

**VOLATUS CAPITAL CORP.**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For the six months ended July 31, 2024**

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The Management’s Discussion and Analysis (“MD&A”) was prepared as of October 1, 2024 and is intended to supplement and complement the unaudited condensed interim consolidated financial statements of Volatus Capital Corp. (the “Company” or “Volatus”) for the six months ended July 31, 2024 and related notes attached thereto. Accordingly, this MD&A includes the results of operations and cash flows of the Company for the six months ended July 31, 2024 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR+ web site [www.sedarplus.ca](http://www.sedarplus.ca).

Unless otherwise stated, financial results have been prepared using accounting policies consistent with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The Company’s unaudited condensed interim consolidated financial statements were prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, complete sufficient debt or equity financing, or generate profitable operations in the future. These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

**DESCRIPTION OF BUSINESS**

The Company, which was incorporated on November 6, 2018 under the laws of British Columbia, is a public company listed on the Canadian Securities Exchange (the “CSE”) and trades under the symbol VC. The address of the Company’s corporate office and its principal place of business is located at 2900 - 733 Seymour Street, Vancouver, British Columbia, Canada, V6B 0S6.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at July 31, 2024, the Company had not yet determined whether the Company’s mineral properties contain ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

## **FORWARD-LOOKING STATEMENTS**

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes 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.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimization of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; and (v) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base precious metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; and (v) environmental risks and changes in environmental legislation.

This MD&A contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information disclosed in this document is qualified by this cautionary statement.

## EXPLORATION PROJECTS

	Split Dome Copper Property	Untapped Property	To Do and Lions Den Gold Properties	JD Property	Belle Property	More Creek Property	Bentley Property	Lone Mountain Property	Total
<b>Acquisition Costs:</b>									
Balance, January 31, 2023	\$ 363,500	\$ 960,000	\$ 1,205,000	\$ 471,000	\$ 151,668	\$ 141,606	\$ 41,250	\$ 550,000	\$ 3,884,024
Acquisition – Shares issuance	-	-	-	-	313	-	-	-	313
Acquisition – Cash payment	-	-	-	-	25,000	-	-	-	25,000
Write off adjustment	(363,500)	(960,000)	(1,205,000)	(471,000)	(176,981)	(141,606)	-	(550,000)	(3,868,087)
Balance, January 31, 2024 and July 31, 2024	-	-	-	-	-	-	41,250	-	41,250
<b>Exploration Costs:</b>									
Balance, January 31, 2023	120,024	102,159	193,509	2,043,762	700	168,391	56,286	101,051	2,785,882
Administration and consulting	-	-	-	2,434	-	-	-	-	2,434
BCMETS offset <sup>(1)</sup>	-	-	-	(128,401)	-	-	-	-	(128,401)
Write off adjustment	(120,024)	(102,159)	(193,509)	(1,917,795)	(700)	(168,391)	-	(101,051)	(2,603,629)
Balance, January 31, 2024 and July 31, 2024	-	-	-	-	-	-	56,286	-	56,286
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,536	\$ -	\$ 97,536

<sup>(1)</sup> On May 1, 2023, the Company received a \$128,401 cash refund from CRA, related to the British Columbia mining exploration tax credit (BCMETS) for its 2022 fiscal year, plus \$3,458 in interest. The tax credit was offset against the exploration cost capitalized to the JD Property.

### **Split Dome Copper Project**

During the year ended January 31, 2020, the Company entered into a purchase and sale agreement to acquire up to a 100% interest, subject to a 0.25% NSR royalty, in the Split Dome copper project located near Hazelton, British Columbia.

On October 11, 2023, the claims composing the property were dropped. Accordingly, the Company impaired the property to \$Nil and recorded a write-down of \$483,524 in the statement of loss and comprehensive loss during the year ended January 31, 2024.

### **Untapped Property**

In June 2020, the Company earned a 100% interest, subject to a 1% NSR royalty of which the Company may purchase 0.5% for \$500,000 at any time, in the Untapped property.

On January 20, 2024, the claims composing the property were dropped. Accordingly, the Company impaired the property to \$Nil and recorded a write-down of \$1,062,159 in the statement of loss and comprehensive loss during the year ended January 31, 2024.

### **To Do and Lions Den Gold Properties**

In June 2020, the Company entered into a purchase and sale agreement to acquire a 100% interest, subject to a 1.5% NSR royalty, in the To Do and Lions Den Gold properties located in the Kemess-Toodoggone porphyry gold-copper epithermal gold district in northwestern British Columbia.

On October 13, 2023, the claims composing the property were dropped. Accordingly, the Company impaired the property to \$Nil and recorded a write-down of \$1,398,509 in the statement of loss and comprehensive loss during the year ended January 31, 2024.

