



**TANTALEX LITHIUM RESOURCES CORPORATION**  
**(FORMERLY TANTALEX RESOURCES CORPORATION)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2024 AND 2023**

## ***Management's Discussion and Analysis***

Dated as of October 28, 2024

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Tantalex Lithium Resources Corporation (Formerly Tantalex Resources Corporation) (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six months ended August 31, 2024 and August 31, 2023. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations.

The discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended August 31, 2024 and August 31, 2023 and the audited consolidated financial statements for the years ended February 29, 2024 and February 28, 2023, and related notes thereto (the "Financial Statements"). The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at [www.sedarplus.ca](http://www.sedarplus.ca).

The results presented are not necessarily indicative of the results that may be expected for any future period. The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

### **Cautionary Note Regarding Forward-Looking Information**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## **Overview of Company and Highlights**

Tantalex Lithium Resources Corporation (formerly Tantalex Resources Corporation) Tantalex Resources Corporation ("Tantalex" or "the Company") was incorporated under the Business Corporations Act (British Columbia) on September 28, 2009.

Tantalex Lithium Resources is a Canadian junior exploration company listed on the Canadian Securities Exchange (CSE:TTX), the OTCQB (OTC:TTLXF) and the Frankfurt Stock Exchange (FSE: DW8). The company is focused on developing Lithium projects in Africa, producing Lithium, Tantalum and Tin.

The directors and management aim to position Tantalex as a first-class exploration and development company in the region, with high standards for both environmental sustainability and the social well-being of local communities.

It is the Company objective to develop its portfolio of assets. By building a strong team of experienced professionals, our focus is on delivering our projects – on time, on budget and always in a sustainable way. Through this sustainable development we aim to create value for our shareholders and the countries we operate in.

## **Operational Highlights for the three and six months ended August 31, 2024 and to the date of this MD&A**

- Completed the production of the first batch of 15 tons of tin concentrates from the company's TiTan plant in the Manono region of DRC;
- Completed first sale with a total value of \$379,286

## **Manono Kitotolo Tailings (PER 13698)**

### **LOI with Minor SARL ("Minor")**

On July 7, 2021, the Company announced that it entered into a binding LOI with Minor to expand its land package in the prolific Manono lithium, tin and tantalum hub with an earn-in option agreement to acquire a majority of the dumps that are located on PER 13698.

In July 2021, the Company signed an agreement ("Agreement") with MINOR SARL to acquire the property interests and related tailings at Manono, DRC. Upon signing, the Company paid USD\$1,000,000 to enter into the Agreement.

The earn-in Agreement allows for TTX SAU, a wholly owned subsidiary of Tantalex in the DRC, to acquire up to an effective 52% interest in Minocom Mining SAS ("Minocom's") interest in certain property holdings. In the initial phase of the earn-in agreement, TTX SAU acquired a 25% interest for a payment of \$2,000,000 USD (USD\$1,000,000 and 20,000,000 shares of Tantalex, valued at \$1,600,000 based on the quoted market price on issuance), in addition to the \$3,000,000 USD that was paid in fiscal 2019.

TTX SAU also held an option to buy an additional 27% interest in Minocom for either USD\$10,000,000 or 20,000,000 shares of Tantalex to be decided by MINOR after the completion of the initial resource estimate.

On June 17, 2022, the Company announced that it effectively exercised its option to acquire an additional 27% stake in the MINOCOM assets for a total consideration of USD \$500,000 and the issuance of 35,000,000 common shares of the Company pursuant to an amending agreement executed on May 17, 2022. During the year ended February 28, 2023, the USD\$500,000 (\$680,450) was paid. The 35,000,000 shares are currently being held in treasury. Once the shares are issued, the Company's earn-in will be effective.

The license has a surface area of 53 square kilometers and is located directly on the site of the former mining operation and world-class LCT-pegmatite of Manono-Kitotolo (MK) mine.

During the year ended February 29, 2024 and to the date of this MDA the Company completed the following:

The Company filed an updated technical report titled "NI 43-101 Mineral Resource Report for the Manono Lithium Tailings Project, with an effective date of September 4th, 2023 (the "Mineral Resource Report"). A summary of the Mineral Resource estimates per deposit as well as the total Measured, Indicated and Inferred and combined Measured and Indicated Mineral Resources is shown in Table 1 below. The volumes and grades associated to Li<sub>2</sub>O have not changed from the original report dated December 13, 2022 but now include tin and tantalum grades from tailings

dumps I, G and K. To be noted that assays from Dump C have not yet been re-assayed for the Sn and Ta grades, therefore only an Inferred Li<sub>2</sub>O Mineral Resource is declared for this deposit.

