DUNBAR METALS CORP.

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JANUARY 31, 2025

Dunbar Metals Corp. (the "Company") was incorporated in British Columbia under the Business Corporations Act (British Columbia) and is engaged in the acquisition, exploration and development of resource properties in Saskatchewan, Canada. The Company is currently in the exploration stage of developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol DMC.

The following Management Discussion and Analysis ("MD&A") of Dunbar, prepared as of February 18, 2025 for the six months ended January 31, 2025, should be read in conjunction with the unaudited consolidated financial statements and related notes for the six months ended January 31, 2025 and the audited consolidated financial statements and related notes of the Company for the year ended July 31, 2024. The financial statements have been prepared using accounting principles consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"). All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars unless otherwise stated. The reader should be aware that historical results are not necessarily indicative of future performance. The financial statements together with the following MD&A are intended to provide readers with a reasonable basis for assessing the financial performance of the Company.

Cautionary Note Regarding Forward-Looking Information

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its planned exploration activities, the adequacy of its financial resources and statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDARPLUS at www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Description of Business

As at January 31, 2025, the Company has an interest in the following resource property:

Six months ended January 31, 2025		Gorilla Lake		Total
Acquisition costs:				
Balance July 31, 2024	$	1,432,843	$	1,432,843
Balance at January 31, 2025		1,432,843		1,432,843
Exploration costs:				
Balance July 31, 2024		133,803		133,803
Balance at January 31, 2025		133,803		133,803
Total	**$**	**1,566,646**	**$**	**1,566,646**

Year ended July 31, 2024		Gorilla Lake		Total
Acquisition costs:				
Balance July 31, 2023	$	1,432,843	$	1,432,843
Balance at July 31, 2024		1,432,843		1,432,843
Exploration costs:				
Balance July 31, 2023		108,965		108,965
Survey completion and report		24,838		24,838
Balance at July 31, 2024		133,803		133,803
Total	**$**	**1,566,646**	**$**	**1,566,646**

On March 1, 2023, the Company acquired all of the outstanding share capital of Gorilla Lake Uranium Corp. ("GL") from an arm's length party by issuing a convertible debenture ("Debenture") in the amount of $1,000,000 and 10,000,000 detachable common share purchase warrants. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of 60 months from the date of issuance. As a result of this transaction, the Company holds a 100% interest in mineral claims known as the Gorilla Lake Property ("Gorilla"). GL does not have any operations, nor does it have any assets or liabilities other than holding the Gorilla Lake Property. Therefore, the Company treated this transaction as an asset acquisition.

The Gorilla property is located in the Cluff Lake area of Saskatchewan's Athabasca Uranium district.

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Mineral property exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production state are also very substantial.

Selected Annual Financial Information

The following selected financial data with respect to the Company's financial condition and results of operations has been derived from the audited financial statements of the Company for the year ended July 31, 2024 and the period from incorporation on February 1, 2023 to July 31, 2023 prepared in accordance with IFRS. The selected financial data should be read in conjunction with those financial statements and the notes thereto.

	July 31, 2024	From Incorporation on February 1, 2023 to July 31, 2023
	$	$
Current assets	454,217	264,246
Total assets	2,020,863	1,806,054
Current liabilities	103,371	18,853
Total non-current financial liabilities	988,087	657,745
Total revenue	Nil	Nil
Net loss	(281,726)	(71,099)
Net loss per share, basic and diluted	(0.03)	(0.01)
Weighted average number of common shares outstanding	9,050,000	7,940,056

Summary of Quarterly Results

The following is a summary of selected financial data for the Company for the seven most recently completed quarters.

