MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2024

Introduction

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of Caprock Mining Corp. ("Caprock", "we" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended November 30, 2024 ("Q1 2025"). This MD&A was written to comply with the requirements of the National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the Company's condensed interim financial statements and related notes for the three months ended November 30, 2024 and 2023 (the "Q1 2025 Financials"), and the audited financial statements and related notes for the years ended August 31, 2024 and 2023 (the "2024 Financial Statements"). Amounts are expressed in Canadian dollars unless otherwise stated. This MD&A contains forward-looking statements that are based on the beliefs of management, as well as assumptions made by, and information currently available to, our management. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of various factors.

The Q1 2025 Financials have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IFRS").. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

This MD&A reports the Company's activities through January 27, 2025, unless otherwise indicated.

Additional information relating to the Company is available under the Company's SEDAR+ profile at www.sedarplus.ca.

Nature of Mineral Exploration Business

The Company is a mineral exploration company, and its mineral resource properties are in the exploration stage only. The degree of risk increases substantially where an issuer's mineral resource properties are in the mineral exploration stage as opposed to the development or operational stage. An investment in mineral exploration companies is speculative and involves a high degree of risk and should only be made by investors who can afford the total loss of their investment. Prospective investors and other readers of this MD&A should consider the risk factors in the materials referenced under the heading "*Risks and Uncertainties*".

Business Outlook and Strategy

Caprock was incorporated as Blingold Corp. under the provisions of the Business Corporations Act (Ontario) on September 14, 2020. On July 12, 2021, the Company filed Articles of Amendment to change the name from Blingold Corp. to Caprock Mining Corp. The Company was incorporated to explore and evaluate mining properties in Canada. The registered address of the Company is 36 Toronto Street, Suite 701, Toronto, Ontario, M5C 2C5, Canada.

On January 26, 2022, the Company's common shares commenced trading on the Canadian Securities Exchange (the "CSE") under the ticker "CAPR", which triggered the Liquidity Event to acquire the Big Ridge Property (see "Mineral Properties" below).

The principal business of the Company is the acquisition, exploration and evaluation of mineral properties, and developing these properties further or disposing of them when evaluation is complete. The Company is currently focused on exploring battery metals and precious metals. The Company may pursue additional exploration properties should such investments be consistent with the objectives and acquisition criteria of the Company. The Company's financial success will be dependent upon the extent to which it can acquire and advance its mineral exploration assets toward economic viability. Such developments take years to achieve with any resulting income very difficult to project with any certainty. The sales value of any such mineralization discovered and developed by the Company depends on factors beyond the Company's control, such as the market value of any mineral commodities produced.

The Company has no income and is reliant on capital markets for future funding. Through its outreach, shareholders and marketing programs, Caprock is able to judge both shareholder interest and the capital markets. Although the Company is confident in securing such funding, there is no guarantee that financing will be completed. The Company continues to monitor economic conditions and make adjustments to keep costs down should the junior resource markets remain stubborn.

Trends and Economic Conditions

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Apart from these and the risk factors noted under the heading "*Risks and Uncertainties"*, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

See "*Cautionary Note Regarding Forward-Looking Statements"* below.

Corporate Developments – Financing

On December 31, 2024, the Company completed a private placement offering (the "Non-FT Private Placement") of 11,685,000 units of the Company ("Units") at a price of $0.025 per Unit, for aggregate gross proceeds of $292,125. Each Unit consists of one common share of the Company and one common share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase one common share at an exercise price of $0.06 for a period of 24 months from the date of issuance.

The Company also completed a private placement offering (the "FT Private Placement," and together with the Non-FT Private Placement, the "Private Placement Offerings") of 2,875,000 flow-through units of the Company ("FT Units") at a price of $0.04 per FT Unit, for aggregate gross proceeds of $115,000. Each FT Unit consists of one Share ("FT Share") and one Warrant, with each Warrant entitling the holder to purchase one common share at an exercise price of $0.06 for a period of 24 months from the date of issuance.

