statements") of the Company and related notes thereto as at and for the three and six months ended January 31, 2025 and 2024. The Financial Statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS Accounting Standards"). The accounting policies followed in the Financial Statements are the same as those applied in the Company's most recent audited annual consolidated financial statements for the years ended July 31, 2024 and 2023 (the "Annual Financial Statements"), except for as stated in Note 3 to the Financial Statements. All dollar amounts are presented in Canadian dollars, the presentation currency of the Company, except where otherwise noted. The functional currency of the Company is the Canadian dollar. References to "US$" are to United States dollars, which is the functional currency of AJN Resources Congo SASU ("AJN Congo"), a wholly owned subsidiary of the Company.

The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The period for the six months ended January 31, 2025 and 2024 are referred to as "YTD 2025" and "YTD 2024", respectively.

The effective date of this MD&A is March 31, 2025 (the "MD&A Date").

b) Forward-looking statements

This MD&A contains forward-looking statements within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its existing business and planned business operations;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and
- the timing, pricing, completion, regulatory approval of proposed financings if applicable;

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's ability to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risks and Uncertainties".

The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions, which may prove incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization companies specifically;
- the Company's ability to continue to roll out is business plan; and
- the Company's ability to secure and retain employees and contractors to carry out its business plans;

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

2. DESCRIPTION OF THE BUSINESS

The Company is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on September 1, 2016. On June 12, 2018, the Company listed its shares on the Canadian Securities Exchange ("CSE") and trades under the symbol "AJN", and on the Frankfurt Stock Exchange under the symbol "5AT". The address of the Company's registered office and principal place of business is Suite 1400 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5, Canada.

3. OUTLOOK AND GOING CONCERN

a) Outlook

The Company's primary business is the acquisition and exploration of mineral properties. The Company's mineral property consists of the Salt Wells Lithium Property (the "Salt Wells Property"), located in Nevada, USA, and exploration permits for the "Kabunda South Project" and the "Manono Northeast Project" located in the Manono Territory, Tanganyika Province of the Democratic Republic of the Congo ("DRC"). The Company's exploration and evaluation assets do not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in such deposits being located or, ultimately, a profitable mining operation in the future.

On February 8, 2022, the Company, through its wholly owned subsidiary AJN Resources Congo SASU ("AJN Congo"), entered into a memorandum of understanding (the "MoU") with the DRC to acquire a number of exploration permits in the Kilo Moto Gold Belt in North-East DRC. In connection with the MoU, the DRC has established a wholly owned subsidiary Congo Ressources SAU ("Congo Ressources") to acquire a 100% interest in certain claims in the area. AJN Congo will have the option to acquire Congo Ressources in exchange for common shares of the Company representing 60% of the fully diluted issued and outstanding common shares of the Company. As at January 31, 2025, the Company awaits the transfer of permits to Congo Ressources as per the MoU.

b) Going concern

During the three and six months ended January 31, 2025, the Company incurred a net loss of $292,656 and $808,187, respectively (2024 - $1,602,045 and $2,173,441, respectively). As at January 31, 2025, the Company has working capital deficiency of $1,261,358 (July 31, 2024 - $1,594,940), and accumulated deficit of $12,200,303 (July 31, 2024 - $11,392,116). The Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required exploration and development of its mineral property projects. These factors indicate a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. The Company's Financial Statements and this MD&A do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

(Expressed in Canadian dollars, except where noted)

4. OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

A summary of the Company's performance based on and derived from the Financial Statements, is as follows:

	Q2 2025	Q2 2024	**YTD 2025**	YTD 2024
	$	$	**$**	$
Operating expenses (income)				
Depreciation	**7,658**	7,235	**14,965**	14,499
Exploration expenses	**65,288**	348,917	**267,209**	622,574
Filing fees	**17,892**	9,940	**23,786**	14,772
Management fees	**45,000**	750,188	**184,708**	870,188
Marketing expense (recovery)	**167**	45,904	**(10,395)**	136,166
Office and miscellaneous	**11,834**	21,378	**22,775**	36,681
Professional fees	**95,139**	107,499	**160,128**	138,992
Share-based compensation	**-**	264,679	**-**	264,679
Travel expenses	**6,730**	22,200	**16,448**	26,130
	249,708	1,577,940	**679,624**	2,124,681
Other expenses				
Interest expense	**(7,916)**	(7,915)	**(15,831)**	(15,831)
Foreign exchange loss	**(35,032)**	(16,190)	**(12,475)**	(32,929)
Loss on debt settlement	**-**	-	**(100,257)**	-
Net loss for the period	**(292,656)**	(1,602,045)	**(808,187)**	(2,173,441)

