



## **Management Discussion & Analysis for the Three Months Ended December 31, 2023**

The following discussion and analysis of the financial position and results of operations for Core Assets Corp. should be read in conjunction with the condensed interim statements for the **three months ended December 31, 2023**, which are prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS").

The effective date of this report is February 20, 2024.

All financial figures presented herein are expressed in Canadian Dollars (CDN\$) unless otherwise specified.

### **Nature of Business**

Core Assets Corp. ("Core" or the "Company") was incorporated on April 20, 2016, under the Business Corporations Act (*British Columbia*) and is in the business of acquiring, exploring, developing and evaluating mineral resource properties. The Company is in the exploration stage and has interests in properties located in British Columbia ("BC"), Canada.

The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2. The technical information included in this Management Discussion & Analysis ("MD&A"), unless otherwise stated, has been reviewed by Nicholas Rodway B.Sc, P. Geo, who is a Qualified Person under National Instrument 43-101 ("NI 43-101").

On July 8, 2020, the Company received a final receipt from the British Columbia Securities Commission for its Long Form Prospectus dated July 7, 2020. On July 27, 2020, the Company's shares were listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CC". The Company's shares also trade on the OTCQB under the symbol "CCOOF" and on the Frankfurt Stock Exchange under the symbol "A2QCCU".

### **Corporate Activities**

On November 16, 2023, the Company announced the appointment of Mr. Joshua Vann to the board of directors of the Company. Additionally, the Company announced that Mr. David Hodge has resigned as a director of the Company.

On November 17, 2023, the Company completed a non-brokered private placement issuing 16,392,505 Units ("Unit") at a price of \$0.12 per Unit for gross proceeds of \$1,967,101. Each Unit is comprised of one common share (each, a "Share") in the capital of the Company and one-half of one transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Share (each, a "Warrant Share") for a period of two years from the closing date (the "Closing Date") at an exercise price of \$0.22 per Warrant Share.

On November 17, 2023, the Company completed a non-brokered private placement issuing 25,923,752 Flow-through Units (“FT Unit”) at a price of \$0.14 per FT Unit for gross proceeds of \$3,629,325. Each FT Unit is comprised of one common share (each, a “FT Share”) in the capital of the Company issued as a “flow-through share” within the meaning of the Income Tax Act (Canada) and one-half of one transferable common share purchase warrant (each whole warrant, a “FT Warrant”). Each whole FT Warrant entitles the holder thereof to purchase one additional common share in the capital of the Company (each, a “FT Warrant Share”) for a period of two years from the Closing Date at an exercise price of \$0.22 per FT Warrant Share.

### **Selected Annual Information**

The following is a summary of the financial data of the Company for the last three completed fiscal year ends and are derived from the audited annual financial statements of the Company:

	For the years ended September 30,		
	2023	2022	2021
	\$	\$	\$
Total Revenues	Nil	Nil	Nil
Loss from continuing operations	49,696	2,222,331	1,070,376
Loss from continuing operations (per share, basic and diluted)	0.00	0.03	0.03
Net loss and comprehensive loss before income taxes	49,696	2,222,331	1,070,376
Net loss (per share, basic and diluted)	0.00	0.03	0.03
Net loss and comprehensive loss for the year	354,228	2,222,331	1,070,376
Total assets	9,283,238	7,101,757	3,041,059
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividend declared per share	Nil	Nil	Nil

The Company has recorded losses in each of its three most recently completed fiscal years and expects to continue to record losses until such time as an economic resource is identified, developed, and brought into profitable commercial operation on one or more of the Company’s properties or otherwise disposed of at a profit.

### **Business of the Company**

The principal business carried on and intended to be carried on by the Company is the exploration of mineral resources on the Company’s principal property, being the Blue Property, which is in the exploration stage.

To date, the Company has raised \$16,748,385 through the sale of common shares.