An aggregate of $29,210 was paid to certain finders and an aggregate of 230,000 finder warrants were issued to certain finders in connection with the Private Placement Offerings. Each finder warrant entitles the finder to acquire one Unit at a price of $0.025 at any time on or before December 31, 2026.

Corporate Developments - Mineral Properties

<u>Destiny Property</u>

On December 3, 2024 the Company entered into a binding option agreement setting out the terms of an option to acquire a 100% interest in the Destiny gold property ("Destiny", or the "Destiny Property") located near Val D'Or, Quebec from Big Ridge Gold Corp. (the "Optionor") (the "Transaction"). The Transaction closed on December 31, 2024.

Destiny comprises 127 mineral claims that collectively span an area of 5,013 hectares located less than two hours' drive from Val D'Or. The project lies along a major deformation corridor in the Abitibi greenstone belt that includes the prolific Cadillac-Larder Lake and Destor-Porcupine fault zones which host numerous producing and development-stage gold deposits that are in close proximity to Destiny. The project overlies a 6.0 km long segment of the poorly explored Despinassay shear zone which is a splay off the regional Chicobi Fault. One of the several gold deposits discovered on the Property is the DAC Deposit which has a near-surface, National Instrument 43-101 compliant mineral resource estimate ("MRE") comprising the following gold inventory:

- 10.8 million tonnes averaging 1.05 g/t Au and containing 364,000 ounces Au in the Indicated category; and
- 8.3 million tonnes averaging 0.92 g/t Au and containing 247,000 ounces Au in the Inferred category.

Management believes that gold mineralization is open at the DAC Deposit along strike, at depth and on parallel structures on the Destiny Property. This resource expansion potential is in addition to the potential to explore for, and establish, independent mineral resource estimates on several of the other deposits that have previously been identified on the Property through exploration drilling.

Pursuant to the Option Agreement, the Company has an option to acquire 100% interest in the Property by incurring the following obligations over the course of three years (which may be accelerated at Caprock's option) from December 31, 2024

- Issuance of 8,000,000 common shares of the Company on December 31, 2024 at a deemed issue price of $0.05 per common share for a total deemed value of $400,000 (Issued on December 31, 2024);
- Payment of $100,000 in cash and $250,000 in common shares of the Company on or before December 31, 2025;

- Payment of $250,000 in cash and $350,000 in common shares of the Company on or before December 31, 2026;
- Payment of $400,000 in cash and $700,000 in common shares of the Company on or before December 31, 2027; and
- Incurring qualified expenditures on the Property totaling $2,450,000 with the following breakdown:
  - $200,000 on or before December 31, 2025 Date;
  - an additional $750,000 on or before December 31, 2026; and
  - an additional $1,500,000 on or before December 31, 2027.

Big Ridge Property

On March 11, 2021, the Company entered into an agreement with Big Ridge Gold Corp. ("Big Ridge") (the "Big Ridge Agreement"), to acquire an aggregate of 523 mining claims and 15 leases located in the Province of Ontario known as the Mud Lake, Golden Heart, Brookbank East, three Towers, Miner Lake and Green Oaks properties, subject to royalties (collectively the "Big Ridge Property") for the purchase price of 10,000,000 common shares at a deemed price of $0.10 per common share. As a condition of closing, the Company must have all necessary approvals to complete a going public transaction, which occurred on January 26, 2022, when the Company's common shares were listed for trading on the CSE. The Big Ridge Property acquisition closed on February 28, 2022, and 10,000,000 common shares were issued at the price of $0.20 per share, being the closing price of the common shares on that date.