Q2 2025 compared to Q2 2024

Net loss decreased to $292,656 compared to $1,602,045 in the prior year comparable period. The primary drivers of this decrease in net loss were as follows:

- Exploration expenses decreased to $65,288 compared to $348,917 in the prior year comparable period primarily due to reduced drilling activities at the Kabunda South Project as the drilling programs at the property are concluding during the current period. Exploration expenses incurred during Q2 2025 were for assaying and testing, geological consulting fees, and other project support costs related to the commencement of the drilling programs at the Kabunda South Project.
- Management fees decreased to $45,000 compared to $750,188 in the prior year comparable period primarily due to the immediate vesting of stock options issued to the Company's directors in accordance with the omnibus equity incentive compensation plan in the prior year comparable period, which does not happen in the current period.
- Marketing expense was $167 compared to an expense of $45,904 in the prior year comparable period primarily due to management's decision to reduce spending to conserve cash.
- Share-based compensation decreased to $nil compared to $264,679 in the prior year comparable period due to the immediate vesting of stock options issued to the Company's consultants in accordance with the omnibus equity incentive compensation plan in the prior year comparable period, which does not happen in the current period.

YTD 2025 compared to YTD 2024

Net loss decreased to $808,187 compared to $2,173,441 in the prior year comparable period. The primary drivers of this decrease in net loss were as follows:

- Exploration expenses decreased to $267,209 compared to $622,574 in the prior year comparable period primarily due to reduced drilling activities at the Kabunda South Project as the drilling programs at the property are concluding during the current period. Exploration expenses incurred during YTD 2025 were for assaying and testing, geological consulting fees, and other project support costs related to the commencement of the drilling programs at the Kabunda South Project.
- Management fees decreased to $184,708 compared to $870,188 in the prior year comparable period primarily due to the immediate vesting of stock options issued to the Company's directors in accordance with the omnibus equity incentive compensation plan in the prior year comparable period, which does not happen in the current period.
- Marketing recovery was $10,395 compared to an expense of $136,166 in the prior year comparable period primarily due to a reversal of accrued expenses as of year end not incurred. Marketing expense incurred in YTD 2024 was primarily due to digital marketing efforts to promote the Company's drilling programs in the DRC and attract new investors.

(Expressed in Canadian dollars, except where noted)

- Share-based compensation decreased to $nil compared to $264,679 in the prior year comparable period due to the immediate vesting of stock options issued to the Company's consultants in accordance with the omnibus equity incentive compensation plan in the prior year comparable period, which does not happen in the current period.

Partially offsetting the decrease in net loss were increases to expenses as follows:

- Professional fees increased to $160,128 compared to $138,992 in the prior year comparable period primarily due to additional accounting consulting services in the DRC and legal services relating to the settlement of loans agreement and private placement incurred during the current period.
- Loss on debt settlement increased to $100,257 compared to $nil in the prior year comparable period due to the settlement of $150,000 loans payable to two directors of the Company through the issuance of 1,500,000 units with a fair value of $250,257.

5. SUMMARY OF QUARTERLY RESULTS

A summary of the Company's financial results for the eight most recently completed quarters is as follows:

	Q2 2025	Q1 2025	Q4 2024	Q3 2024
	$	$	$	$
Total assets	**964,905**	1,411,357	948,067	1,299,842
Total liabilities	**1,398,272**	2,339,427	1,975,247	1,326,684
Working capital (1)	**(1,261,358)**	(1,741,606)	(1,594,940)	(773,470)
Net loss	**(292,656)**	(515,531)	(1,223,915)	(810,018)
Comprehensive loss	**(241,597)**	(540,855)	(1,239,592)	(848,295)
Net loss per share	**(0.01)**	(0.01)	(0.03)	(0.02)

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	$	$	$	$
Total assets	2,298,802	3,029,057	1,758,365	705,636
Total liabilities	1,477,349	1,476,566	1,811,764	1,428,831
Working capital	(52,367)	674,907	(453,792)	(922,304)
Net loss	(1,602,045)	(571,396)	(360,322)	(276,279)
Comprehensive loss	(1,625,904)	(546,251)	(366,913)	(273,749)
Net loss per share	(0.04)	(0.01)	(0.01)	(0.01)

(1) Working capital is non-IFRS measure which is calculated by subtracting current liabilities from current assets. Management believes that working capital is a useful indicator of the liquidity of the Company. Management is of the view that the most directly comparable IFRS Accounting Standards measure to working capital is current assets and current liabilities.