<b>Table 1</b>					
<b>Manono Mineral Resources a 0.20% Li<sub>2</sub>O cut-off grade – 23 August 2023</b>					
<b>Deposit</b>	<b>Classification</b>	<b>Tonnes (Mt)</b>	<b>Li<sub>2</sub>O %</b>	<b>Sn ppm</b>	<b>Ta ppm</b>
Cc	Inferred	2.99	0.32	-	-
Ic	Inferred	0.51	0.49	583	29
Gc	Indicated	0.29	0.78	579	30
	Inferred	0.51	0.84	554	29
Gf	Indicated	1.39	0.35	183	22
	Inferred	0.13	0.33	209	26
K	Measured	3.77	0.86	305	25
	Inferred	2.33	0.67	652	35
<b>Li<sub>2</sub>O, Sn and Ta Mineral Resources</b>					
<b>Total</b>	Measured	3.77	0.86	306	25
	Indicated	1.69	0.42	252	24
	<b>Measured &amp; Indicated</b>	<b>5.46</b>	<b>0.73</b>	<b>289</b>	<b>25</b>
	Inferred	3.48	0.66	614	33
<b>Li<sub>2</sub>O only Mineral Resources</b>					
<b>Total</b>	Inferred	2.99	0.32	-	-

*Notes:*

1. All tabulated data have been rounded and as a result minor computational errors may occur.
2. Mineral Resources are not Mineral Reserves, have no demonstrated economic viability
3. Li<sub>2</sub>O % grades calculated by applying a factor of 2.153 to Li % grades
4. Mt = Million tonnes, ppm = parts per million
5. Inferred Li<sub>2</sub>O, Sn and Ta Mineral Resources are totalled for the Southern Sector dumps (Ic, Gc, Gf and K).
6. Inferred Li<sub>2</sub>O only Mineral Resources are for the Cc dump.

The Mineral Resource was estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Best Practice Guidelines and is reported in accordance with the 2014 CIM Definition Standards, which have been incorporated by reference into National Instrument 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101), and may be found at [www.tantalexlium.com](http://www.tantalexlium.com) or under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Preliminary Economic Assessment**

On October 23, 2023, the Company filed its NI 43-101 Preliminary Economic Assessment (PEA) Report for the Manono Lithium Tailings Project, Manono, Democratic Republic of Congo, with an effective date of October 6th, 2023.

## **Key PEA Highlights**

### **Excellent project economics and financial returns**

- Robust pre-tax NPV10% of approximately USD\$764 million and 87.4% IRR on a nominal basis, and a pretax NPV10% of approximately USD\$638 million and 82.3% IRR on a real basis.
- Rapid payback of 1 year after first production using a Life of Mine spodumene concentrate price of USD\$2,800/t SC5.5 (FOB, Africa) as forecast by Fastmarkets, an internationally recognized price reporting agency.
- Project Capital Cost Estimate (CAPEX) of USD\$147.7M including contingencies.
- Life-of-Mine (LOM) of 6 years with an estimated annual production of 112,000 t of spodumene concentrate.

### **Low risk plant operation and tailings reclamation**

- Ready to use tailings dump resources to feed beneficiation plant with minimum cost of mining, crushing, grinding, and processing.
- Process plant nameplate capacity is 1.26Mtpa of run-of-mine (ROM) ore based on robust flowsheet using learnings from other lithium producers.
- A number of opportunities have been identified to improve capital and operating costs and plant capacity. The exploration program is being finalized with a focus on increasing indicated resources and extending life of project.

The PEA was prepared by Sedgman Novopro of Montreal, Canada with Mineral Resource and Mining contributions from MSA Group in accordance with National instrument 43-101, Standards of Disclosure for Mineral Projects (NI 43-101).

The PEA was completed during a period of high lithium prices and the Company acknowledges that the key financial metrics (IRR, NPV) highlighted above have now changed with current lithium prices.

## **Feasibility Study**

In December 2023, The Corporation has appointed Sedgman Novopro of Montreal, Canada to conduct the Feasibility Study (the “FS”) for the Manono Lithium Tailings Project. The results from the Preliminary Economic Assessment have confirmed a production of 112,000 tpa of SC6 at steady state operation would be achieved using both a DMS and flotation process route for a total CAPEX of USD\$147.7M. The FS will be focused on a phased approach to commence early production utilizing Dense Media Separation with a gradual ramp up of the fines beneficiation flotation circuit. This approach will reduce the peak funding requirements and improve project economics whilst the company can de-risk the fines beneficiation process.