### **JD Property**

In July 2020 and as amended on February 15, 2023 and May 24, 2023, the Company entered into an option agreement to acquire a 100% interest subject to a 2.5% NSR royalty, in the JD property located in the Omineca Mining Division in northern British Columbia. To earn the interest, the Company was required make payments totaling \$1,200,000 (\$370,000 paid), issue 1,000,000 common shares (issued 187,500 shares at a total value of \$31,250) and incur exploration expenditures totaling \$16,000,000 (incurred \$2,046,196).

On July 28, 2023, the option agreement pursuant to the JD property was terminated. Accordingly, the Company impaired the property to \$Nil and recorded a write-down of \$2,388,795 in the statement of loss and comprehensive loss during the year ended January 31, 2024.

### **Leigh Creek Magnesite Project**

During the year ended January 31, 2021, the Company entered into an agreement to acquire MagMetals Tech Pty Ltd. ("MagMetal"), a private Australian company holding a 20% interest in Leigh Creek Magnesite Pty Ltd. ("Leigh Creek"). The Company issued 1,788,724 common shares at a value of \$3,040,831 and paid cash of \$500,000.

The underlying property is subject to a NSR ranging from 1.25% to 2.5%.

As at January 31, 2024, the Company determined that the carrying value of its investment in Leigh Creek had exceeded its recoverable value. In July 2024, MagMetal entered into an agreement with Mineral Road Discovery Inc. ("Road") (formerly Crest Resources Inc.), a related party, to sell its 20% interest in Leigh Creek, for consideration of 500,000 common shares of Road at a fair value of \$30,000 on the day of receipt. Accordingly, the Company impaired the property to \$30,000 and recorded a write-down of \$3,857,170 in the statement of loss and comprehensive loss during the year ended January 31, 2024.

### **Belle Property**

In August 2020, the Company entered into an agreement to acquire a 100% interest in the Belle property, located in the center of the Toodoggone Gold and Copper Mining District, northern British Columbia. To execute the option, the Company paid a total of \$100,000 in cash and issued 125,000 common shares at a total value of \$63,438. The property was subject to a 2% NSR.

As a result of the termination of the option agreement for the JD property, the Belle Property has been assigned to T. Cameron Scott and V.F. Erickson Consultants Ltd. Accordingly, the Company impaired the property to \$Nil and recorded a write-down of \$177,681 in the statement of loss and comprehensive loss during the year ended January 31, 2024.

### **More Creek Property**

In August 2020, the Company entered into an agreement to acquire a 100% interest in the More Creek Project, located the Golden Triangle District of northwest British Columbia. To execute the option, the Company made payments totaling \$50,000 and issued 1,025,000 common shares at a total value of \$74,000, with a remaining obligation to pay \$50,000 in cash or shares unpaid. The Company was also required to incur exploration expenditures totaling \$600,000 (incurred \$100,000). The property was subject to a 2% NSR.

On August 3, 2023, the option agreement pursuant to the More Creek property was terminated. Pursuant to the termination agreement, the Company issued 1,000,000 shares issued at a value of \$10,000 to Tower Resources Ltd and agreed to pay to Tower Resources Ltd an aggregate of \$85,000.

On October 31, 2023, the Company issued a promissory note payable to Tower Resources Ltd, representing the total of the amounts owing pursuant to the termination agreement. The promissory note has a principal balance of \$85,000, accrues interest at 10% per annum and is due on or before November 1, 2025.

During the year ended January 31, 2024, the Company impaired the property to \$Nil and recorded a write-down of \$309,997 in the statement of loss and comprehensive loss. The Company also recognized \$95,000 as a loss on termination of option agreement in the statement of loss and comprehensive loss.

### **Bentley Property**

During the year ended January 31, 2022, the Company acquired a 100% interest in the Bentley property located in the Toodoggone district north central British Columbia by issuing 62,500 common shares (valued at \$33,750) and paying \$7,500.

### **Lone Mountain Property**

In November 2020, the Company entered into an agreement to acquire a 100% interest in Lone Mountain property located in British Columbia. The Lone Mountain property was subject to a 2% NSR.

On October 2, 2023, the claims composing the property were dropped. Accordingly, the Company impaired the property to \$Nil and recorded a write-down of \$651,051 in the statement of loss and comprehensive loss during the year ended January 31, 2024.

## **RESULTS OF OPERATIONS**

### Six months ended July 31, 2024

The Company incurred a net income of \$16,492 (2023 – loss of \$3,116,690) for the six months ended July 31, 2024. A brief explanation of the significant changes in expenses by category is provided below:

- Consulting fees of \$45,500 (2023 – \$105,300) The Company's activity decreased in the current period; resulting in a decrease in the number of consultants, compared to the 2023 comparative period.

