# VORTEX ENERGY CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2024

This Management's Discussion and Analysis ("MD&A") has been prepared by management in accordance with the requirements of National Instrument 51-102 and should be read in conjunction with the condensed consolidated interim financial statements and notes thereto for the three and six months ended December 31, 2024 (the "financial statements") of Vortex Energy Corp. (the "Company"). Such financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS").

All dollar amounts are expressed in Canadian Dollars unless otherwise indicated.

## DATE

This MD&A is prepared as of February 28, 2025.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this MD&A. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

## DESCRIPTION OF BUSINESS

Vortex Energy Corp. (the "Company") was incorporated under the laws of British Columbia on July 13, 2021.

The Company's registered office and principal place of business is 1930 – 1177 West Hastings Street, British Columbia V6C 4T5.

The Company was incorporated with the intention of pursuing a strategic acquisition in the green energy and/or mineral exploration sector. On December 28, 2022, the Company's common shares were approved for listing and trading on the Canadian Securities Exchange, under the symbol "VRTX".

## HIGHLIGHTS

***Three Months ended December 31, 2024***

- On October 16, 2024, the Company issued 500,000 common shares fair-valued at $50,000 in relation to the Fire Eye property option agreement.
- During the three months ended December 31, 2024, the Company issued 627,500 common shares resulting from the exercise of restricted share units.

***Three Months ended September 30, 2024***

- On July 30, 2024, the Company issued 62,500 common shares resulting from the exercise of restricted share units.

***Three Months ended June 30, 2024***

- On April 9, 2024, the Company received a $115,500 grant from the Government of Newfoundland and Labrador, Department of Industry, Energy and Technology Mineral Incentive Program – Junior Exploration Assistance program in recognition of prior exploration expenditures made on the Project. The Company has recognized this as grant income on the consolidated statement of net loss and comprehensive loss.
- On April 8, 2024, the Company issued 1,000,000 restricted share units ("RSUs") to certain directors, officers, and consultants of the Company pursuant to the Company's equity incentive plan.

***Three Months Ended March 31, 2024***

- On January 9, 2024, the Company closed a non-brokered private placement for gross proceeds of $1,500,000. Pursuant to the private placement, the Company issued 3,750,000 units at a price of $0.40 per unit, with each unit comprised of one common share and one common share purchase warrant entitling the holder to acquire one common share at a price of $0.50 until January 9, 2026.
- On March 25, 2024, the Company closed a non-brokered charity flow-through private placement for gross proceeds of $830,000 pursuant to an arrangement with Wealth Creation Preservation & Donation Inc. ("WCPD"). Pursuant to the offering, the Company issued 2,441,178 "flow-through" common shares at a price of $0.34 per share. In connection with the offering, the Company issued 103,750 finder's warrants, entitling the holder to acquire one non-flow-through common share at an exercise price of $0.40 until March 25, 2026.

***Three Months Ended December 31, 2023***

- On December 22, 2023, the Company closed the "flow-through" portion (the "FT Offering") of a non-brokered private placement for gross proceeds of $999,490. Pursuant to the FT Offering, the Company issued 2,324,396 units at a price of $0.43 per unit, with each $0.43 unit comprised of one flow-through common share and one common share purchase warrant entitling the holder to acquire one non-flow-through common share at a price of $0.55 until December 22, 2025. A total of $34,866 in residual value was allocated to the flow-through obligation. In connection with the closing of the FT Offering, the Company paid finder's fees totalling $43,732 and issued 162,707 finder's warrants fair valued at $31,858 entitling the holder thereof to acquire one share at an exercise price of $0.55 until December 22, 2025.
- On December 29, 2023, the Company issued 150,000 common shares in accordance with the Fire Eye property option agreement, discussed below, measured at the issuance date fair value of $0.59 per share.

## OVERALL PERFORMANCE

The Company has not generated revenues to date from operations as it is in the exploration phase and continues to focus on the acquisition of strategic green energy and/or exploration assets.

At December 31, 2024 the Company had net assets of $11,094,264 and working capital of $857,245.