### **Blue Property**

#### **Property Acquisition Details**

On December 10, 2018, the Company signed an agreement with Zimtu Capital Corp. (“Zimtu”), a related party, whereby the Company can earn a 100% interest in and to the Blue Property, in British Columbia. For its participation in the transaction, the Company will pay \$100,000 (paid) and issue 3,000,000 common shares of the Company in staged payments (1,000,000 shares with a fair value of \$50,000 issued during

the year ended September 30, 2019, and 2,000,000 with a fair value of \$225,000 were issued during the year ended September 30, 2021). Zimtu will retain a 2% Net Smelter Return (NSR) royalty. The Company has the right to buy back 1% of the NSR within 5 years of the agreement by paying \$1,000,000. The original agreement was amended June 10, 2021, to change the date of the final payment from December 10, 2021 to June 15, 2021. On January 7, 2022, the Company and Zimtu signed an agreement to remove the 2% NSR royalty from the original and amended agreements.

In August 2020, the Company acquired 8 additional claims in and around the Company's Blue and Silver Lime properties from Zimtu. The cost to acquire the claims amounted to the cost of staking paid by Zimtu (\$23,025). Zimtu will retain a 2% NSR royalty, of which the Company shall have the right to buy back 1% within 5 years of the agreement by paying \$1,000,000. The addition of these claims expanded and consolidated the Blue Property and the Silver Lime Property into one contiguous property that will continue to be called the Blue Property. On January 7, 2022, the Company and Zimtu signed an agreement to remove the 2% NSR royalty from the original and amended agreements.

In June 2021, the Company acquired 6 additional claims in and around the Company's Blue and Silver Lime properties from Zimtu. The cost to acquire the claims amounted to the cost of staking paid by Zimtu of \$26,095 plus 20% interest for a total of \$31,314.

During the year ended September 30, 2021, the Company staked an additional 82,257 ha of land, increasing its land package to approximately 108,337 ha. The cost of the staking was \$140,950.

On April 6, 2022, the Company acquired a 100% interest in two mineral tenures, consisting of approximately 3,311 ha, known as the Atlin Lake Claims, at a cost of \$10,000 (paid) from an individual. The two tenures cover the western side of the Willison glacier which is thought to potentially be the extension of the causative intrusion at the Silver Lime Project.

During the year ended September 30, 2023, two mineral tenure licences were staked totaling approximately 2,326 hectares, north of the Kim Project, following positive Channel Sampling (see news release dated April 11, 2023).

#### Exploration Updates

On January 24, 2024, the Company announced assay results from the 2023 shallow drilling campaigns completed at the Jackie and Grizzly CRD targets, part of the Silver Lime CRD-Porphyry Project.

On December 14, 2023, the Company announced results from the 3D-DCIP geophysical survey completed across the 2.4-kilometre long Pete's –Sulphide City- Gally Trend, at the Silver Lime CRD-Porphyry Project.

On October 17, 2023, the Company announced assay results from the 2023 maiden drilling campaign at the Gally CRD Target, part of the Silver Lime CRD-Porphyry Project.

On September 12, 2023, the Company announced visual drill results from 2023 shallow drilling at the Jackie CRD Target, part of the Silver Lime CRD-Porphyry Project.

On August 22, 2023, the Company announced assays from the first-ever drilling program at Pete's CRD Target, part of the Silver Lime CRD-Porphyry Project

On July 17, 2023, the Company presented visual drill results from the successful maiden drill program at Pete's CRD Target. Diamond drilling at Pete's CRD Target successfully confirmed a new Zn-Pb-Ag±Cu-rich CRD (carbonate replacement) discovery at shallow depths. 12 out of 15 drill holes intersected intervals of massive-to-semi massive carbonate replacement and skarn mineralization.

On June 19, 2023, the Company announced the commencement of the fully funded Phase 1 diamond drilling campaign at the Silver Lime CRD-Porphyry Project.