Ackley Property

On January 31, 2023 (the "Effective Date"), the Company entered into a binding option agreement (the "Option Agreement") with Dean Fraser, which set out the terms of an option to acquire a 100% interest in the Ackley Lithium-Tin-Molybdenum-REE property (the "Ackley Property") located in south-eastern Newfoundland. The Ackley Property comprises 182 mining claims collectively covering an area of 4,550 hectares. Under the terms of the Option Agreement, the Company was required to make the following issuances, Optionor cash payments, and exploration expenditures over the course of three years (which may be accelerated at the Company's option) from the Effective Date:

- Issuance of 5,200,000 common shares ("Consideration Shares") of the Company with 1,300,000 issued immediately on January 31, 2023, and 1,300,000 Consideration Shares each on January 31, 2024, 2025, and 2026;
- Payment of $125,000 in cash with $20,000 paid immediately on January 31, 2023, $25,000 on January 31, 2024, $30,000 on January 31, 2025, and $50,000 on January 31, 2026;
- Incurring qualified expenditures on the Ackley Property totalling $750,000 of which $150,000 is incurred within the first 12 months until January 31, 2024, an additional $250,000 within 24 months until January 31, 2025, and an additional $350,000 within 36 months until January 31, 2026; and
- A one-time payment of $10,000 to a consultant for the staking costs and over 100 kilometers of detailed high resolution ground magnetic data generated on the property in recent years.

In September 2023, the Company made an additional stake in a block at Ackley East comprising of 14 claims for $910. This brought the total claims at the Ackley Property to 236 claims.

On January 18, 2024, the Company entered into an amendment of the Option Agreement (the "Amended Option Agreement") to make up for the shortfall in the qualifying expenditure obligation that ought to have been incurred during the first 12 months of the Effective Date per terms of the Option Agreement.

On January 30, 2024, the Company issued 100,000 common shares valued at $3,500 as consideration to the Optionor of the Ackley Property pursuant to the terms of the Amended Option Agreement.

On January 31, 2024, the Company made a cash payment of $25,000 and issued Consideration Shares of 1,300,000 pursuant to the terms of the Option Agreement.

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During the year ended August 31, 2024, the Company entered into discussions with Big Ridge over the potential to enter into an option agreement with respect to Big Ridge's Destiny property. At August 31, 2024, these discussions had not progressed to the point of any formal agreement, but the Company entered into a non-binding letter of intent on September 24, 2024 and a definitive option agreement on December 4, 2024. Notwithstanding the encouraging results from the Company's inaugural exploration program at Ackley, management had determined that the interests of the Company's shareholders were best served by focusing on completing an option agreement on Destiny and determined to incur no additional costs on Ackley.

As a consequence, management concluded that the Ackley property was impaired as at August 31, 2024, and capitalized acquisition costs amounting to $154,010 were written off and charged to operations. The Company submitted a formal notice of termination on December 3, 2024, terminating the option agreement.

Qualified Person

Vishal Gupta, M.Sc., P.Geo. (PGO) has approved the technical information in this MD&A. Mr. Gupta is a "Qualified Person" within the meaning of National Instrument 43-101, Standards of Disclosure for Mineral Projects.

Environmental regulations

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. The Company maintains a policy of conducting its business in compliance with all environmental regulations.

Overall Performance

As at November 30, 2024, the Company had current assets of $30,099 (August 31, 2024 – $152,930), including cash of $5,422 (August 31, 2024 – $131,408), to settle current liabilities of $374,494 (August 31, 2024 – $390,625), for a working capital deficit of $344,395 (August 31, 2024 – working capital deficit of $237,695).

During the three months ended November 30, 2024, the Company reported a net loss of $106,700 (loss of $0.002 per basic and diluted share), as compared to a net loss of $158,303 (loss of $0.004 per basic and diluted share) reported during the three months ended November 30, 2023 ("Q1 2024"). The decrease in net loss is primarily due to the Company's efforts at reducing costs.

During the three months ended November 30, 2024, net cash used in the Company's operations was $125,986 as compared to $105,009 cash used in operations in the prior comparative period. The increase is primarily a result of fluctuations in working capital items.