The assets consisted of the following:

| As at | December 31, 2024 | June 30, 2024 | June 30, 2023 |
|---|---|---|---|
| | $ | $ | $ |
| Cash | 1,207,397 | 3,183,968 | 3,994,470 |
| Accounts receivable | 156,136 | 171,038 | 144,464 |
| Marketable securities | - | - | 271,711 |
| Prepaid expenses | 7,333 | 14,333 | 404,228 |
| Long-term prepaid expenses | - | 150,000 | - |
| Evaluation and exploration asset | 9,629,954 | 8,572,600 | 4,184,423 |
| Intangible assets | - | 14,160 | 143,940 |
| **TOTAL ASSETS** | **11,000,820** | **12,106,099** | **9,143,236** |

The liabilities consisted of the following:

| As at | December 31, 2024 | June 30, 2024 | June 30, 2023 |
|---|---|---|---|
| | $ | $ | $ |
| Accounts payable and accrued liabilities | 354,944 | 1,086,212 | 621,328 |
| Flow-through liability | 158,677 | 158,677 | 167,000 |
| **TOTAL LIABILITIES** | **513,621** | **1,244,889** | **788,328** |

## RESULTS OF OPERATIONS

The Company generated a net and comprehensive loss of $215,377 and $574,733 for the three and six months ended December 31, 2024. The following is the results of the Company's operations:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | | | $ | $ |
| **REVENUE** | - | - | - | - |
| **EXPENSES** | | | | |
| Advertising and marketing | 21,928 | 1,000,212 | 39,791 | 2,519,174 |
| Amortization | - | 32,300 | 14,160 | 65,980 |
| Consulting fees | 39,000 | 104,000 | 88,000 | 339,000 |
| Filing fees | 43,202 | 63,784 | 50,575 | 85,042 |
| Management fees | 90,000 | 123,250 | 180,000 | 213,250 |
| Office and miscellaneous | 8,324 | 18,959 | 20,280 | 54,256 |
| Professional fees | 12,036 | 105,166 | 61,370 | 191,943 |
| Share-based compensation | 10,763 | 840,056 | 150,722 | 1,603,415 |
| **OPERATING LOSS** | **(225,253)** | **(2,287,727)** | **(604,898)** | **(5,072,060)** |
| Realized gain on marketable securities | - | - | - | 14,425 |
| Unrealized loss on marketable securities | - | (78,032) | - | (135,885) |
| Interest income | 9,876 | 14,554 | 30,165 | 24,000 |
| Flow-through recovery | - | 131,935 | - | 150,694 |
| **NET AND COMPREHENSIVE LOSS** | **(215,377)** | **(2,219,270)** | **(574,733)** | **(5,018,826)** |
| **Loss per share, basic and diluted** | (0.00) | (0.03) | (0.01) | (0.07) |
| **Weighted average number of common shares outstanding – Basic and diluted** | 82,486,495 | 71,183,569 | 81,978,666 | 70,261,828 |
| **Cash flow used in operations activities** | **(666,055)** | **(870,770)** | **(1,119,217)** | **(2,859,677)** |
| **Cash flow used in investing activities** | **55,740** | **(1,090,496)** | **(857,354)** | **(1,502,463)** |
| **Cash flow received in financing activities** | **-** | **974,132** | **-** | **3,664,933** |

**Three Months Ended December 31, 2024 and 2023**

- Advertising and marketing consisted primarily of costs incurred related to corporate and investor marketing, investor presentations, and website development. During the period, the Company incurred $21,928 of these costs compared to $1,000,212 in the comparable period as a result of increased investor awareness activities in the comparable period as the Company was in the initial stages of being publicly listed.

- Amortization is related to the license acquired through the Blue Ocean Salt Corp. During the period, the Company incurred $nil of amortization compared to $32,300 in the comparable period.

- Consulting fees consists primarily of services used in corporate and operating activities. During the period, the Company engaged consultants to aid in carrying out business development services. During the period, the Company incurred $39,000 of these costs compared to $104,000 in the comparable period. The decrease was related primarily to the focus on drilling activity related services compared to the same period in the prior year.