	3 Months ended Jan 31, 2025 $	3 Months ended Oct 31, 2024 $	3 Months ended Jul 31, 2024 $	3 Months ended Apr 30 2024 $	3 Months ended Jan 31, 2024 $	3 Months ended Oct 31, 2023 $	3 Months ended Jul 31, 2023 $	Incorporation on Feb 1, 2023 to Apr 30, 2023 $
Total revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Operating expenses	45,087	43,357	50,567	34,975	35,903	9,548	18,075	6,766
Net loss	(122,495)	(91,471)	(95,813)	(77,924)	(70,043)	(37,946)	(45,585)	(25,514)
Net loss per share, basic and diluted	(0.01)	0.00	(0.01)	(0.01)	(0.01)	0.00	(0.01)	0.00
	As at Jan 31, 2025	As at Oct 31, 2024	As at Jul 31, 2024	As at Apr 30, 2024	As at Jan 31, 2024	As at Oct 31, 2023	As at Jul 31, 2023	As at Apr 30, 2023
Working capital	1,321,598	310,988	350,846	403,218	434,727	227,174	245,393	293,234
Total assets	2,915,821	1,975,391	2,020,863	1,998,864	2,017,241	1,799,571	1,806,054	1,296,234
Total liabilities	1,187,023	1,137,457	1,091,458	973,646	914,099	708,061	676,598	631,536
Total shareholders' equity	1,728,798	837,934	929,405	1,025,218	1,103,142	1,091,510	1,129,456	664,698

Because precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period necessarily involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates.

Results of Operations

The Company is currently in the exploration stage of developing its exploration and evaluation property and has not yet determined whether it contains mineral reserves that are economically recoverable. The variation seen from quarter to quarter is primarily dependent upon the success of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current properties, none of which are possible to predict with any accuracy.

<u>Three months ended January 31, 2025</u>

For the three months ended January 31, 2025, the Company recorded a net loss of $122,495 ($0.01 per share) compared to a net loss of $70,043 in the same period in the previous year, representing an increase in loss of $52,452.

The increase in loss is primarily attributable to the following:

- An increase in regulatory fees of $11,104. These fees amounted to $11,125 for the quarter ending January 31, 2025, compared to $21 for the same quarter of 2024 and relate to transfer agent and stock exchange listing fees.
- An increase of $48,466 in interest and accretion on the convertible debentures. This expense was $84,561 in the quarter ended January 31, 2025 compared to $36,095 in the same quarter of 2024.

- An increase in consulting and management fees of $16,600. These fees amounted to $17,800 for the three months ended January 31, 2025 compared to $1,200 for the second quarter of 2024.

The increase in loss is somewhat mitigated by the following:

- A decrease in professional fees of $18,760. These fees were $15,878 for the quarter ending January 31, 2025, compared to $34,638 for the same quarter in the prior year.

<u>Six months ended January 31, 2025</u>

For the six months ended January 31, 2025, the Company recorded a net loss of $213,966 ($0.01 per share) compared to a net loss of $107,989 in the same period in the previous year, representing an increase in loss of $105,977.

The increase in loss is primarily attributable to the following:

- An increase in regulatory fees of $36,104. These fees amounted to $36,125 for the six months ending January 31, 2025, compared to $21 for the same period of 2024 and relate to transfer agent and stock exchange listing fees.
- An increase of $69,513 in interest and accretion on the convertible debentures. This expense was $136,174 in the six months ended January 31, 2025 compared to $66,661 in the same period in the previous year.
- An increase in consulting and management fees of $16,600. These fees amounted to $19,000 for the six months ended January 31, 2025 compared to $2,400 for the same period in the previous year.

The increase in loss is somewhat mitigated by the following:

- A decrease in professional fees of $11,698. These fees were $30,966 for the quarter ending January 31, 2025, compared to $42,664 for the same period in the prior year.

At January 31, 2025, total assets were $2,915,821. The Company has no operating revenues. Expenses for the six months ended January 31, 2025 were incurred as management completed its initial public offering ("IPO") and implemented the Company's business plan. No dividends were declared or paid nor are any contemplated.

Liquidity and Capital Resources

The Company has no revenue-generating operations from which it can internally generate funds and therefore has been incurring losses since inception. The Company has financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements and the issue of convertible debentures. When acquiring interests in resource properties through purchase or option, the Company issues common shares or a combination of cash, debt and shares to the vendors of the property as consideration for the property in order to conserve its cash. The Company expects that it will continue to operate at a loss for the foreseeable future and will require additional financing to fund the exploration of its existing properties and the acquisition of potential resource properties.