Selected Annual Information

Selected financial information, prepared in accordance with IFRS, for the Company's three most recently completed fiscal years ended August 31 are summarized as follows:

	2024	2023	2022
	$	**$**	**$**
Total operating expenses	**(577,325)**	(591,268)	(991,862)
Total exploration expenses	**(82,221)**	(71,536)	(126,414)
Net loss and comprehensive loss	**(577,325)**	(591,268)	(991,862)
Net loss per share – basic and diluted	**(0.014)**	(0.014)	(0.028)
Total assets	**2,295,940**	2,361,652	2,746,196
Total liabilities	**390,625**	212,772	124,900
Shareholders' equity	**2,141,930**	2,148,880	2,621,296
Working capital (deficiency)	**(237,695)**	77,280	621,259

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During the year ended August 31, 2024, the Company raised funds through private placements in order to fund working capital and exploration activities. The Company focused efforts on reducing expenditures, resulting in decreased expenditures to the comparative periods.

For further details please see "*Results of Operations*" sections below.

Selected quarterly financial information

The Company's selected financial information for the last eight quarters as at November 30, 2024 are as follows:

	As at and for the three months ended			
	November 30, 2024	August 31, 2024	May 31, 2024	February 29, 2024
	$	**$**	**$**	**$**
Operating expenses	(106,700)	(238,329)	(88,193)	(92,497)
Net loss and comprehensive loss	(106,700)	(238,329)	(88,193)	(92,497)
Loss per share – basic and diluted	(0.002)	(0.006)	(0.002)	(0.002)
Cash	5,422	131,408	7,418	29,595
Total assets	2,019,099	2,295,940	2,167,581	2,193,143

	As at and for the three months ended			
	November 30, 2023	August 31, 2023	May 31, 2023	February 28, 2023
	$	**$**	**$**	**$**
Operating expenses	(158,303)	(126,687)	(104,656)	(189,765)
Net loss and comprehensive loss	(158,303)	(128,187)	(104,656)	(188,265)
Loss per share – basic and diluted	(0.004)	(0.003)	(0.003)	(0.005)
Cash	129,780	235,699	341,886	466,325
Total assets	2,225,756	2,361,652	2,479,687	2,584,880

Results of Operations – First Quarter and Year to Date

During Q1 2025, the Company incurred total operating expenses of $106,700, as compared to total operating expenses of $158,303 during Q1 2024. The reduction in operating expenses in Q1 2025 is a direct result of management monitoring cash flows in an effort to reduce discretionary spending. Material variances in year over year expenses included the following:

- Exploration and evaluation expenditures amounted to $2,548 during Q1 2025 (Q1 2024 - $68,408), for a decrease of $65,860. The decrease is a testament to management's efforts at monitoring cash flows in an effort to preserve capital.
- Travel and entertainment expenses were $750 during Q1 2025, as compared to $2,899 during Q1 2024. Management limited travel to only necessary occurrences in an effort to preserve cash on hand.
- Office and general expenses decreased by $3,977 from $5,550 incurred during Q1 2024 to $1,573 incurred during Q1 2025. The decrease reflects management's efforts to decrease discretionary spending.
- Shareholder costs and advertising and promotion expenses increased to a combined $26,064 during Q1 2025, as compared to $9,329 during Q1 2024. The increase is due to initiatives associated with management's efforts at raising funds through a private placement, which closed on December 31, 2024.

Other expenses included:

- Professional fees, reported at $75,765 during Q1 2025 (Q1 2024 – $72,117).

Overall, the Company recorded a net loss of $106,700 for the three months ended November 30, 2024 (November 30, 2023 - $158,303).