- Filing fees consists primarily of costs incurred for the Company's filings on the CSE and OTC and transfer agent fees. During the period, the Company incurred $43,202 of these costs compared to $63,784 in the comparable period.

- Management fees consists of costs incurred related to the oversight and management of the Company. During the period, the Company incurred $90,000 of these costs compared to $123,250 in the comparable period. The decrease in costs are primarily due to a reduction in officer fees.

- Professional fees consist primarily of costs incurred for general corporate matters (i.e. legal, accounting and auditor fees). During the period, the Company incurred $12,036 related to these costs compared to $105,166 in the comparable period. The costs decreased in the current period is primarily due to a reversal of audit fee accruals combined with the prior period including increased legal and accounting costs associated with Blue Ocean Salt Corp. and Galloper claim acquisitions and generally increased corporate activity for the Company.

- Share-based compensation relates to the vesting of restricted share units ("RSUs") and options that were issued to certain offices, directors and consultants of the Company as part of the adoption of the Company's new share award program. During the period, the Company incurred $10,763 of these costs compared to $840,056 in the comparable period. The decrease was due to the impact of the vesting terms of options and RSU's granted.

**Six Months Ended December 31, 2024 and 2023**

- Advertising and marketing consisted primarily of costs incurred related to corporate and investor marketing, investor presentations, and website development. During the period, the Company incurred $39,791 of these costs compared to $2,519,174 in the comparable period as a result of increased investor awareness activities in the comparable period as the Company was in the initial stages of being publicly listed.

- Amortization is related to the license acquired through the Blue Ocean Salt Corp. During the period, the Company incurred $14,160 of amortization compared to $65,980 in the comparable period.

- Consulting fees consists primarily of services used in corporate and operating activities. During the period, the Company engaged consultants to aid in carrying out business development services. During the period, the Company incurred $88,000 of these costs compared to $339,000 in the comparable period. The decrease was related primarily to the focus on drilling activity related services compared to the same period in the prior year.

- Filing fees consists primarily of costs incurred for the Company's filings on the CSE and OTC and transfer agent fees. During the period, the Company incurred $50,575 of these costs compared to $85,042 in the comparable period.

- Management fees consists of costs incurred related to the oversight and management of the Company. During the period, the Company incurred $180,000 of these costs compared to $213,250 in the comparable period. The decrease in costs are primarily due to a reduction in officer fees.

- Professional fees consist primarily of costs incurred for general corporate matters (i.e. legal, accounting and auditor fees). During the period, the Company incurred $61,370 these costs compared to $191,943 in the comparable period.

The costs decreased in the current period is primarily due to the prior period including legal and accounting costs associated with Blue Ocean Salt Corp. and Galloper claim acquisitions and generally increased corporate activity for the Company.

- Share-based compensation relates to the vesting of restricted share units ("RSUs") and options that were issued to certain offices, directors and consultants of the Company as part of the adoption of the Company's new share award program. During the period, the Company incurred $150,722 of these costs compared to $1,603,415 in the comparable period. The decrease was due to the impact of the vesting terms of options and RSU's granted.

## SUMMARY OF QUARTERLY RESULTS

| | Quarter Ended December 31, 2024 | Quarter Ended September 30, 2024 | Quarter Ended June 30, 2024 | Quarter Ended March 31, 2024 | Quarter Ended December 31, 2023 | Quarter Ended September 30, 2023 | Quarter Ended June 30, 2023 | Quarter Ended March 31, 2023 |
|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ |
| **REVENUE** | - | - | - | - | - | - | - | - |
| **NET LOSS AND COMPREHENSIVE LOSS** | (215,377) | (359,356) | (384,930) | (1,401,924) | (2,219,270) | (2,799,556) | (1,701,947) | (395,003) |
| **BASIC AND DILUTED LOSS PER SHARE** | (0.00) | (0.00) | (0.00) | (0.02) | (0.03) | (0.04) | (0.05) | (0.01) |