## **Marketing Offtake Agreement and convertible debenture facility with Glencore**

The agreement is comprised of a lithium marketing offtake agreement (the “Marketing Offtake Agreement”) and a Convertible Facilities Agreement with Glencore AG (“Glencore”). Glencore has agreed to make available to the Company (a) a convertible term loan facility in an amount up to \$2,774,400 (USD\$2,000,000) (“Facility A”) and (b) a convertible term loan facility in an amount up to \$4,116,600 (USD \$3,000,000) (“Facility B”) (Facility A and Facility B together being the “Facilities”).

Facility A was drawn at the closing date, being November 10, 2023 (“Closing Date”). A partial draw on Facility B of \$1,351,200 (USD\$1,000,000) was received on February 21, 2024. The Facilities shall terminate on December 1, 2025 (the “Termination Date”).

The Company agreed to pay to Glencore a facility fee in an amount equal to 1.5 per cent of the aggregate amount of the Facilities as at the Closing Date. This amount is included in account payable and accrued liabilities at February 29, 2024.

The Facilities are convertible at Glencore’s option. At any time during the conversion period, Glencore has the option to subscribe for common shares in the capital of the Company at the relevant conversion price. The conversion price

for the Facilities is equal to the higher of (a) the closing price of the Common Shares published by Bloomberg for the scheduled trading day immediately prior to the Closing Date and (b) the 20-day volume weighted average trading price of the Common Shares published by Bloomberg for the 20 scheduled trading days immediately after the Closing Date less a 25 per cent. discount, in each case converted into US\$ (the “Conversion Price”).

The Facilities bear interest at the secured overnight financing rate (“SOFR”) plus 8%. The Facilities are secured against the Company's 70% ownership interest in United Cominiere SAS, a corporate joint venture with Cominiere SA (a Congolese state-owned corporation).

The marketing offtake agreement (the “Marketing Offtake Agreement”) is for 100% of the lithium to be produced from the company’s Manono Lithium Tailings Project from the date of the start of commercial production throughout life of mine. Glencore shall have the sole responsibility for all sales and will contribute one-third of the total capital expenditure of the Manono Lithium Tailings Project, subject to:

- Glencore’s satisfactory review of the feasibility study in respect of the Manono Lithium Tailings Project to be completed within 60 days of receipt of the final version of the Feasibility Study;
- the Capex being fully funded by one or more financial institutions or equity raised by Tantalex; and
- the drawdown schedule being discussed and mutually agreed by both Parties and the other lenders;
- other customary conditions precedent.

### **Joint Venture with United Cominiere - PR12447 & PR12448**

United Cominiere SAS, a joint venture between Tantalex (70%) and COMINIÈRE SA (30%), holds 2 adjacent permits PR12447 and PR12448, each encompassing about 390 km<sup>2</sup>. Manono-Kitotolo is a very large rare-metal pegmatite that extends over an area 800m wide and over 15 km long that has mainly been exploited for cassiterite and columbite–tantalite. Tantalex controls 25km of a 70km long geologic trend (“pegmatite corridor”) which extends from the Dathcom SAS Manono Lithium Tin Project, located immediately east of PR12448 in the north, to PR12453, located immediately to the west of PR12447 in the south. The “pegmatite corridor”, is highly prospective for further discoveries and to this day remains highly unexplored.

### **Current and planned work**

Recent airborne geophysical studies suggest the Manono-Kitotolo pegmatite extends undercover to the southwest into PR12448. Tantalex drilled 6 holes in 2018 confirming the presence of pegmatite in the northeast corner of PR 12448 where diamond hole BMDD001 intercepted multiple, parallel spodumene-bearing pegmatite bodies totalling 99.5 metres in apparent thickness. In the south, east of PR12447 on PR12453, shallow reverse circulation drilling intersected a number of low-grade lithium bearing pegmatite veins with widths of between 7m and 16m with many holes ending in mineralization indicating deeper drilling is required. The pegmatite corridor is highly prospective for hard rock lithium and alluvial tin-tantalum production. A 25km long, 5 km wide corridor, which has been defined by an aeromagnetic survey. Dathcom SAS Mineral’s Roche Dure Li-Sn-Ta deposit located 9km to the northeast, along the trend of the corridor.