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Liquidity and Capital Resources

	2024	2023
	$	$
Cash Flows used in Operating Activities	**(125,986)**	(105,009)
Cash Flows used in Investing Activities	**-**	(910)
Cash Flows provided by Financing Activities	**-**	-
Decrease in Cash	**(125,986)**	(105,919)
Cash, beginning of period	**131,408**	235,699
Cash, end of period	**5,422**	129,780

During Q1 2025, net cash used in the Company's operating activities was $125,986 (Q1 2024 - $105,009). The increase is primarily a result of fluctuations in working capital items.

Management is actively monitoring cash levels and managing exploration plans and corporate overhead against its budget. Cash levels will decline as the Company accelerates exploration work. The Company's ability to continue as a going concern is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations or, in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. Management has commenced efforts to raise capital for continuation of the Company's operations, including corporate general and administrative expenses. It is impossible to predict whether financing efforts will be successful or if the Company will attain profitability levels of operations

Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee of the Board.

The remuneration of directors and other members of key management personnel during the three months ended November 30, 2024 and 2023 were as follows:

	2024	2023
	$	$
Management salaries and consulting fees	**43,750**	43,750
Professional fees	**15,000**	21,000
	58,750	64,750

Effective June 7, 2021, the Company entered into an executive management agreement with Windmark Financial Limited ("Windmark"), a company controlled by the Company's President and Chief Executive Officer ("CEO") to pay the CEO $175,000 per year.

During the three months ended November 30, 2024, the Company recorded consulting fees of $43,750 (2023 – $43,750) in relation to the CEO's consulting compensation. As at November 30, 2024, $328,683 (August 31, 2024 – $305,279) was owed to the CEO and included in accounts payable and accrued liabilities.

During the three months ended November 30, 2024, Branson Corporate Services Ltd. ("Branson"), where the Company's Chief Financial Officers ("CFO") is employed, charged fees of $15,000 (2023 – $21,000), for CFO services provided to the Company, as well as other accounting and administrative services, which are included in professional fees. As at November 30, 2024, $16,400 was owed to Branson and included in accounts payable and accrued liabilities (August 31, 2024 – $25,750).

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Capital Management

The Company's capital under management includes equity of $1,644,605 at November 30, 2024 (August 31, 2024 – $1,751,305). The Company's objectives when managing capital are to: (i) safeguard its ability to continue as a going concern, (ii) provide an adequate return to shareholders, and (iii) provide sufficient funding to support on-going exploration and capital development plans.

While the Company does not yet have any revenues, management monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Board of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its business activities.

The Company's capital management objectives, policies and processes have remained unchanged since the Company's most recent financial reporting period.

The Company is not subject to any externally imposed capital requirements.

Risks and Uncertainties

The exploration, development and mining of mineral resources are highly speculative in nature and are subject to significant risks. In addition to the usual risks associated with an investment in a business at an early stage of development, management and the directors of the Company believe that the risk factors should be considered by prospective investors. It should be noted that such list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

Exploration, Development and Operating Risks

Mineral exploration operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious metals and other minerals and metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, mineral exploration activities are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral bearing structure may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenses may be required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on several factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; commodity prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of deposits of minerals or other metals will result in discoveries of commercial quantities of gold or other minerals or metals.

Current economic conditions

There are significant uncertainties regarding the price of gold and other minerals or metals and the availability of equity financing for the purposes of mineral exploration and development. The prices of gold and other minerals or metals have fluctuated substantially over the past years. The Company's future performance is largely tied to the development of its current mineral properties and the overall financial markets. Current financial markets are likely to be volatile in Canada, reflecting ongoing concerns about the stability of the global economy. Companies worldwide have been affected particularly negatively by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting present shareholders of the Company. These economic trends may limit the Company's ability to develop and/or further explore its mineral property interests.

Operating History

The Company has a very limited history of operations, is in the early stage of exploration and must be considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Insurance and Uninsured Risks

The Company's business is subject to several risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or related facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mineral exploration or development, monetary losses and possible legal liability.