### **About the Blue Property**

The Company currently holds 100% ownership in the Blue Property, which covers a land area of 114,074 hectares (~1,140 km<sup>2</sup>). The project lies within the Atlin Mining District, a well-known gold mining camp located in the unceded territory of the Taku River Tlingit First Nation and the Carcross/Tagish First Nation. The Blue Property hosts a major structural feature known as The Llewellyn Fault Zone ("LFZ"). This structure is approximately 140 km in length and runs from the Tally-Ho Shear Zone in the Yukon, south through the Blue Property to the Alaskan Panhandle Juneau Ice Sheet in the United States. Core Assets believes that the south Atlin Lake area and the LFZ has been neglected since the last major exploration campaigns in the 1980's. The LFZ plays an important role in mineralization of near surface metal occurrences across the Blue Property. The past 50 years have seen substantial advancements in the understanding of porphyry, skarn, and carbonate replacement type deposits both globally and in British Columbia's Golden Triangle. The Company has leveraged this information at the Blue Property to tailor an already proven exploration model and believes this could facilitate a major discovery. Core Assets is excited to become one of Atlin Mining District's premier explorers where its team believes there are substantial opportunities for new discoveries and development in the area.

Nicholas Rodway, P.Geo, is President, CEO and a Director of the Company, and Qualified Person as defined by National Instrument 43-101. Mr. Rodway supervised the preparation of the technical information in this report.

### **Overall Performance**

#### **Financings**

During the three months ended December 31, 2023:

- i. On November 17, 2023, the Company completed a non-brokered private placement issuing 16,392,505 Units at a price of \$0.12 per Unit for gross proceeds of \$1,967,101. Each Unit is comprised of one common share (each, a "Share") in the capital of the Company and one-half of one transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Share (each, a "Warrant Share") for a period of two years from the closing date (the "Closing Date") at an exercise price of \$0.22 per Warrant Share.

Additionally, on November 17, 2023, the Company completed a non-brokered private placement issuing 25,923,752 Flow-through Units ("FT Unit") at a price of \$0.14 per FT Unit for gross proceeds of \$3,629,325. Each FT Unit is comprised of one common share (each, a "FT Share") in the capital of the Company issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) and one-half of one transferable common share purchase warrant (each whole warrant, a "FT Warrant"). Each whole FT Warrant entitles the holder thereof to purchase one

additional common share in the capital of the Company (each, a "FT Warrant Share") for a period of two years from the Closing Date at an exercise price of \$0.22 per FT Warrant Share.

The Company paid cash finder's fees of \$217,137 and issued 1,543,157 broker warrants (each, a "Broker Warrant") to certain finders. Each Broker Warrant entitles the holder thereof to purchase one additional common share in the capital of the Company (each, a "Broker Warrant Share") for a period of two years from the Closing Date at an exercise price of \$0.12 per Broker Warrant Share.

During the year ended September 30, 2023:

- i. On December 9, 2022, 710,000 stock options priced at \$0.10 were exercised for gross proceeds of \$71,000.
- ii. On February 17, 2023, the Company closed a private placement offering of 7,004,786 Charity Flow-Through Units (each, a "Unit") at a price of \$0.43 per Unit for gross proceeds of \$3,012,058. Each Unit was comprised of one common share of the Company issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one half of one common share purchase warrant (each whole such warrant, a "Warrant") issued on a non-flow through basis. Each Warrant shall be exercisable into one common share of the Company (each, a "Warrant Share") at a price of \$0.47 at any time on or before February 17, 2025 at an exercise price of \$0.47 per Warrant Share. In connection with the offering, the Company paid cash finders' fees to several eligible persons ("Finders") in the total amount of \$36,229. In addition, the Company issued 96,264 finders' warrants with the same terms as the Warrants.

For additional details regarding the Company's recent financings, please refer to Notes 7 and 8 of the Company's condensed interim financial statements for the three months ended December 31, 2023.