Two 4km x 2km radiometric K anomalies are located at the northeast and southwest ends of the corridor, indicating the presence of pegmatites below a shallow cover.

Detailed mapping activities are continuing throughout our concessions 12448 and 12447 which encompass a total area of 800km<sup>2</sup>. Our geological team is making progress in adding additional prospective drilling targets and identifying outcropping pegmatites throughout the concessions. The drilling of the first principal targets on the Corridor is planned once sufficient funding has been secured.

### **TiTan Tin & Tantalum Plant**

Tantalex owns a 70% stake in the mining concessions PR12447 & 12448 with state company Cominiere SA owning the remaining 30%. Exploration work in 2020/21 has indicated a 9km long Lubule River catchment area within PR12447. The Company has been granted a full mining license for these concessions covering over 3,700 Ha of known mineralized G2 gravels.

During the year ended February 29, 2024 and to the date of this MD&A the Company completed the following:

The team progressed with multiple activities on and around the TiTan mine, with the goal of becoming a modern tin and tantalum alluvial processing plant in the DRC, and completed the construction activities finishing with the electrical connection of the various modules, building of offices and TSF excavations. The production decision has been made without a mining study disclosable under NI 43-101.

The Company commenced commissioning on the TiTan plant which has been designed with a capacity of 130 tonnes per hour. During the Commissioning an important bottleneck was identified with the trommel at the front end of the plant as it did not allow proper wash and ore throughput to the rest of the plant. Modifications were made to the trommel and the wash system which have improved the performance, but the ore throughput remains too low. A replacement trommel was ordered from South Africa and is currently being installed with the expectation of re-commencing operations in the coming weeks.

The Company secured the services of RCS Global Group / Better Mining to implement its Upstream Assurance Mechanism (UAM) Services for its mining operations on the TiTan plant. This mechanism combines two permanent processes: Due Diligence and Monitoring (Better Mining) and Digital Supply Chain Traceability (RCS TRACE).

The Company established an ongoing relationship with the “Carter Center” since February 2023 and secured their formal assistance to guide the implementation of an exemplary Community Development Plan for the TiTan project, the first of its kind in both Tanganyika and Haut-Lomami provinces.

During the commissioning period which extended to January 2024, the plant produced its first batch of tin and tantalum concentrates ready for export. A first batch of 15 tons of exportable and high grade industrial and fully traceable tin concentrates (SnO<sub>2</sub>) was fully processed. Additionally, 2.5 tons of tantalum concentrates (Ta<sub>2</sub>O<sub>5</sub>) have also been produced but not yet exported.

Production from TiTan is fully traceable and very much sought after due to its strict compliance with the RMI principles for responsible sourcing of critical materials. All production from TiTan is sold through an offtake agreement with AfriMet Resources Ag (“AfriMet”) as announced in the Company’s news release dated January 24th, 2023.

Continuous optimization measures are ongoing at site to reach optimal production capacity. The installation of the new scrubber has been completed and commissioning has commenced. The scrubber is functioning well with excellent recoveries through the wet plant circuit. Optimal throughput is planned to be achieved once the pumps and PVC pipes are installed to increase the water volumes through the plant. Equipment has been ordered and currently transiting towards site. The TiTan plant remains in commissioning phase with a gradual ramp up over the next few months to reach optimal throughput of 130tph. The Corporation has also completed the installation of the dry cleaning and magnetic separation plant in the near vicinity of the wet processing plant, thereby reducing future logistics and export constraints.

## **Results of Operations**

As at August 31, 2024, the Company had a cash balance of \$1,902,061 (February 29, 2024 - \$846,141) and total current assets of \$2,486,336 (February 29, 2024 - \$1,573,749). Long term assets increased to \$17,790,326 from \$17,538,316 (February 29, 2024) and are comprised of a \$185,551 right of use asset, and \$17,604,775 consisting of alluvial mining plant construction, construction vehicles, and other equipment.

Total liabilities amounted to \$44,676,388 (February 29, 2024 - \$43,995,284). Liabilities consists of trade payables, and various loans and advances that were used towards the construction of the Titan alluvial mining plant, acquiring equipment, and to conduct work on the Company’s projects. In addition, the Company recorded an asset retirement obligation of \$7,229,688 in Fiscal 2024, related to the estimated costs to dismantle and remove the Titan plant, and the reclaim the property, to be incurred in future years.

