MONTEGO RESOURCES INC.

Management Discussion and Analysis
For the year ended June 30, 2024

The Management Discussion and Analysis ("MD&A"), prepared on October 25, 2024 should be read in conjunction with the audited consolidated financial statements and the notes thereto for the year ended June 30, 2024 of Montego Resources Inc. ("Montego" or the "Company") which were prepared in accordance with International Financial Reporting Standards. Additional information relating to the Company including the Company's Annual Information Form is available on SEDAR at www.sedarplus.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "designed", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the Province of British Columbia on July 20, 2012.

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties. As at June 30, 2024, the Company had $1,352,432 exploration and evaluation assets (2023 - $1,459,535).

On July 8, 2020, the Company's symbol changed from MY to MY.X. The .X extension is added to listed securities of issuers that the Canadian Securities Exchange has deemed to be inactive. On March 8, 2023, the inactive designation has been removed and the Company began trading under its new symbol "MY".

On March 31, 2023, the Company completed the acquisition of 1407899 B.C. Ltd. ("1407899") which holds all the rights, titles, licenses, permits, and 100% interest in the Black Beard Property. 1407899 became a wholly-owned subsidiary of the Company, and is inactive since.

EXPLORATION AND EVALUATION ASSETS

	Black Dog Gold Project	Black Beard Copper Project	Total
	$	$	$
Balance, June 30, 2022	-	-	-
Acquisition cost - cash paid	75,000	-	75,000
Acquisition cost - common shares issued (Note 7)	250,000	1,294,118	1,544,118
Exploration expenditures	109,165	-	109,165
Write-off of exploration and evaluation assets	(268,748)	-	(268,748)
Balance, June 30, 2023	165,417	1,294,118	1,459,535
Acquisition cost	2,550	-	2,550
Exploration expenditures	-	47,816	47,816
Write-off of exploration and evaluation assets	(157,469)	-	(157,469)
Balance, June 30, 2024	**10,498**	**1,341,934**	**1,352,432**

Black Dog Gold Project

On October 6, 2022, the Company signed a purchase and sale agreement with Caprock Ventures Corp. ("Caprock") to acquire a 100% interest in and to the Black Dog Gold Project located in Northern Quebec, consists of a block of 42 mineral claims.

In consideration for the acquisition of the Black Dog Project, over the course of four years, the Company will be required to complete a series of cash payments totaling $300,000 and issue an aggregate total of 5,000,000 common shares as shown below:

	Number of Common Shares	Cash
		$
Signing of purchase and sale agreement (issued and paid)	500,000	75,000
First-year anniversary of signing	1,000,000	75,000
Second-year anniversary of signing	1,500,000	75,000
Third-year anniversary of signing	2,000,000	75,000
Total	**5,000,000**	**300,000**

Upon completion of the payments, share issuances and expenditures, the Company will hold a 100% interest in the Black Dog Project.

During the year ended June 30, 2023, the Company paid the first $75,000 and issued 500,000 common shares with a fair value of $250,000.

During the year ended June 30, 2024, most of the claims have been lost and the Company has no chance to restake it. As a result, a write-off of $157,469 (2023 - $268,748) was recorded to the consolidated statement of comprehensive loss for the year ended June 30, 2024. The 53-hectare Black Dog project consists of a block of 1 mineral claim approximately 60 kilometers north of Nemiscau, Quebec, in an immediate area that has seen prospective exploration activity in recent years.

Black Beard Copper Project

On March 31, 2023, the Company closed the share exchange agreement with 1407899 B.C. Ltd. ("1407899") and the shareholders of 1407899 to acquire 100% of the approximately 1,975-hectare Black Bear property, located in the Bonavista Peninsula, eastern Newfoundland, Canada. The Black Beard Property comprises of 79 claims.

Pursuant to the share exchange agreement, the Company will issue 11,764,705 common shares to the vendors in exchange for 100% of the outstanding shares of 1407899. A third-party vendor retains a royalty (NSR) of 3% of the mining rights. On March 31, 2023, the Company issued 11,764,705 common shares with a fair value of $1,294,118.