- Management fees of \$Nil (2023 – \$60,000) The Company has decreased its activity and did not pay management fees to the CEO during the current period.
- Professional fees of \$26,425 (2023 – \$57,649) The professional fees decreased in the current period, due to the reversal of the 2023 audit accrual which was over-accrued.
- Other income of \$34,240 (2023 – \$Nil) The Company received a refund of \$34,240 from the CRA for the British Columbia mining exploration tax credit (BCMETS).
- Realized loss on marketable securities of \$11,946 (2023 – gain of \$5,634) due to the sale of marketable securities during the current period.
- Unrealized gain on marketable securities of \$89,346 (2023 – \$2,490) due to a decrease in the fair market value of unsold marketable securities in the current period.
- Write-off of exploration and evaluation assets of \$Nil (2023 – \$2,895,868). The 2023 write-off was related to the JD, More Creek and Belle properties.

Three months ended July 31, 2024

The Company incurred a net income of \$24,097 (2023 – loss of \$3,052,777) for the three months ended July 31, 2024. A brief explanation of the significant changes in expenses by category is provided below:

- Consulting fees of \$500 (2023 – \$60,300) The Company’s activity decreased in the current period; resulting in a decrease in the number of consultants, compared to the 2023 comparative period.
- Management fees of \$Nil (2023 – \$30,000) The Company has decreased its activity and did not pay management fees to the CEO during the current period.
- Professional fees of \$18,522 (2023 – \$49,559) The professional fees decreased in the current period, due to the reversal of the 2023 audit accrual which was over-accrued.
- Realized gain on marketable securities of \$16,150 (2023 – loss of \$3,126) due to the sale of marketable securities during the current period.
- Unrealized gain on marketable securities of \$46,445 (2023 – loss of \$12,070) due to an increase in the fair market value of unsold marketable securities in the current period.
- Write-off of exploration and evaluation assets of \$Nil (2023 – \$2,895,868). The 2023 write-off was related to the JD, More Creek and Belle properties.

**QUARTERLY INFORMATION**

	<b>July 31, 2024</b>	<b>April 30, 2024</b>	<b>January 31, 2024</b>	<b>October 31, 2023</b>
Total revenue	\$ -	\$ -	\$ -	\$ -
Net income (loss) for the period	\$ 24,097	\$ (7,605)	\$ (5,010,845)	\$ (2,724,894)
Basic and diluted loss per share	\$ 0.00	\$ (0.00)	\$ (0.14)	\$ (0.07)
Total assets	\$ 232,022	\$ 193,762	\$ 184,942	\$ 5,102,533
Total long-term liabilities	\$ 126,045	\$ 85,000	\$ 85,000	\$ 85,000
	<b>July 31, 2023</b>	<b>April 30, 2023</b>	<b>January 31, 2023</b>	<b>October 31, 2022</b>
Total revenue	\$ -	\$ -	\$ -	\$ -
Net loss for the period	\$ (3,052,777)	\$ (63,913)	\$ (470,965)	\$ (233,523)
Basic and diluted loss per share	\$ (0.09)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Total assets	\$ 7,635,348	\$ 10,670,918	\$ 10,684,752	\$ 10,935,909
Total long-term liabilities	\$ -	\$ -	\$ -	\$ -

During the quarter ended July 31, 2024, total assets increased to \$232,022 (April 30, 2024 - \$193,762) primarily due to the increase in the fair value of marketable securities. The quarter resulted in a net income primarily due to the reversal of the 2023 audit accrual which was over-accrued and unrealized gain in the fair value of marketable securities.

During the quarter ended April 30, 2024, total assets increased to \$193,762 (January 31, 2024 - \$184,942) primarily due to the increase in the fair value of marketable securities.

During the quarter ended January 31, 2024, total assets decreased to \$184,942 (October 31, 2023 - \$5,102,533) primarily due to the write off of the Untapped property and write-down of the investment in Leigh Creek. Net loss also increased as a result of the write off of exploration and evaluation assets and write-down of investment.

During the quarter ended October 31, 2023, total assets decreased to \$5,102,533 (July 31, 2023 - \$7,635,348) primarily due to the write off of the Split Dome, Lions Den, and Lone Mountain properties. Net loss also increased as a result of the write off of exploration and evaluation assets.

During the quarter ended July 31, 2023, total assets decreased to \$7,635,348 (April 30, 2023 - \$10,670,918) primarily due to the write off of the JD, More Creek and Belle properties. Net loss also increased as a result of the write off.

During the quarter ended April 30, 2023, total assets decreased to \$10,670,918 (January 31, 2023 - \$10,684,752) mainly due to disposals of marketable securities and a decrease in the GST recoverable; offset by a small increase in exploration and evaluation assets and cash during the current period.

During the quarter ended January 31, 2023, total assets decreased to \$10,684,752 (October 31, 2022 – \$10,935,909) mainly due to the write off of the Williams EXT property. Net loss increased due to higher management and consulting fees, and a write off of the Williams EXT property and unrealized loss on investments during the period.