For the three and six months ended August 31, 2024, the Company recorded a net loss of \$2,672,750 and \$4,696,721 compared to a net loss of \$3,169,305 and \$7,284,672, for the three and six months ended August 31, 2023 (“Fiscal 2024”). Net loss is detailed as follows:

	Three months ended August 31,		Six months ended August 31,	
	2024 \$'s	2023 \$'s	2024 \$'s	2023 \$'s
<b>REVENUE (a)</b>	122,400	-	501,686	-
<b>COST OF SALES</b>	-	-	(350,171)	-
	122,400	-	151,515	-
<b>EXPENSES</b>				
General and administrative (b)	1,210,258	1,205,426	1,986,356	2,815,569
Exploration expenses (c)	1,091,423	1,228,506	1,719,556	3,115,398
Stock based compensation (d)	-	110,000	-	193,673
<b>LOSS BEFORE OTHER ITEMS</b>	(2,179,281)	(2,543,932)	(3,554,397)	(6,124,640)
Accretion of asset retirement obligation	(65,363)	-	(128,747)	-
Change in fair value of derivative liability (e)	54,573	588,888	165,423	368,621
(Loss) gain on foreign exchange	283,461	162,907	156,284	226,040
Interest and accretion	(548,072)	(1,377,168)	(1,192,077)	(1,754,693)
Gain on settlement of debt	-	-	292,927	-
Change in fair value of convertible debenture	(218,067)	-	(436,134)	-
<b>NET LOSS FOR THE PERIOD</b>	(2,672,750)	(3,169,305)	(4,696,721)	(7,284,672)

(a) As previously noted, the Company’s majority owned Joint venture company, United Cominiere SAS has completed the export of its previously announced first batch of 15 tons of tin concentrates from the company’s TiTan plant in the Manono region of DRC. In the second quarter, the Company also earned \$122,400 in management fees for overseeing a project for another mineral exploration company.

(b) A breakdown of the general and administrative expenses for the three and six months ended August 31, 2024 and 2023 is as follows:

	2024	2023	2024	2023
	\$	\$	\$	\$
Legal and audit	31,759	59,638	82,569	201,214
Consulting fees	427,558	262,018	539,686	354,692
Management fees (i)	189,217	386,422	420,836	945,553
Office and general (ii)	523,321	345,364	866,458	955,613
Business development (iii)	7,250	33,658	14,500	121,631
Amortization	31,153	118,326	62,307	236,866
	1,210,258	1,205,426	1,986,356	2,815,569

There was an overall decrease in most expense categories as the Company focused on the ongoing TiTan plant optimization program with the reception of the new scrubber/trommel in Lubumbashi. The objective of the optimization program which includes installation of the new scrubber and increasing water volumes feeding into the plant is to run the plant at 130 t/h, 16 hours per day which would allow the company to reach initial production targets. The Company also focused on reducing costs until such time the plant is optimized and commences generating continuous revenues. Increase in consulting fees result of the anticipation of continuous revenues and consulting around supply chain management, responsible sourcing and responsible mining assurance.



- (i) Includes senior and other management used to run corporate and operational activities. See also related party transactions. The decrease is due to the reduction of personnel.
  - (ii) Office and general include public company costs (such as transfer agent, press releases, regulatory fees, insurance, travel to and from DRC, and other), maintaining offices in North American and Africa and salaries for employees based in Africa. Decrease due to decrease in operations compared to the prior period.
  - (iii) The Company did not engage in any marketing campaigns to increase investor awareness initiative during Q1-Q2 of the current fiscal year.
- (c) Represents costs related to the Company's exploration projects.
  - (d) Represents the value of the stock options and RSUs expensed during the period. This is a non-cash expense.
  - (e) The conversion features of the convertible debentures issued were required to be recorded as a derivative liability recorded at fair value and marked-to-market each period with the changes in fair value each period being charged or credited to income.

### Summary of Quarterly Results

Three Months Ended	August 31, 2024	May 31, 2024	February 29, 2024	November 30, 2023
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Net income (loss)	(2,672,750)	(2,023,971)	(1,790,568)	(6,501,873)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

Three Months Ended	August 31, 2023	May 31, 2023	February 28, 2023	November 30, 2022
	\$	\$	\$	\$
Total revenue	-	-	-	-
Net income (loss)	(3,169,305)	(4,115,367)	3,191,125	(7,099,567)
Basic and diluted (loss) per share	(0.01)	(0.01)	0.00	(0.01)

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties, the results of the Company's prior exploration activities on its properties and the amount of expenditure required to advance its projects. Net income in the three months ended February 28, 2023 and August 31, 2022 was the result of the positive change in the derivative liability which offset expenses.