During the last eight quarters, the Company's net loss has ranged between $276,279 (Q3 2023) and $1,602,045 (Q2 2024). Variability in net loss is mainly attributable to mineral property exploration in the DRC on properties that the Company does not own or control. The significant net loss in Q4 2024 was due to drilling programs at the Kabunda South Project and write-down of exploration and evaluation asset in Salt Wells Property. Other factors contributing to variability in net loss include compliance costs, public company costs and costs to promote the Company's financing activities. These expenses fluctuate depending on the funding available to the Company.

(Expressed in Canadian dollars, except where noted)

6. SUMMARY OF EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Salt Wells Property	Dabel Gold Project	Kabunda South Project	Manono Northeast Project	Total
	$	$	$	$	$
Acquisition cost					
Balance, July 31, 2023	103,216	-	65,885	197,655	366,756
Additions	13,908	-	176,139	-	190,047
Write-down	(117,123)	-	-	-	(117,123)
Currency translation differences	-	-	6,538	9,480	16,018
Balance, July 31, 2024	1	-	248,562	207,135	455,698
Additions	-	68,971	180,000	-	248,971
Currency translation differences	-	-	12,150	10,125	22,275
Balance, January 31, 2025	**1**	**68,971**	**440,712**	**217,260**	**726,944**

a) Salt Wells Property

In 2017, the Company entered into an option agreement (the "Option Agreement") to acquire a 100% interest in certain claims comprising the Salt Wells Property in Nevada, the USA. The Salt Wells Property is subject to a 4.5% net smelter return, 1.5% of which the Company has the right to buy back within 90 days of the property going into production for US$500,000, and an additional 1.5% of which the Company has the right to buy back within 180 days of the property going into production for US$1,250,000. Furthermore, a cash payment of US$250,000 is payable upon the property attaining commercial production.

As at January 31, 2025, the Company has a reclamation bond of $19,142, which is a security held by the Bureau of Land Management of Nevada.

During the year ended July 31, 2024, pursuant to the impairment assessment under IFRS 6 - *Exploration and Evaluation Assets*, management concluded impairment indicator existed and recorded a write-down of evaluation and exploration assets of $117,123 (2023 - $nil).

b) Dabel Gold Project

On September 18, 2024, the Company entered into an agreement with Lord Purus Trading Limited (the "Acquistion Agreement") to acquire a 60% interest of the Dabel Gold project located in Nairobi, Kenya ("Dabel Gold Project") in exchange for:

- A cash payment of US$50,000 by September 18, 2024 (paid);
- An issuance of 5,000,000 of the Company's common shares;
- A cash payment of US$50,000 once the Company successfully raises $1,000,000 funding in form of equity or debt;
- A cash payment of US$250,000 by March 18, 2025;
- A cash payment of US$500,000 by March 18, 2026;

Pursuant to the Acquisition Agreement, the Company will conduct a due diligence on the Dabel Gold Project. Upon the completion of the due diligence and subject to the Company's decision to proceed ("Commencement Date"), the Company will incorporate a new Kenyan subsidiary ("Newco") of which the Company will hold 60% issued and outstanding shares. In addition, the Company will issue 19.90% of its issued and outstanding share capital to Lord Purus Trading Limited.

In addition, the Company will have an option to acquire an additional 10% interest in the Dabel Gold Project by paying US$10,000,000 and US$15,000,000, respectively to Lord Purus Trading Limited within two and three years, respectively from the Commencement Date.

As at January 31, 2025, the Company is carrying out the due diligence on the Dabel Gold Project.

c) Kabunda South Project

MEK PR 15383

On December 30, 2022, the Company entered into a binding term sheet (the "Binding Term Sheet") with Mining Entreprise Katanga S.A.R.L.U. ("MEK") in which it can acquire a 75% interest in exploration permit PR 15383, located in the Manono territory, Tanganyika province of the DRC ("MEK PR 15383") in exchange for:

- A cash payment of US$30,000 by December 30, 2022 (paid);
- A cash payment of US$20,000 by April 30, 2023 (paid); and
- A cash payment of US$80,000 (paid) and the issuance of 6,000,000 of the Company's issued and outstanding common shares after the date that the Company has completed all technical, financial and legal due diligence. As at January 31, 2025, the Company is carrying out necessary due diligence prior to issuing the agreed upon number of shares to acquire the interest in MEK PR 15383.