#### General and Administrative

Net loss for the three months ended December 31, 2023 was \$336,380, compared to a net loss during the three months ended December 31, 2022 of \$195,812, for a difference of \$140,568. The significant expenses include:

- Administrative fees (2023: \$37,500, 2022: \$37,500),
- Advertising expenses (2023: \$110,105, 2022: \$73,351),
- Salaries and consulting fees (2023: \$81,103, 2022: \$73,341),
- Transfer agent and filing fees (2023: \$14,475, 2022: \$7,890),
- Legal fees (2023: \$3,439, 2022: \$2,909),
- Office and miscellaneous (2023: \$7,492, 2022: \$4,614),
- Share-based payments (2023: \$99,588, 2022: \$nil), and
- Interest income (2023: \$20,837, 2022: \$3,793).

The main reasons for the change in loss for the period are the increase in advertising expenses and share-based payments, offset by the increase in interest income.

## **Summary of Quarterly Results**

The following is a summary of the results from the eight previously completed financial quarters:

	<b>December 31, 2023</b>	<b>September 30, 2023</b>	<b>June 30, 2023</b>	<b>March 31, 2023</b>
Revenues	Nil	Nil	Nil	Nil
Net income (loss) from continuing operations	(336,380)	(4,760)	181,367	(335,023)
Net income (loss) and comprehensive income (loss)	(336,380)	(4,760)	181,367	(335,023)
Basic and diluted net income (loss) (per share)	(0.00)	(0.00)	0.00	(0.00)
	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>June 30, 2022</b>	<b>March 31, 2022</b>
Revenues	Nil	Nil	Nil	Nil
Net income (loss) from continuing operations	(195,812)	(1,173,400)	(256,823)	(652,646)
Net income (loss) and comprehensive income (loss)	(195,812)	(1,173,400)	(256,823)	(652,646)
Basic and diluted net income (loss) (per share)	(0.00)	(0.02)	(0.00)	(0.01)

Quarterly spending is fairly consistent over each period, with the exception of share-based payments, which were recorded in each of the quarters based on the vesting rats of the options. Additionally, during the quarter ended June 30, 2023, a flow-through premium recovery of \$387,890 was recorded.

## **Liquidity and Capital Resources**

As of the date of this report, the Company has raised \$16,748,385 to further the Company's mineral properties and for general working capital.

The Company will continue to require funds to further the exploration of its resource properties. As a result, the Company may have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

The Company's financial success will be dependent on the economic viability of its resource properties and the extent to which it can discover and develop new mineral deposits. Such development may take several years to complete and the amount of resulting income, if any, is difficult to determine.

All of the Company's properties are in the exploration or development stage only. Development of one or both of the properties will only follow upon obtaining satisfactory results. Exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of lead, zinc, copper, silver and gold from the properties. The price of those commodities has fluctuated

widely, particularly in recent years, and is affected by numerous factors beyond the Company's control such as international, economic and political trends, expectations of inflation, currency exchange fluctuations and interest rates.

As at December 31, 2023, the Company has total assets of \$14,309,212 (September 30, 2023: \$9,283,238). The primary assets of the Company are cash of \$4,926,050 (September 30, 2023: \$217,903), exploration and evaluation assets of \$9,025,760 (September 30, 2023: \$8,759,191), prepaid expenses of \$245,797 (September 30, 2023: \$99,264), reclamation bonds of \$37,200 (September 30, 2023: \$37,200), promissory notes of \$38,717 (2022: \$38,717), and sales tax and other receivables of \$35,688 (September 30, 2023: \$130,963). The Company has no long-term liabilities and has working capital of \$5,116,162 (September 30, 2023: \$276,230) as at December 31, 2023.