*All the above quarterly results presented are prepared in accordance with IFRS.*

### Liquidity and Capital Resources

The Company's cash increased to \$1,902,061 at August 31, 2024, from \$846,141 at February 29, 2024. The Company's working capital deficit was \$31,937,964 compared to a working capital deficit of \$27,722,145 at February 29, 2024. Cash used in operating activities was \$2,243,744 compared to \$5,792,627 in the prior year.

Investing activities reflected cash used of \$614,184 for the construction of its Titan mining plant, and for the purchase of other equipment.

For the Fiscal 2024, the Company had cash from financing activities totalling \$3,913,848, being proceeds from the private placement financings (\$4,026,885), offset by lease payments (\$81,000), and loan repayments (\$148,789). The Company also received short term loan advances of \$116,752.

On October 9, 2024, the Company closed a non-brokered private placement for gross proceeds of USD\$250,000 (CDN\$341,425). The Company also entered into a settlement of debt transaction of an amount of USD\$86,483.26 (CDN\$116,588.03) with Mr. Simon Collins, a director of the Company (the “Debt Settlement”).

Currently the Company does not have the required working capital to maintain corporate operations and conduct exploration programs on its property and has been relying on loans and advances from related parties. The Company continues to restructure its debt and raise funds. However, since inception, the Company’s capital resources have been limited to amounts raised from the private sale of common shares in the Company as well as loans and advances. The Company will rely on its ability to obtain equity, or other sources of financing, for growth and/or revenues from future production. The ability of the Company to continue operations and carry out further desired activities over the course of the next 12 months is dependent upon obtaining additional financing. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to finance resource based junior companies, in addition to the results of the Company’s exploration programs and the acquisition of additional projects. There can be no guarantee that the Company will be able to secure any required financing.

There were no changes in the Company’s approach to capital management during the period.

Total principal debt outstanding as of the date of this MD&A was as follows:

**Loans**

<b>Amount</b>	<b>Currency</b>	<b>Maturity Date</b>
\$1,000,000	USD	July 2024
\$1,000,000	USD	July 2024
\$3,444,000	USD	July 2024
\$7,213,006	USD	Earlier of 18 months from commencement of mining Titan or Dec 31, 2024
\$3,000,000	USD	February 2025

**Debentures**

<b>Amount</b>	<b>Currency</b>	<b>Maturity Date</b>
\$1,231,784	USD	January 2025
\$2,000,000	USD	December 2025
\$1,000,000	USD	December 2025

Further information regarding the Company’s loans and convertible debentures, is included in Notes 12 & 14 of the unaudited condensed interim consolidated financial statements for the three and six months ended August 31, 2024 and 2023.

**Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements.

## Transactions with Related Parties

Remuneration of key management personnel of the Company.

The remuneration awarded to key management personnel, including directors, the Chief Executive Officer, the Chief Financial Officer and VPs, is as follows for the six months ended August 31, 2024 and August 31, 2023:

	2024	2023
Management and consulting fees	\$ 235,391	\$ 541,409
Share-based payments	-	42,857
	<b>\$ 235,391</b>	<b>\$ 584,266</b>

During the six months ended August 31, 2024 \$60,000 (six months ended August 31, 2023 - \$60,750) of fees were charged by CFO Advantage Inc., a company owned by the Chief Financial Officer of the Company. As at August 31, 2024, \$117,287 (February 29, 2024 - \$63,877) of the fees are outstanding and are included in trade payables and accrued liabilities on the statement of financial position. During the year ended February 29, 2024, 2,000,000 common shares were issued on the exercise of 2,000,000 stock options by the Chief Financial Officer.

During the six months ended August 31, 2024, \$114,000 (six months ended August 31, 2023 - \$119,000) of fees were charged by 3IM Technologies ("3IM"), a Company owned by the CEO of the Company. As at August 31, 2024, \$183,319 (February 29, 2024 - \$82,498) of the fees and expenses are outstanding and are included in trade payables and accrued liabilities on the statement of financial position. On August 17, 2023, 3IM provided a \$60,000, non-interest-bearing, short-term loan to the Company with no specific terms of repayment. The loan was repaid on November 20, 2023.

During the six months ended August 31, 2024, the Company was charged \$39,460 (six months ended August 31, 2023 - \$68,125) by law firms for legal services and disbursements where Michel Lebeuf (former Interim CEO, former director and the current corporate secretary of the Company) is a partner. As at August 31, 2024, \$6,360 (February 29, 2024 - \$33,160) was payable to these law firms and are included in trade payables and accrued liabilities on the statement of financial position.