The results of operations in each quarter reflect the overhead costs incurred by the Company to pursue registration with various regulatory authorities and to provide an administrative infrastructure to manage the acquisition, and financing activities of the Company. General and administrative costs can be expected to fluctuate in relation to the changes in activity levels required as property acquisition and exploration continues. During the quarters ended June 30, 2023, September 30, 2023, December 31, 2023 and March 31, 2024 the Company saw increased corporate activities and incurred increased share-based compensation expenses related to the vesting of RSUs and options issued as well as increased advertising and marketing. The Company has not recorded, since the date of its incorporation, any revenues from its mineral exploration and development activities, nor does it expect to record any revenue over the course of the next 12 months.

An analysis of the results shows that the Company has incurred mostly advertising and marketing, consulting fees, management fees, and professional fees that primarily relate to activities of those of an exploration entity. Commencing with the quarter ended December 31, 2022, the Company saw the introduction of share-based compensation as a result of the new share award program adopted by the Company on August 8, 2022.

## LIQUIDITY

The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2024, the Company had cash of $1,207,397 and total liabilities of $513,621.

### Operating Activities

The Company used net cash of $1,119,217 in operating activities during the six months ended December 31, 2024, compared to $2,859,677 used in the comparable period in the previous year. The cash used primarily related to management of the Company, which includes advertising and marketing, consulting and professional fees paid, filings fees incurred, and prepayment on other working capital items.

### Investing Activities

The Company used net cash of $857,354 in investing activities during the six months ended December 31, 2024, compared to $1,502,463 used in the comparable period in the previous year. The cash used is primarily attributable to exploration expenditures at the Robinsons River Salt property and the Fire Eye property.

**Financing Activities**

The Company did not have financing activities for the six months ended December 31, 2024. This compares to $2,871,790 in share issuance proceeds, $907,050 in warrant exercise proceeds, offset by $113,907 in share issuance costs for the comparable period in 2023.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

The aggregate value of transactions relating to key management personnel during the six months ended December 31, 2024 were as follows:

| Share-based compensation and fees paid to the following for the services rendered | Share-based compensation | Fees |
|---|---|---|
| | $ | $ |
| The CEO and Director, Paul Sparkes, pursuant to officer services provided | 6,695 | 90,000 |
| The CFO, Paul More, pursuant to officer services provided | 27,818 | 60,000 |
| A Director, Eli Dusenbury, of the Company pursuant to director services provided | 1,140 | 15,000 |
| A Director, David Bowen, of the Company pursuant to director services provided | 2,280 | 15,000 |
| **Total** | **37,933** | **180,000** |

For the six months ended December 31, 2023, the Company incurred $213,250 in management fees for CEO, CFO, and director services provided included in “Management Fees" and $575,000 in share-based compensation.

At December 31, 2024, $18,375 (2023 - $44,557) due to companies controlled by the corporate officers and directors of the Company is included in accounts payable and accrued liabilities. The amount payable is non-interest bearing, is unsecured, and has no specific terms of repayment.

## PROPOSED TRANSACTIONS AND SUBSEQUENT EVENTS

Subsequent to December 31, 2024, the Company issued 150,000 common shares in relation to the Fire Eye property option agreement.

On January 28, 2025, the Company closed a private placement of unsecured convertible debentures of the Company for aggregate gross proceeds of $400,000. The Convertible Debentures are denominated in principal amounts of $1,000 and will mature on January 28, 2026. The Convertible Debentures will bear interest at a rate of 10% per annum from the issue date, calculated quarterly in arrears and payable on the maturity date. The Company may prepay the outstanding amount owing under the convertible debentures at any time prior to the maturity date upon 30 days’ written notice to the holder. The principal amount of each convertible debenture, plus any accrued interest thereon, is convertible into units of the Company (“Units”) at the election of the holder on, or at any time prior to, the maturity date at a conversion price (the “Market Price”) equal to the greater of (i) the most recent closing price of the common shares of the Company (“Common Shares”) on the Canadian Securities Exchange prior to the time at which the holder delivers notice of conversion to the Company and (ii) $0.05. Each Unit shall be comprised of one Common Share and one Common Share purchase warrant (each, a “Warrant”), with each Warrant entitling the holder to acquire one Common Share at an exercise price equal to 110% of the Market Price for a period of 24 months from the date of issuance.