Although the Company may in the future maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mineral exploration company's operation. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards because of exploration and production is not generally available to the Company or to other companies in the mineral exploration industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations. At the present time, the mineral properties of the Company are not fully insured. Any liability relating to risks that would otherwise be insured will be borne by the Company.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, and which have been caused by previous or existing owners or operators of the properties.

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Government approvals, approval of aboriginal people and permits are currently, and may in the future be required in connection with the Company's operations. To the extent that any aboriginal approvals are required and not obtained in respect of any of the Company's property interests, the Company may be curtailed or prohibited from continuing its exploration or development operations or from proceeding with planned exploration or development of mineral properties.

Moreover, if any permit or renewal thereof required by the Company from time to time is not approved, the Company may be curtailed or prohibited from continuing its exploration or development operations or from proceeding with planned exploration or development of mineral properties. Any of these occurrences could have an adverse material effect on the Company.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining or mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or other costs or reduction in levels of production at any future producing properties (if any), or require abandonment or delays in development of new mineral exploration properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Land Title

Although the title to the Company's properties has been reviewed by or on behalf of the Company, no assurances can be given that there are no title defects affecting such property. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining claims may be severely constrained. Furthermore, the Company has not conducted surveys of the claims in which it holds an interest and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition

The mineral exploration industry is competitive in all its phases. The Company faces strong competition from other mineral exploration companies in connection with the acquisition of properties producing, or potentially capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mineral exploration properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital and Negative Operating Cash Flow

The development and exploration of the Company's properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production (if any) on any or all the Company's properties or even a loss of property interest.

The primary source of funding available to the Company consists of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices

The price of the common shares, the Company's financial results and exploration and development may in the future be significantly adversely affected by declines in the price of gold or other minerals. The price of gold and other minerals and metals fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of gold or other minerals or metals could cause further exploration and any future development of the Company's properties to be impractical. Depending on the price of gold and other minerals or metals, cash flow from future operations, if any, may not be sufficient and the Company could be forced to discontinue its operations and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's properties, if any, will be dependent upon the prices of gold and other minerals or metals being adequate to make these properties economic.

In addition to adversely affecting the Company's Mineral Resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation

The mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, safety, toxic substances, land use, water use, land claims of local people and other matters. Although the Company's exploration and development activities are currently carried out in accordance with all applicable rules and regulations in all material respects, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development. Amendments to current laws and regulations governing operations and activities of mineral exploration or more stringent implementation thereof could have a substantial adverse impact on the Company.

Canadian Tax Treatment of Flow-Through Shares ("FT Shares")

The tax treatment of FT Shares constitutes a major consideration of an investment in the FT Shares. There is no guarantee that the current tax laws and administrative practices of both the federal and provincial tax authorities will not be amended or construed in such a way that the tax considerations for a subscriber holding FT Shares will not be altered in a materially unfavourable way and there is no guarantee that there will be no material differences of opinion between the federal and provincial tax authorities with respect to the tax treatment of the FT Shares, the status of such FT Shares and the activities contemplated by the Company's exploration and development programs. There is no guarantee that the Qualifying Expenditures incurred by the Company, or the expected tax deductions or credits claimed by subscribers will be accepted as Qualifying Expenditures by the Canada Revenue Agency ("CRA").

There can be no assurance that the FT Shares will not be viewed by the CRA or a court as constituting prescribed shares for the purposes of the Tax Act. If the FT Shares are prescribed shares, such shares will not be considered a "flow-through share", and subscribers will not be entitled to any renunciations of Qualifying Expenditures from the Company. However, in such circumstances, the FT Shares will not be governed by the rules of the Tax Act deeming flow-through shares to have a cost of nil.

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Market Price of Common Shares and Unpredictable Litigation

Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of industries. The price of the common shares is also likely to be significantly affected by short-term changes in gold or other mineral or metal prices or in the Company's financial condition or results of operations. Other factors unrelated to the Company's performance that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; the size of Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation or other litigation concerning operational, employment, title, environmental or other matters of which the Company is not presently aware. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution to Common Shares

The increase in the number of common shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, because of such additional common shares, the voting power of the Company's existing shareholders will be diluted.