During the six months ended August 31, 2024, the Company was charged \$nil (six months ended August 31, 2023 - \$79,746), by Matthew Botell, a former director of the Company, as consulting fees. \$212,656 of fees remained payable at August 31, 2024 (February 29, 2024 - \$239,238).

During the six months ended August 31, 2024, the Company was charged \$41,096 (six months ended August 31, 2023 - \$108,886), by Hadley Natus, director of the Company, as consulting fees. \$125,877 of fees remained payable at August 31, 2024 (February 29, 2024 - \$84,781). During fiscal 2024, 5,116,666 common shares were issued to Mr. Natus upon the exercise of 5,116,666 stock options.

Amounts included in trade payable are accrued liabilities are unsecured, non-interest bearing and have no fixed terms of repayment.

On April 20, 2023, the Company entered into the Loan Agreement (see note 12 to the unaudited interim financial statements for the three and six months ended August 31, 2024 ("Q2 FS")) with Simon Collins, a director of the company.

On July 8, 2022, the Company entered into Loan #2 (see note 12 to the Q2 FS) with Trade Cloud, and subsequently transferred to SLC Asia Pte Ltd, a company where Mr. Simon Collins is a principal.

During the year ended February 29, 2024, the Company had the following transactions with Afrimet, and Coproco Group SARL ("Coproco"), companies controlled by Hadley Natus, a director of the Company.

- Entered into the Afrimet Loan (see note 12 to the Q2 FS).
- Received additional \$237,641 of advances from Coproco (see note 12 to the Q2 FS).

See note 16 to the Q2 FS for related parties' involvement in private placements.

## **Critical Accounting Estimates**

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about the significant estimates, judgments and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

### **Stock based compensation, warrants and RSUs**

The fair value of share-based payments and warrants is determined using the Black-Scholes valuation model taking into account the features of the plan and market data as at the grant date and on the basis of the Company management assumptions. Estimates are made as to the volatility of its own share price based on historical volatility, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. RSUs with vesting conditions based on market factors are valued using the Monte-Carlo valuation model. Estimates are made as to the volatility of its own share price based on historical volatility, the probable life of the RSUs, and the probability the market conditions will be achieved.

### **Assessment of indicators of impairment**

At the end of each reporting period, the Company assesses whether there are any indicators, from external and internal sources of information, that an asset may be impaired, thereby requiring adjustment to the carrying value.

### **Expected credit losses**

Determining an allowance for ECLs requires management to make estimates and assumptions about credit losses expected to occur in the future, which is based on the probability of default, loss given default, and expected cash shortfall relating to the underlying loan receivable. The expected credit loss is determined by evaluating a range of possible outcomes incorporating the time value of money and reasonable and supportable information about past events, current conditions, and future economic forecasts.

### **Recognition of deferred income tax assets and measurement of income tax expense**

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

### **Going concern**

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances (Note 2).

### **Functional currency**

In concluding on the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences costs of operating in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

### **Income, value added, withholding and other taxes**

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and

regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

### **Derivative liabilities**

The Company values derivative liabilities by reference to their fair value at the date at which the instrument is granted and each reporting period. Estimating fair value requires determining the most appropriate valuation model. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life and volatility and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate.

### **Inventory**

The Company carries its long-term inventory at the lower of production cost and NRV. If the carrying value exceeds the net realizable amount, a write-down is required. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist. The Company reviews NRV at least annually.

### **Asset retirement obligation**

The Company incurs reclamation and other closure costs related to its mining properties. The future obligations for mine closure activities are estimated by the Company using mine closure plans or other similar studies which outline the activities to be undertaken to meet regulatory and internal requirements. Since the obligations are dependent on the laws and regulations of the countries in which the mines operate, they are regularly reviewed by management and external experts, and could change as a result of amendments to the laws and regulations. Included in the estimated obligations are a number of significant assumptions made by management in determining closure provisions. Accordingly, closure provisions are more uncertain the further into the future the mine closure activities are to be carried out.

The Company's policy for recording reclamation and other closure provisions is to establish provisions for future mine closure costs based on the present value of the future cash flows required to satisfy the obligations. This provision is updated as the estimate for future closure costs change. The amount of the present value of the provision is added to the cost of the related mineral property and plant and equipment and depreciated over the life of the mine. The provision is accreted to its future value over the life of mine through a charge to finance costs.