## ACCOUNTING STANDARDS ADOPTED IN THE CURRENT YEAR

*Adoption of amendments to IAS 1 Presentation of Financial Statements*

In January 2020 and October 2022, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. In addition, a requirement has been introduced to require disclosure 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 adoption of the amendment did not result in any impact to the Company's condensed consolidated interim financial statements.

## ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are the standards, amendments, and interpretations that the Company expects may be applicable at a future date and, if so, intends to adopt when they become effective. Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

In May 2024, the IASB issued narrow-scope amendments to the recognition, derecognition and classification requirements in IFRS 9 – Financial Instruments ("IFRS 9") and introduced additional disclosure requirements in IFRS 7 – Financial Instruments: Disclosure ("IFRS 7"). Key changes include clarification on the timing of recognition and derecognition of financial assets and liabilities, introduction of additional disclosure for certain financial instruments with contractual terms that could change the timing or amount of contractual cash flows due to contingent events that are not directly related to changes in basic lending risks and costs, and additional guidance for assessing whether the contractual cash flows of financial assets represent solely payments of principal and interest and updated disclosures for equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently assessing the impact that the adoption of these amendments will have on its consolidated financial statements.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's expenses is disclosed in the "Overall Performance" section above.

As at December 31, 2024 and June 30, 2024, the Company's exploration and evaluation assets were as follows:

| | Robinsons Property | Fire Eye Property | Total |
|---|---|---|---|
| | $ | $ | $ |
| **Balance, June 30, 2023** | 4,024,423 | 160,000 | **4,184,423** |
| Option agreement – cash | - | 30,000 | **30,000** |
| Option agreement – share issuance | - | 88,500 | **88,500** |
| Acquisition – Galloper - cash | 162,800 | - | **162,800** |
| Acquisition – Galloper – share issuance | 1,207,500 | - | **1,207,500** |
| Expenditures | 2,899,377 | - | **2,899,377** |
| **Balance, June 30, 2024** | **8,294,100** | **278,500** | **8,572,600** |
| Option agreement – share issuance | - | 50,000 | **50,000** |
| Expenditures | 919,359 | 87,995 | **1,007,354** |
| **Balance, December 31, 2024** | **9,213,459** | **416,495** | **9,629,954** |

The following table summarizes the Company's exploration and evaluation expenses by property and type of expense for the six months ended December 31, 2024 and 2023:

| **December 31, 2024** | **Robinsons Property** | **Fire Eye Property** | **Total** |
|---|---|---|---|
| | **$** | **$** | **$** |
| Geophysics | 91,300 | 87,995 | **179,295** |
| Drilling | 785,159 | - | **785,159** |
| Reporting and administration | 42,900 | - | **42,900** |
| **Balance, December 31, 2024** | **919,359** | **87,995** | **1,007,354** |

| **December 31, 2023** | **Robinsons Property** | **Fire Eye Property** | **Total** |
|---|---|---|---|
| | **$** | **$** | **$** |
| Geophysics | 213,950 | - | **213,950** |
| Drilling | 962,335 | - | **962,335** |
| Reporting and administration | 12,161 | - | **12,161** |
| **Balance, December 31, 2023** | **1,188,446** | **-** | **1,188,446** |

**a) Robinsons River Salt Property**

On April 3, 2023, the Company completed the acquisition of 100% of the issued and outstanding share capital of Blue Ocean Salt Corp. ("BOSC") in consideration for an aggregate of 20,600,004 common shares in the capital of the Company (the "Acquisition") (Note 1). BOSC owns 100% interest in and to the Robinsons River Salt Property ("Robinson Property") located in the Bay St. George region of southwestern Newfoundland consisting of four contiguous mineral licenses and is comprised of 687 claims covering 17,139 hectares.