MEK PR 15623

On October 15, 2023, the Company entered into a binding term sheet (the "Binding Term Sheet 4") which was later amended on August 29, 2024, with MEK to acquire a 75% indirect interest in an exploration permit, PR 15623, located in the Manono Territory, Haut-Katanga province of the DRC ("MEK PR 15623"). On August 29, 2024, the Company and MEK amended the Binding Term Sheet 4. A summary of the consideration for the acquisition is as follows:

- A cash payment of US$30,000 by October 15, 2023 (paid);
- A cash payment of US$20,000 by February 15, 2024 (paid); and
- An issuance of 2,000,000 of the Company's common shares on or before September 15, 2024 (issued); and
- An issuance of 5,000,000 of the Company's common shares on or before the date that is two months after the date that the Company completed all technical, financial and legal due diligence. As at January 31, 2025, the Company is carrying out necessary due diligence prior to issuing the agreed upon number of shares to acquire the interest in MEK PR 15623.

d) Manono Northeast Project

Palm PR 15282

On June 2, 2023, the Company entered into a binding term sheet (the "Binding Term Sheet 2") with Palm Constellation S.A.R.L. in the DRC ("Palm"), to acquire a 70% indirect interest in an exploration permit PR 15282, located in the Manono territory, Tanganyika province of the DRC ("Palm PR 15282") in exchange for:

- A cash payment of US$50,000 by June 12, 2023 (paid);
- A cash payment of US$100,000 by July 29, 2023 (paid);
- A cash payment of US$250,000 and the issuance of the number of shares that are equal to 10.5% of the Company's issued and outstanding common shares for the first 51% indirect interest ("First Option") after the date that the Company has completed all technical, financial and legal due diligence. As at January 31, 2025, the Company is carrying out necessary due diligence prior to exercising the First Option;
- A cash payment of US$250,000 and the issuance of an additional 4,000,000 of the Company's common shares for a further 9% indirect interest after the exercise of the First Option and no later than six months thereafter ("Second Option"); and
- A cash payment of US$5,000,000 for the remaining 10% indirect interest to increase the Company's holding to 70% indirect interest after the exercise of the Second Option and no later than six months thereafter, which is the maximum amount pursuant to the Binding Term Sheet 2.

(Expressed in Canadian dollars, except where noted)

e) Exploration expenses

A summary of the Company's exploration expenses for the three and six months ended January 31, 2025 and 2024 is as follows:

	Q2 2025	Q2 2024	**YTD 2024**	YTD 2023
	$	$	**$**	$
Assaying and testing	**4,100**	12,067	**45,318**	22,530
Field work	**28,711**	66,395	**30,077**	143,868
Geological studies	**7,872**	250,411	**50,063**	353,440
Transportation and mobilization	**-**	-	**80,393**	65,389
Other general and administrative expenses	**24,605**	20,044	**61,358**	37,347
	65,288	348,917	**267,209**	622,574

7. LIQUIDITY AND CAPITAL RESOURCES

a) Liquidity

Since incorporation, the Company's capital resources have been limited. The Company has had to rely upon the sale of equity securities and issuance of the convertible debenture for the cash required for property acquisition payments, office and miscellaneous expenses and accounting, audit and legal fees, among other expenses.

b) Cash flows

A summary of the Company's cash flow information based on and derived from the Financial Statements for the six months ended January 31, 2025 and 2024 is as follows:

	2025	2024
	$	$
Cash used in operating activities	**(1,098,086)**	(1,458,534)
Cash used in investing activities	**(68,971)**	(614,507)
Cash provided by financing activities	**926,300**	2,081,395
Effect of exchange rate on changes in cash	**1,054**	(2,179)
Change in cash	**(239,703)**	6,175
Cash, beginning of period	**320,255**	1,171,941
Cash, end of period	**80,552**	1,178,116

The Company's cash flows from operations are negative as it is an exploration stage company. During the YTD 2025, the Company used cash of $1,098,086 in operating activities (2024 - $1,458,534) mainly exploring its mineral property interests in the DRC and loss on debt settlement.

During the YTD 2025, the Company used cash of $68,971 in investing activities (2024 - $614,507) for acquisition of a new property in Dabel Gold Project.