In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

### **Contingencies**

Refer to Note 23 to the audited financial statements for the years ended February 29, 2024 and February 28, 2023.

The amounts recognized in the consolidated financial statements are derived from the Company's best estimation and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Company's financial position and its financial performance and cash flows.

### **Glencore convertible loan**

The initial value of the convertible loan was determined by valuing the components of the hybrid financial instrument, including the liability component and the conversion component, which required a number of assumptions. The significant assumptions used in determining the value of the convertible loan at issuance date and each subsequent reporting date include the discount rate used in the discounted cash flow of the liability component. In determining the appropriate discount rate, the Company considered rates of the benchmark yield based on management's assessment of the Company's credit rating.

Management used significant judgement in determining that the fair value on the convertible loan on issuance did not equal the transaction price. The resulting difference between the transaction price and the fair value on initial recognition (the “Day 1 loss”) was deferred. The unrecognized Day 1 loss was recorded in net loss only to the extent that it arises from a change in factor that market participants would take into account when pricing the convertible security. The Company believes that time is such a factor specific to the convertible security and the Day 1 loss is recognized on a straight-line basis in the statement of loss over the contractual life of the convertible loan.

The fair value of the Glencore convertible loan at initial recognition is measured using the discounted cash flow model. This model requires management to make various assumptions and estimates that are susceptible to uncertainty. Judgements include considerations of a market rate of interest. The market rate of interest used is based on judgements including the Company’s own credit risk, economic environment, term, and interest rate charged to comparable companies. The Company has estimated its market rate of interest to be 13.21% on February 29, 2024. Changes in assumptions can materially affect the fair value estimate of the debenture.

#### **Fair value of conversion right on the Glencore convertible loan**

The Company values the conversion right related to the Glencore convertible loan using the Geometric Brownian motion model. The key inputs in this model relate to the Company’s share price and foreign exchange rates, future assumptions of the respective volatility, and interest rates in Canada and the United States.

### **Financial Instruments and Risk**

#### Objectives and policies concerning financial risk management

The Company is exposed to different financial risks resulting from its operations as well as investing and financing activities. The following analysis enables users to evaluate the nature and extent of the risks at the end of the year.

#### *Financial risks*

The principal financial risks to which the Company is exposed as well as its policies concerning the management of the financial risks are detailed as follow:

#### *Interest rate risk*

The convertible debentures provide for a fixed annual interest rate and therefore expose the Company to the risk of fair value variation due to interest rate variation because this financial asset is recognized at amortized cost. The other financial assets and liabilities of the Company do not represent interest risk because they do not bear interest or are at a fixed interest rate. The Company does not use financial derivatives to decrease its exposure to interest risk.

#### *Liquidity risk*

Management's objective is to maintain sufficient levels of cash and to ensure that the Company has at its disposal sufficient sources of financing, such as private financing and capital markets. Obtaining additional funds make it possible for the Company to continue its operations (see Note 2 to the Q2 FS).

As at August 31, 2024, management estimates that funds available will not be sufficient to meet the Company's obligations through the next twelve months. The Company is evaluating different financing options to continue the exploration and development of its projects, which may include the issuance of securities, entering into partnership, joint venture or other arrangements. There can be no assurance that additional funds will be available or available on terms acceptable to the Company. If management is unable to obtain new funding, the Company may be required to delay, reduce the scope of, or eliminate its current or future exploration and development activities or relinquish rights to certain of its interests.

#### *Foreign Currency Risk*

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar will affect the Company's operations and financial results. At August 31, 2024, the Company had net monetary assets of \$28,325,000 (February 29, 2024 – \$33,298,469) denominated in a foreign currency. The impact to equity of a 10% increase or decrease in foreign currencies to the Canadian dollar exchange rate at August 31, 2024 would be \$2,832,500 (February 29, 2024 - \$3,329,846).

### *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 maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date. The Company has no trade accounts. The credit risk for cash is considered negligible since the counter parties are reputable banks with high quality external credit ratings and that cash held in Congo is not subject to any restrictions.

### **Share Capital**

As of the date of this MD&A, the Company had 798,538,495 issued and outstanding common shares, 50,000,000 warrants 21,433,334 options outstanding and 4,000,000 restricted share units.

### **Risk Factors**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's listing statement (Form 2A) dated October 18, 2013, available on SEDAR at [www.sedar.com](http://www.sedar.com).

In addition to the risks outlined in the Company's listing statement (Form 2A) dated October 18, 2010, the Company has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like the Company are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.