On August 1, 2023, the Company completed the acquisition of additional mineral licenses contiguous to the northern border of its Robinson Property, in Newfoundland and Labrador from Galloper Gold Corp.("Galloper").

The Company paid $162,800 in cash and issued 750,000 common shares fair valued at $1,207,500 of the Company to Galloper in connection with the closing of the acquisition.

In addition, subject to the terms of the property purchase agreement with respect to the acquisition, the Company has agreed to

(i) issue an additional 1,000,000 common shares to Galloper in the event that the Company completes a drill hole on the acquired mineral license which intersects a core length of at least 300 meters with an average grade of at least 90% Sodium Chloride and;
(ii) issue an additional 3,000,000 common shares of the Company and pay an additional $1,000,000 to Galloper if the Company utilizes, on a commercial basis, any salt caverns on the acquired mineral license for underground energy storage.

For the six months ended December 31, 2024, the Company has capitalized $3,818,736 (2023 - $1,188,446) in costs related to the exploration and evaluation of the Robinson Property, which entirely relate to geophysics, geological work and drilling activities performed on the property.

**b) Fire Eye Property**

On March 10, 2022 (the "effective date"), the Company entered into a property option agreement for the option to purchase the mineral property referred to as the Fire Eye Property located in Saskatchewan, Canada, upon satisfaction of each of the following obligations:

i. Total cash consideration of $230,000 to be paid as follows:
   a. $75,000 within five calendar days of the effective date (paid*)*;

    b. $75,000 on or before 10 calendar days after the seller (or “Optionor”) has delivered a technical report for the property which complies with the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (paid);
    c. $30,000 on or before March 10, 2023; (paid)
    d. $50,000 on or before March 10, 2024 (later amended, see below).

ii. Issuing the Optionor an aggregate of 400,000 common shares, as follows:
    a. 100,000 common shares on or before 10 calendar days after the Optionor has delivered a technical report for the property which complies with the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (issued);
    b. 150,000 common shares on or before one calendar year after the Listing Date (December 28, 2023) (issued); and
    c. 150,000 common shares on or before two calendar years after the Listing Date (December 28, 2024) (issued subsequent to December 31, 2024).

iii. Incurring an aggregate expenditure amount of $360,000 on the property, as follows (the below was amended, as mentioned in the paragraph below):
    a. $110,000 of expenditures on or before one calendar year after the Listing Date (December 28, 2023) (amended); and
    b. $250,000 of expenditures on or before one calendar year after the Listing Date (December 28, 2024) (amended).

On October 1, 2024, the property option agreement was amended to adjust the aggregate expenditure amount of $360,000 on the property, as follows:
    a. $110,000 of expenditures on or before three calendar years after the Effective Date (March 10, 2025); and
    b. $250,000 of expenditures on or before four calendar years after the Effective Date (March 10, 2026).

In addition on October 1, 2024, the optionor agreed to accept, in lieu of the payment of $50,000 in cash, such number of Company shares as have the same value ($50,000). (issued)

For the six months ended December 31, 2024, the Company has capitalized $87,995 (2023 - $nil) in costs related to the exploration and evaluation of the Fire Eye Property.

**DISCLOSURE OF OUTSTANDING SHARE DATA**

The Company had following securities outstanding, as of December 31, 2024 and as of the date of this MD&A:

| | December 31, 2024 | Date of this MD&A |
|---|---:|---:|
| Common shares | 82,660,561 | 82,810,561 |
| Share purchase warrants | 19,491,369 | 19,491,369 |
| Share purchase options | 1,950,000 | 1,950,000 |
| Restricted share units | 1,418,750 | 1,418,750 |
| **Total** | **105,520,680** | **105,670,680** |

**RISK FACTORS**

Much of the information included in this MD&A includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company’s business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company’s current judgement regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

**Risks Related to the Company's Business**

The Company is a mining exploration stage company. The ability of the Company to acquire additional strategic mining assets is dependent upon (but not limited to) market conditions, the ability of the Company's management team to obtain necessary financing to successfully complete an attractive acquisition on acceptable terms and funding necessary to execute development programs.