The Company is also required to issue common shares with respect to the property option agreements. The number of common shares issuable to maintain the options in good standing will be based on the market price of common shares at the time of issuance. Depending on the market price of the common shares, which may depend on several factors beyond the control of the Company, such as current market conditions, these issuances could be excessively dilutive to existing shareholders.

Future Sales of Common Shares by Existing Shareholders

Sales of many common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares.

Risk Management

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Cash is held with reputable Canadian chartered banks, which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments is minimal. The maximum exposure to credit risk at period-end is limited to the receivable balance.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities.

As at November 30, 2024, the Company had a cash balance of $5,422 (August 31, 2024 – $131,408) to settle current liabilities of $374,494 (August 31, 2024 – $390,625).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at November 30, 2024:

	Carrying amount	Year 1	Year 2 to 3	Year 4 to 5
	$	$	$	$
Accounts payable and accrued liabilities	374,494	374,494	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring anticipated cash flows to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

Management believes there will be sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations, the Company's cash position as at period end, and its strategic financing plan over the next 12 months.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. While the Company's operations are based in Canada, it may have, from time to time, transactions denominated in foreign currencies. The Company's primary exposure to foreign exchange risk is that transactions denominated in foreign currency may expose the Company to the risk of exchange rate fluctuations. Based on its current operations, management believes that the foreign exchange risk is minimal.

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 does not hold any instruments subject to interest rate risk as at November 30, 2024.

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company's financial instruments consist of cash, and accounts payables.

As at November 30, 2024, the Company's financial instruments consist of cash, receivables and accounts payable. The fair value of cash, and accounts payable and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	5,422	-	-	**5,422**

As at November 30, 2024, the Company's financial instruments carried at fair value consisted of its cash, which is classified as Level 1. There were no transfers between Levels 2 and 3 for recurring fair value measurements during the three months ended November 30, 2024 and 2023.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's unaudited condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. These are described in greater detail in the 2024 Financial Statements.

Material Accounting Policies

The material accounting policies used by the Company are described in greater detail in 2024 Financial Statements.

Off-Balance Sheet Arrangements

As at November 30, 2024 and the date of this MD&A, the Company does not have any off-balance sheet arrangements.

Disclosure of Outstanding Share Data as of January 27, 2025

	Authorized	**Outstanding**
Common shares	Unlimited	74,349,167 common shares
Securities convertible or exercisable into voting or equity		a. 962,000 outstanding stock options, all of which are exercisable into common shares of the Company, and b. 834,000 RSUs, all of which are exercisable into common shares of the Company. c. 18,918,333 warrants, all of which are exercisable into common shares of the Company. d. 230,000 finder warrants, all of which are exercisable into Units of the Company.

Disclosure of Internal Controls over Financial Reporting

The Company's management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Company's audited financial statements do not contain any untrue statement of 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 is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the Company's audited financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In particular, management is not making any representations relating to the establishment and maintenance of: (a) controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors and other readers should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

Cautionary Note Regarding Forward-Looking Statements

This MD&A includes "forward-looking statements" within the meaning of applicable securities legislation, including those relating to the Company's corporate strategy and exploration plans, potential acquisitions, adequacy of working capital, and anticipated expenses and cash flows, which are based on the opinions and estimates and assumptions of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mineral exploration industry, the risk of commodity price fluctuations and especially precious metals prices, the ability of Company to fund the capital and operating expenses necessary to achieve its business objectives, volatility in financial markets and the market price of the Company's shares, as well as those other risks described or referenced herein. Accordingly, readers should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof, and the Company undertakes no obligation to update publicly or revise any forward-looking statements except in accordance with applicable securities laws. The forward-looking statements herein are expressly qualified by this cautionary statement.