During the YTD 2025, the Company raised cash of $926,300 from financing activities (2024 - $2,081,395) from net proceeds in connection with private placements.

c) Capital resources

As at January 31, 2025, the Company's share capital was $7,821,869 (July 31, 2024 - $6,698,694), representing 56,891,333 issued and outstanding common shares without par value (July 31, 2024 - 42,210,500 common shares).

(Expressed in Canadian dollars, except where noted)

d) Use of proceeds

On August 14, 2023, the Company completed a non-brokered private placement of 13,415,000 units at $0.25 per unit for gross proceeds of $3,353,750. Of the $3,353,750 gross proceeds, $1,109,985 was received during the year ended July 31, 2023. Each unit comprises one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 until August 11, 2025. The gross proceeds were allocated using the relative fair value method and as a result, $2,184,634 was allocated to share capital and $1,169,116 was allocated to reserves. In connection with the Private Placement, unit issuance costs totaled $263,720, comprised of cash issuance costs of $162,370 and the issuance of 626,100 warrants to finders with a fair value of $101,350. The warrants are exercisable into common shares at a price of $0.30 until August 11, 2025.

A summary reconciliation of the expected use of proceeds received from the private placement is as follows:

	August 14, 2023
	$
Total gross proceeds	3,353,750
Allocation of proceeds:	
Exploration of the Kabunda South Project	1,025,000
Exploration of the Manono Northeast Project	1,025,000
Exploration of the Salts Well Property	25,000
Project investigation costs	100,000
Share issuance costs	162,370
Working capital and general corporate expenses	1,016,380

On August 14, 2024, the Company completed a non-brokered private placement of 5,000,000 units at $0.10 per unit for gross proceeds of $500,000, of which $310,000 had been received during the year ended July 31, 2024. Each unit comprises one common share and one warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.15 until August 15, 2028. The gross proceeds were allocated using the relative fair value method and as a result, $284,708 was allocated to share capital and $215,292 was allocated to reserves.

A summary reconciliation of the expected use of proceeds received from the private placement is as follows:

	August 14, 2024
	$
Total gross proceeds	500,000
Allocation of proceeds:	
Exploration of the Kabunda South Project	80,000
Exploration of the Monono Southeast Project	80,000
Exploration of the Salts Well Property	10,000
Exploration of the Dabel Gold Project	80,000
Project investigation costs	50,000
Working capital and general corporate expenses	200,000

On November 19, 2024, the Company completed a non-brokered private placement of 6,180,833 units at $0.12 per unit for gross proceeds of $741,700. Each unit comprises one common share and one warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.15 until November 20, 2026. The gross proceeds were allocated using the relative fair value method and as a result, $481,155 was allocated to share capital and $260,545 was allocated to reserves.

(Expressed in Canadian dollars, except where noted)

A summary reconciliation of the expected use of proceeds received from the private placement is as follows:

	November 19, 2024
	$
Total gross proceeds	741,700
Allocation of proceeds:	
Exploration of the Kabunda South Project	118,672
Exploration of the Monono Southeast Project	118,672
Exploration of the Salts Well Property	14,834
Exploration of the Dabel Gold Project	118,672
Project investigation costs	74,170
Working capital and general corporate expenses	296,680

The Company notes that there may be circumstances where, for sound business reasons, the Company may be required to reallocate funds, including due to demands for shifting focus or investment in mining exploration and/or development activities, requirements for accelerating, increasing, reducing, or eliminating initiatives in response to changes in market, regulations and/or developments in the mining sector generally and in the price of copper, unexpected setbacks, and strategic opportunities, such as partnerships, strategic partners, joint ventures, mergers, acquisitions, and other opportunities.

8. RELATED PARTY TRANSACTIONS

Key management personnel are those who have the authority and responsibility for planning, directing, and controlling the Company.

A summary of the amounts the Company paid to its directors and officers is as follows:

	Q2 2025	Q2 2024	**YTD 2025**	YTD 2024
	$	$	**$**	$
Management fees	**45,000**	120,000	**165,000**	240,000
Share-based compensation related to management fees	**-**	630,188	**19,708**	630,188
	45,000	750,188	**184,708**	870,188

On July 11, 2024, the Company entered into loan agreements with its officers for a total principal amount of $150,000. The loans payable was non-interest bearing and had a maturity date of July 11, 2025. On August 14, 2024, the Company settled the loans payable through the issuance of 1,500,000 units. Pursuant to the settlement of the loans payable, the Company recognized a loss on debt settlement of $nil and $100,257, respectively during the three and six months ended January 31, 2025 (2024 - $nil and $nil, respectively).