In conducting its business, the Company is subject to a number of other risks and uncertainties that could have a material adverse effect on the Company's business prospects or financial condition that could result in a delay or indefinite postponement in the development of the Company's future mineral interests.

*Risks associated with exploration stage companies*

Exploring for mineral resources involves a variety of operational, financial, and regulatory risks that are typical in the natural resource industry. The Company has not commenced commercial operations and has no proven history of performance, earnings, or success. There is no guarantee that the Company will ever be able to achieve profitable results or successfully execute its business plan. The Company's Common Shares must be considered speculative primarily due to the nature of the Company's business. The Company has no revenue or income from operations. The Company has limited capital resources and will rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions, and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of it equity or debt securities or joint venture agreements to raise capital. There can be no assurance that financing, whether equity or debt, will be available to the Company in the amount required by the Company at any particular time or for any period, and that such financing can be obtained on terms satisfactory to the Company.

*Licenses and permits*

The Company will require licenses and permits from various governmental authorities regarding any mineral interests acquired. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations for its mineral interests. Failure to obtain and maintain such licenses and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration and development work which may result in its losing its interest in the subject property.

*Operating hazards and risks*

Fires, power outages, labour disputes, flooding explosions, cave-ins, landslides, and the inability to obtain suitable or adequate machinery, equipment, or labour are some of the risks involved in exploration programs. Unknowns with respect to geological structures and other conditions are involved. Existing and future environmental laws may cause additional expense and delays in the activities of the Company, and may render the Company's properties uneconomic. The Company has no liability insurance and the Company may become subject to liability for pollution, cave-ins, or hazards against which it cannot insure, or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect of the Company's financial position.

*Competition*

The mining industry is intensely competitive and the Company must compete in all aspects of its operations with a substantial number of other corporations which have greater technical and financial resources. The Company may be unable to acquire attractive mining properties on terms it considers acceptable.

*Profitability of operations*

The Company does not have profitable operations at this time and it should be anticipated that it will operate at a loss until such time as production is achieved from any acquired mining assets, if production is in fact ever achieved. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

*Market risks*

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. Mineral prices have fluctuated widely in recent years. The marketability and price of minerals which may be produced or acquired by the Company will be affected by numerous factors beyond the control of the Company. These factors include delivery uncertainties related to the proximity of its reserves to processing facilities, and extensive government regulation relating to price, taxes, royalties, allowable production land tenure, the import and export of minerals, and many other aspects of the mining business. Declines in mineral prices may have a negative effect of the Company.

*Future financings*

As the Company continues to acquire mining assets and starts to develop them, the Company may require additional funds to execute exploration and development programs and additional funds if the Company wishes to pursue commercial production. The Company's available sources of funds are: sale of equity capital. There is no assurance such sources will continue to be available on favorable terms or at all. If available, future equity financings may result in dilution to current shareholders.

*Going concern*

The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its on-going commitments, further its mineral exploration program, and to commence profitable operations in the future.

*The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.*

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

*The Company has no operating history*

The Company has no operating history and may not succeed. The Company is subject to all risks inherent in a developing business enterprise. The Company's likelihood of continued success must be considered in light of the problems, expenses, difficulties, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues, complications, and delays frequently encountered in connection with the competitive and regulatory environment in which it operates. 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 the early stage of operations.

*History of losses*

The Company has incurred losses since incorporation. The Company may not be able to achieve or maintain profitability and will continue to incur significant losses in the future.

*Dependence on suppliers and skilled labour*

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Company.

*Management of growth*

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its human capital base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

*Internal controls*

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and materially adversely affect the trading price of the Company's shares.

*Liquidity*

The Company cannot predict at what prices the Company's securities will trade and there can be no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in the Company.

*Litigation*

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for Company's shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources.

*Privacy*

The Company and its consultants have access, in the course of their duties, to personal information of vendors of the Company. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

**BOARD APPROVAL**

The Board of the Company has approved this MD&A.