The Company has accounted for the purchase of 1407899 as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combination". The following table summarizes the total consideration, the fair value of the identifiable assets acquired, and liabilities assumed as of the date of the acquisition:

Fair value of common shares issued (11,764,705 shares at $0.11)	$	1,294,118
Total consideration	$	1,294,118
Assets acquired:		
Exploration and evaluation asset	$	1,294,118

SELECTED ANNUAL INFORMATION
($000's except loss per share)

	June 30, 2024	June 30, 2023	June 30, 2022
	$	$	$
Revenue	-	-	-
Net Loss and Comprehensive Loss	(436)	(653)	(377)
Basic and Diluted Loss per Share	(0.01)	(0.05)	(0.08)
Total Assets	1,370	2,232	29
Total Liabilities	1,296	1,722	1,340
Dividends	-	-	-

OPERATIONS

Twelve-month period ended June 30, 2024

During the twelve-month period ended June 30, 2024 ("current year"), the Company reported a net loss of $435,537 (2023 - $652,493). Included in the determination of operating loss were $54,714 (2023 - $147,900) on consulting fees, the decrease was due to lower fees charged by consultants during the current year, $326 (2023 - $401) on depreciation, the decrease was due to decrease in depreciable asset during the current year, $32,646 (2023 - $62,580) on interest expense, the decrease was due to repayment of loans during the current year, $59,881 (2023 - $63,500) on management fees, the decrease was due to decrease in management fees incurred during the current year, $19,145 (2023 - $Nil) on meals and entertainment, the increase was due to no meals and entertainment incurred during the prior year, $1,232 (2023 - $8,824) on office and miscellaneous, the decrease was due to decrease in business activities during the current year, $37,075 (2023 - $39,386) on professional fees, the decrease was due to lower legal fees incurred during the current year, $60,000 (2023 - $63,000) on rent, the decrease was due to lower accrual of rent during the current year, and $13,210 (2023 - $20,372) on transfer agent and filing fees, the decrease was due to decreased activity and regulatory periodic filing fees incurred during the current year. The Company also incurred foreign exchange gain of $159 (2023 - loss of $139), unrealized gain on investment of $2 (2023 – unrealized loss of $1,158), write-off of prepaid expenses of $Nil (2023 - $6,650), write-off of accounts payable of $Nil (2023 - $30,165) and write-off of exploration and evaluation assets of $157,469 (2023 - $268,748).

Three-month period ended June 30, 2024

During the three-month period ended June 30, 2024 ("current period"), the Company reported a net loss of $215,746 (2023 - $442,708). Included in the determination of operating loss were $750 (2023 - $100,537) on consulting fees, the decrease was due to lower fees incurred during the current period, $75 (2023 - $92) on depreciation, the decrease was due to decrease in depreciable asset during the current period, $5,069 (2023 - $17,270) on interest expense, the decrease was due to repayment of loans, recovery of $1,000 (2023 - expense of $16,250) on management fees, the decrease was due to recovery in management fees incurred during the current period, $318 (2023 - $5,188) on office and miscellaneous, the decrease was due to decreased business activities during the current period, $35,441 (2023 - $37,979) on professional fees, the decrease was due to lower legal fees incurred during the current period, $15,000 (2023 - $15,750) on rent, the decrease was due to lower accrual of rent during the current period, and $2,625 (2023 - $4,522) on transfer agent and filing fees, the decrease was due to decreased activity and regulatory periodic filing fees incurred during the current period. The Company also incurred foreign exchange loss of $1 (2023 - gain of $114), unrealized gain on investment of $2 (2023 - loss of $1), write-off of prepaid expenses of $Nil (2023 - $6,650), write-off of accounts payable of $Nil (2023 - $30,165) and write-off of exploration and evaluation assets of $157,469 (2023 - $268,748).

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, fluctuating mineral and metal prices, the requirement and ability to raise additional capital through future financings.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Environmental Regulations, Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.

The current or future operations of the Company, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for the operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

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

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company’s ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Fluctuating Mineral and Metal Prices

Factors beyond our control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the exploration activities cannot be predicted. For example, gold prices are affected by numerous factors beyond the Company’s control, including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold and copper production levels also affect gold and copper prices. In addition, the price of gold and copper has on occasion been subject to rapid short-term changes due to speculative activities.