As at January 31, 2025, amounts due to related parties included in accounts payable and accrued liabilities were $31,000 (July 31, 2024 - $188,964). The amounts due to related parties are unsecured, non-interest bearing, and due on demand.

9. SUBSEQUENT EVENTS

On March 21, 2025, the Company closed the first tranche of a non-brokered private placement and issued 5,249,998 units at $0.12 per unit for gross proceeds of $630,000. Each unit was comprised of one common share and one warrant for a total of 5,249,998 warrants. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.15 until March 22, 2029.

On March 28, 2025, the Company closed the second tranche of a non-brokered private placement and issued 1,033,333 units at $0.12 per unit for gross proceeds of $124,000. Each unit was comprised of one common share and one warrant for a total of 1,033,333 warrants. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.15 until March 29, 2029.

10. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at January 31, 2025 and to the MD&A Date.

11. PROPOSED TRANSACTIONS

The Company does not have any proposed transactions other than the MoU at January 31, 2025 and to the MD&A Date.

12. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company's significant judgements and sources of estimation uncertainty are described in the Annual Financial Statements as found on SEDAR+ at www.sedarplus.ca. There have been no changes to the Company's significant judgements and sources of estimation uncertainty during the three months ended January 31, 2025.

13. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements, except for the following pronouncements which became effective for periods beginning on or after August 1, 2024.

<u>Disclosure of accounting policies - amendments to IAS 1 and IFRS Practice Statement 2</u>

The amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had no impact on the Company's disclosures of accounting policies as well as on the measurement, recognition or presentation of any items in the Company's financial statements.

<u>Classification of liabilities as current or non-current - amendments to IAS 1</u>

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments have not had an impact on the classification of the Company's liabilities.

<u>Definition of accounting estimates - amendments to IAS 8</u>

The amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

<u>Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12</u>

The amendments to IAS 12 Income Taxes narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at January 31, 2025, the carrying values of cash, deposits, accounts payable and accrued liabilities, accrued interest payable, and convertible debenture approximate their respective fair values due to their short-term nature. These financial instruments are measured at amortized cost.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash and deposits. The risk exposure is limited because the Company places its cash in banks of high credit worthiness within Canada and legal counsel in the DRC, and its deposits are held with an established mining institution in Nevada, USA.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities, accrued interest payable, convertible debenture, loans payable, and subscription liabilities. Management mitigates this risk by monitoring its cash position and issuing common shares or debt as required.

As at January 31, 2025, the Company's cash balance of $80,552 (July 31, 2024 - $320,255) is not be sufficient to meet its current obligations related to its accounts payable and accrued liabilities balance of $136,823 (July 31, 2024 - $553,474), accrued interest payable balance of $5,334 (July 31, 2024 - $15,658), and convertible debenture balance of $1,256,115 (July 31, 2024 - $1,256,115). The Company's liquidity risk is high, and it will need to raise cash in the form of debt or equity in order to meet its current obligations and remain a going concern.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as its convertible debenture is payable at a fixed interest rate and no other liabilities are subjected to variable interest rates.

d) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

A summary of the Company's financial instruments held in foreign currencies as at January 31, 2025, expressed in Canadian dollars is as follows:

	USD
	$
Cash	935

A 5% change in the United States dollar against the Canadian dollar at January 31, 2025 would result in an immaterial impact to foreign exchange gain or loss.

e) Geopolitical risk

Geopolitical risk is the risk that the fair value of financial instruments will fluctuate if there is a sudden and rapid destabilization of global financial conditions in response to future events, as government authorities may have limited resources to respond to the current or future crisis. Future crises may be precipitated by any number of factors outside the Company's control, including another pandemic, natural disasters, geopolitical instability, supply chain constraints or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the Company's ability to obtain equity or debt financing or make other suitable arrangements to operate and/or finance its projects. In the event of increased levels of volatility or a rapid destabilization of global economic conditions, the Company's results of operations and financial condition could be adversely affected.

(Expressed in Canadian dollars, except where noted)

15. OUTSTANDING SHARE DATA

The Company's authorized capital is unlimited common shares without par value.

A summary of the Company's securities is as follows:

	January 31, 2025	MD&A Date
	#	#
Common shares issued and outstanding	56,891,333	63,174,664
Stock options	4,725,000	4,725,000
Warrants	26,766,933	33,050,264

16. RISKS AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the MD&A for the years ended July 31, 2024 and 2023 filed on SEDAR+.

17. ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.