At January 31, 2025, the Company had current assets of $1,349,175, including cash of $841,749, short-term investments of $500,000, other and GST receivables of $7,426 and current liabilities of $27,577 resulting in working capital of $1,321,598.

During the six months ended January 31, 2025, the Company's operating activities used $98,773 (2024 - $61,297) in cash.

Investing activities consisted of the purchase of short-term investments of $500,000 (2024 - $Nil).

The Company's activities in the six months ended January 31, 2025 were financed by the net proceeds from: (a) its IPO, $798,544, and (b) a private placement of convertible debenture units for gross proceeds of $500,000. A debt settlement was reached during this period which resulted in the repayment of a convertible debenture. In return for a one-time cash payment of $250,000, the creditor agreed to cancel the debenture, forgive all interest accrued on the debenture and cancel 2,500,000 common share purchase warrants.

The Company has not pledged any of its assets as security for loans, or otherwise, and is not subject to any debt covenants, except as described above. Management believes the Company has sufficient working capital at this time to meet its current financial obligations.

Off Balance Sheet Transactions

The Company has no off-balance sheet financing and is not subject to any externally imposed capital requirements.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these financial statements are listed below.

Key management personnel consist of directors and officers of the Company. During the six months ended January 31, 2025, the Company had the following related party transactions:

a) Paid management fees of $4,000 (2024: $2,400) to the CEO and director of the Company.
b) Paid accounting fees of $5,915 (2024: $6,446) to a company controlled by a director of the Company.

These transactions are in the normal course of operations on normal commercial terms and conditions and at market rates, which is the amount of consideration established and agreed to by the related parties.

Critical Accounting Estimates

In the application of the Company's accounting policies, which are described in note 2 to the audited consolidated financial statements for the year ended July 31, 2024, management is required to make judgments, apart from those requiring estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the determination of the Company's ability to continue its operations as a going concern;
- the determination of any impairment of the Company's assets.

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Recent accounting pronouncements

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 financial statements.

Fair Value of Financial Instruments

1. Fair value of financial instruments

As at January 31, 2025, the Company's financial instruments consisted of cash, short-term investments, accounts payable and accrued liabilities, and convertible debentures. In management's opinion, the Company's carrying values of cash, short-term investments and accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term maturity of these instruments. Convertible debentures are required to assess the appropriate market interest rates to estimate their fair value. These liabilities are initially recognized at fair value and subsequently measured at amortized cost. As the convertible debentures were recently issued (less than two years), management believes there is no material change of market interest rates since issuance and therefore their fair value is not materially different from the carrying value at January 31, 2025.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs for the asset or liability that are not based on observable market data.

As at January 31, 2025 and during the six months ended January 31, 2025, the Company does not have financial instruments measured at fair value on a recurring basis.

2. Financial instrument risk

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes:

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash and short-term investments are held at a large Canadian financial institution and therefore are not subject to credit risk. The Company's secondary exposure to risk on its sales tax receivable is minimal since it is recoverable from the Canadian government.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company only operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

(iv) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to incur interest expense on loan payable balances at fixed rates. The risk is minimal.

During the six months ended January 31, 2025, there were no changes to the Company's risk exposure or to the Company's policies for risk management.

Capital Management

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funds to support the acquisition, exploration and development of exploration and evaluation assets such that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or sell assets to settle liabilities.

The property in which the Company currently has an interest is in the exploration stage, and as such, the Company does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities and convertible debenture. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company expects to raise additional amounts externally as needed.

There were no significant changes in the Company's approach to capital management during the six months ended January 31, 2025.

Changes in Internal Controls over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the six months ended January 31, 2025, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Share Capital

The Company's issued and outstanding share capital as at the date of this report is as follows:

	Authorized	**Outstanding**
Voting or equity securities issue and outstanding	Unlimited common shares	20,050,000
Securities convertible or exercisable into voting or equity securities: - debenture units convertible into common shares at a rate of 1 share for every $0.15 of indebtedness Each unit consists of 1 common share and 1 share purchase warrant		$500,000
- debenture convertible into common shares at a rate of 1 share for every $0.10 of indebtedness		$900,000

Approval

The Board of Directors of Dunbar Metals Corp. has approved the disclosure contained in this MD&A as of February 18, 2025.