Future Financings

The Company’s continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

SUMMARY OF QUARTERLY RESULTS
($000's except earnings per share)

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
	$	$	$	$
Revenue	-	-	-	-
Net Loss and Comprehensive Loss	(216)	(43)	(118)	(59)
Basic and Diluted Loss Per Share	(0.01)	(0.00)	(0.00)	(0.00)

	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
	$	$	$	$
Revenue	-	-	-	-
Net Loss and Comprehensive Loss	(443)	(100)	(57)	(53)
Basic and Diluted Loss Per Share	(0.01)	(0.01)	(0.01)	(0.01)

Fiscal 2024

During the fourth quarter of fiscal 2024, the Company recorded a loss of $215,746 compared to a loss of $42,298 in the third quarter of fiscal 2024. The significant change is due to write-off of exploration and evaluation assets incurred during the current quarter.

During the third quarter of fiscal 2024, the Company recorded a loss of $43,298 compared to a loss of $117,980 in the second quarter of fiscal 2024. The significant change is due to the lower consulting fees and meals and entertainment incurred during the current quarter.

During the second quarter of fiscal 2024, the Company recorded a loss of $117,980 compared to a loss of $58,513 in the first quarter of fiscal 2024. The significant change is due to the higher consulting fees and meals and entertainment incurred during the current quarter.

During the first quarter of fiscal 2024, the Company recorded a loss of $58,513 compared to a loss of $442,708 in the fourth quarter of fiscal 2023. The significant change is due to write-off of exploration and evaluation assets incurred during the fourth quarter of fiscal 2023.

Fiscal 2023

During the fourth quarter of fiscal 2023, the Company recorded a loss of $442,708 compared to a loss of $100,188 in the third quarter of fiscal 2023. The significant change is due to write-off of exploration and evaluation assets incurred during the quarter.

During the third quarter of fiscal 2023, the Company recorded a loss of $100,188 compared to a loss of $56,550 in the second quarter of fiscal 2023. The significant change is due to higher consulting fees and interest expense incurred during the quarter.

During the second quarter of fiscal 2023, the Company recorded a loss of $56,550 compared to a loss of $53,047 in the first quarter of fiscal 2023. The change is due to higher interest expense, and transfer agent and filing fees incurred during the quarter.

During the first quarter of fiscal 2023, the Company recorded a loss of $53,047 compared to a loss of $202,766 in the fourth quarter of fiscal 2022. The significant change is due to lower professional fees, interest expense, write-off of subscription receivable, and unrealized loss on investment during the quarter.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2024, the Company had a cash balance of $2,568 and working capital deficiency of $1,279,052 compared to $767,884 in cash balance and $950,944 in working capital deficiency as at June 30, 2023.

During the year ended June 30, 2024, net cash used in operating activities was $224,950 (2023 - $155,700) comprising a net loss of $435,537 (2023 - $652,493), accrued interest and accretion of $32,658 (2023 - $62,580), depreciation of $326 (2023 - $401), foreign exchange gain of $159 (2023 - loss of $139), unrealized gain on investment of $2 (2023 – unrealized loss of $1,158), write-off of prepaid expenses of $Nil (2023 - $6,650), write-off of accounts payable of $Nil (2023 - $30,165), write-off of exploration and evaluation assets of $157,469 (2023 - $268,748), increase in amounts receivable of $11,134 (2023 - $1,997), and increase in accounts payable and accrued liabilities of $31,429 (2023 - $189,279).

Cash used in investing activities for the year ended June 30, 2024 was $50,366 (2023 - $184,165), which was related to exploration expenditures of Black Dog and Black Beard Copper Projects.

Cash used in financing activities for the year ended June 30, 2024 was $490,000 (2023 - provided by $1,089,600), which was related to repayment of loans, offset by proceeds from loans payable. Cash provided by financing activities for the year ended June 30, 2023, was related to proceeds from loans payable and issuance of shares, net of issuance costs.

OFF-BALANCE SHEET ARRANGEMENTS

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

COMMITMENTS AND CONTINGENCIES

As at year ended June 30, 2024, the Company has no commercial and management liability insurance policy which allowed reducing the various risks inherent to Company’s activities.

On October 6, 2022, the Company signed a purchase and sale agreement with a not-related company Caprock Ventures Corp. (“Caprock”) providing the possibility to acquire a 100% interest in the Black Dog Gold Project located in Northern Quebec, as disclosed in Note 4. As at June 30, 2024 and October 25, 2024, the Company has not fulfilled its obligation as agreed per agreement to pay $75,000 in cash and issue 1,000,000 common shares on October 6, 2023. The Company is in discussion with Caprock to postpone its obligation according to this option agreement due to disability to restake mining claims.