During the quarter ended October 31, 2022, total assets increased to \$10,935,909 (July 31, 2022 - \$10,435,123) mainly due to the exploration and evaluation disbursements incurred during the period on the JD property. Net loss increased due to an increase in management and consulting fees during the period.

## TRANSACTIONS WITH RELATED PARTIES

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 includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of directors and other members of key management personnel during the six months ended July 31, 2024 and 2023 were as follows:

	<b>Beneficial owner</b>	<b>Nature of Fees</b>	<b>2024</b>	<b>2023</b>
<b>Related parties:</b>				
Chief Executive Officer	Christopher Reynolds	Management	\$ -	\$ 60,000
Chief Financial Officer	Natasha Tsai	Professional	\$ 28,625	\$ 34,373
A Company controlled by a person related to the CEO	Damien Reynolds	Consulting	\$ 45,000	\$ 90,000

As at July 31, 2024, accounts payable and accrued liabilities include \$609,017 (January 31, 2024 - \$556,401) due to related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

During the year ended January 31, 2022, the Company entered into a loan agreement with a company controlled by a common director to borrow \$30,000. This was an unsecured non-interest-bearing loan. During year ended January 31, 2024, the Company repaid the loan in full.

During the year ended January 31, 2023, the Company entered into a loan agreement with a company controlled by a common director to borrow \$12,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus was due on October 20, 2022. During the year ended January 31, 2023, the Company repaid \$10,125 on the loan. During the year ended January 31, 2024, the Company accrued \$46 of interest and paid the loan in full.

During the year ended January 31, 2023, the Company entered into a loan agreement with a company controlled by a common director to borrow \$10,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus was due on November 30, 2022. During the year ended January 31, 2024, the Company repaid the loan in full.

During the year ended January 31, 2024, the Company received an advance of \$25,045 from a company controlled by a person related to the CEO. The loan was unsecured, non-interest-bearing and had no maturity date. At July 31, 2024, the loan has been repaid.

During the year ended January 31, 2024, the Company advanced \$2,068 to a company controlled by a common director. The advance was unsecured, non-interest-bearing and had no maturity date. At January 31, 2024, a loan receivable balance of \$nil was outstanding.

During the six months ended July 31, 2024, the Company entered into a loan agreement with a company controlled by a common director to borrow \$41,000. The loan accrues interest at 7% per annum and has a maturity date of July 25, 2026. At July 31, 2024, the outstanding balance of the loan including accrued interest was \$41,045.

## **LIQUIDITY AND CAPITAL RESOURCES AND CAPITAL EXPENDITURES**

At July 31, 2024, the Company had a working capital deficiency of \$1,114,030 (January 31, 2024 – \$1,201,567). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The outcome of these matters cannot be predicted at this time and these uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

During the six months ended July 31, 2024, cash flow used in operating activities was \$45,933. During the six months ended July 31, 2024, cash flow provided by investing activities was \$29,145 from proceeds of sale of marketable securities. Cash flows provided by financing activities was \$15,955 which consisted of loan proceeds of \$41,000 offset by loan repayments of \$25,045.

During the year ended January 31, 2024, the Company performed the following share capital transactions:

On July 31, 2023, issued 31,250 common shares at a value of \$313, pursuant to the acquisition of Belle property.

On August 15, 2023, issued 1,000,000 common shares at a value of \$10,000, pursuant to the termination of the option agreement for the More Creek property.

## **OFF-BALANCE SHEET ARRANGEMENTS**

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



## ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES

Please refer to the July 31, 2024 condensed interim consolidated financial statements on [www.sedarplus.ca](http://www.sedarplus.ca) for details on accounting policies adopted in the period as well as future accounting policies.

## FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments consist of cash, amounts receivable, marketable securities, accounts payable and accrued liabilities, loan payable and promissory note payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. See Note 8 of the consolidated financial statements for the year ended January 31, 2024 for a discussion of the Company's risk exposure and the impact thereof on the Company's financial instruments.

The Company's cash at July 31, 2024 was \$678 held at a major Canadian financial institution.

## DISCLOSURE OF OUTSTANDING SHARE DATA (as at October 1, 2024)

### Issued and Outstanding Capital

36,779,854 common shares outstanding

### Warrants Outstanding

The following warrants were outstanding.

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Number of warrants</u>	<u>Number of warrants Exercisable</u>
September 22, 2026	\$0.48	1,000,000	1,000,000
October 12, 2026	\$0.48	1,000,000	1,000,000
November 21, 2026	\$0.48	231,250	231,250
March 9, 2027	\$0.28	3,050,000	3,050,000
September 6, 2027	\$0.06	14,350,000	14,350,000
October 5, 2027	\$0.06	2,300,000	2,300,000
		21,931,250	21,931,250

## DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the six months ended July 31, 2024 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).