TRANSACTIONS WITH RELATED PARTIES

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. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management compensation

Key management personnel receive compensation in the form of short-term employee benefits. Key management personnel include the current and former directors of the Company. The remuneration of key management is as follows:

Years ended June 30,	2024	2023
	$	$
Management fees	19,881	500
Consulting fees	3,000	3,150
	22,881	3,150

Management and consulting services were provided by companies owned by officers and directors of the Company.

Other transactions and balance

As at June 30, 2024, the Company has $525 (2023 - $525) receivable and $1,575 (2023 - $263) due to related parties as result of related party transactions incurred throughout the year, which was included in amounts receivable and in accounts payable and accrued liabilities, respectively. The amounts are receivable from a director of the Company. The amounts are due to directors and companies controlled by directors of the Company. These amounts are non-interest bearing, unsecured and are due upon demand.

RECENT EVENTS

On October 6, 2022, the Company signed a purchase and sale agreement with Caprock to acquire a 100% interest in and to the Black Dog Gold Project located in Northern Quebec.

On December 23, 2022, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidated share for every 10 pre-consolidated shares.

On March 23, 2023, the Company closed a non-brokered private placement of 20,000,000 units at a price of $0.05 per unit for gross proceeds of $1,000,000.

On March 31, 2023, the Company closed the share exchange agreement with 1407899 B.C. Ltd. (“1407899”) and the shareholders of 1407899 to acquire 100% of the approximately 1,975-hectare Black Bear property, located in the Bonavista Peninsula, eastern Newfoundland, Canada.

During the year ended June 30, 2024, a total of $500,000 loans including its accrued interest was settled by the Company.

SUBSEQUENT EVENT

On October 24, 2024, the Company entered into a loan agreement with an arm’s length party, that has a director in common, for $10,000. The loan bears interest at 15% per annum. The principal amount and any accrued interest are due within 12 months from the date of the agreement. The loan is unsecured.

MANAGEMENT CHANGES

On October 12, 2022, the Company appointed Kelly Abbott as chief executive officer and director of the Company. Mr. Greenway stepped down from the role of interim chief executive officer but will remain as a director of the board.

On June 9, 2023, the Company appointed David Greenway as CEO of the Company and Ryan Torres as a director of the board. In connection with the appointments Kelly Abbott has resigned as CEO and Director of the Company.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

New accounting standards issued and effective

IAS 1 – Presentation of Financial Statements

This standard has been revised to incorporate amendments issued by the IASB in February 2021 to require entity to disclose material accounting policies information rather than significant accounting policies. The application of these amendments had no impact on the Company's consolidated loss or consolidated financial position.

IAS 8 - *Definition of Accounting Estimates—Amendments*

This standard Accounting Policies, Changes in Accounting Estimates and Errors has been revised to incorporate amendments issued by the IASB in February 2021. The amendments introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. The application of these amendments had no impact on the Company's consolidated loss or consolidated financial position.

IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in May 2021. The amendments clarify the accounting for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in IAS 12 no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The application of these amendments had no impact on the Company's consolidated loss or consolidated financial position.

Other new standards or amendments are either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

Accounting Standards and Amendments Issued and Effective but Not yet Adopted

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting period beginning after July 1, 2023. The Company has not early adopted these new standards in preparing these consolidated financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

IAS 1 - *Presentation of Financial Statements*

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

IFRS 9 Financial Instruments

This standard has been revised to incorporate the amendment issued by the International Accounting Standards Board in May 2024. The amendment will address diversity in accounting practice by making the requirements more understandable and consistent. Amendment clarify the derecognition date for financial assets or liabilities. The amendment is effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted.

IFRS 18 – Presentation and Disclosure in Financial Statements

This standard which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Earlier application is permitted.

SHARE CAPITAL

<u>Issued</u>
The Company has 36,814,527 common shares issued and outstanding as at June 30, 2024 and as at October 25, 2024.

<u>Share Purchase Options</u>
The Company has no stock options outstanding as at June 30, 2024 and as at October 25, 2024.

<u>Share Purchase Warrants</u>
The Company has 21,408,000 share purchase warrants outstanding as at June 30, 2024 and as at October 25, 2024.

<u>Escrow Shares</u>
The Company has no shares held in escrow as at June 30, 2024 and as at October 25, 2024.