*Cash Provided Used in Operating Activities:* Cash used in operating activities during the three months ended December 31, 2023 was \$112,693, compared with \$284,271 used in operating activities during the three months ended December 31, 2022. Cash was mostly spent on advertising expenses, transfer agent and filing fees, administration fees, legal fees, and salaries and consulting fees.

*Cash From Financing Activities:* Total cash from financing activities during the three months ended December 31, 2023 was \$5,343,293, comprised of \$5,596,426 (2022: \$71,000) provided from the issuance of common shares and \$253,133 (2022: \$700) used in share issuance costs.

*Cash Used in Investing Activities:* Total cash used in investing activities during the three months ended December 31, 2023 was \$522,453 (2022: \$444,692) used in exploration and development of its mineral properties.

### **Transactions with Related Parties**

During the three months ended December 31, 2023 and 2022, the Company incurred the following transactions with officers or directors of the Company or companies with common directors:

<b>Key management compensation*</b>	<b>Three Months ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Exploration and evaluation asset expenditures	\$ 53,500	\$ 32,500
Wages to key management	45,000	60,000
Administrative fees	37,500	37,500
Advertising	27,000	-
<b>Total</b>	<b>\$ 163,000</b>	<b>\$ 130,000</b>

\* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

On June 11, 2021, the Company granted 1,920,000 bonus shares to two directors and paid the payroll taxes due by the directors and received promissory notes for reimbursement of these taxes. As at December 31, 2023, \$38,717 (September 30, 2023: \$38,717) remains payable to the Company.

As at December 31, 2023, there was \$43,574 (September 30, 2023: \$128,944) due to related parties of the Company.

Zimtu Capital Corp. (“Zimtu”) provides key management services and investor relations services to the Company and at December 31, 2023 holds 8.00% (September 30, 2023 – 10.09%) of the Company’s shares. Subsequent to September 30, 2023, in connection with the issuance of shares and the resignation of a common director, the Company and Zimtu ceased to be a related party.

On August 1, 2020, the Company entered into a Management Services Agreement (“Agreement”) with Zimtu. Under the terms of the Agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of \$12,500 per month. On August 1, 2022, the Agreement was renewed for sixteen months, and on December 1, 2023, the Agreement was renewed for twelve months.

On October 1, 2021, the Company engaged Zimtu to provide marketing services as part of a cooperative marketing program. In consideration, the Company made monthly payments of \$12,500. On January 1, 2023, the Company entered into a new agreement with Zimtu to provide marketing services for a 12-month period at a rate of \$9,000 per month, and the agreement was subsequently renewed on January 1, 2024 for an additional twelve months.

The terms and conditions of these transactions with key management and their related parties were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-key management related entities on an arm’s length basis.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

### **Other MD&A Requirements**

#### Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in either of its last two financial years, the following is a breakdown of the material costs incurred:

	<b>Year Ended September 30, 2023</b>	<b>Year ended September 30, 2022</b>
Capitalized Exploration and Evaluation Asset Costs	\$8,759,191	\$5,692,258
Capitalized Mining Rights	\$nil	\$nil
General and Administration Expenses	\$1,410,790	\$2,241,249

#### Disclosure of Outstanding Share Capital

The following is a breakdown of the share capital of the Company:

	<b>February 20, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Common Shares	127,105,689	127,105,689	84,789,432
Stock Options	7,690,000	7,690,000	7,690,000
Warrants	33,167,004	39,824,756	17,123,470
Fully Diluted Shares	167,962,693	174,620,445	109,602,902



For additional details of outstanding share capital, refer to Notes 7 and 8 of the condensed interim financial statements for the three months ended December 31, 2023.

### **Industry and Economic Factors Affecting Performance**

As a mineral exploration and development company, Core's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These include metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in providing high-risk equity capital to exploration companies, and the availability of qualified staff and equipment such as drilling rigs to conduct exploration.

### **Competitive Conditions**

The mineral exploration industry is competitive, with many companies competing for the limited number of precious and base metals acquisition and exploration opportunities that are economic under current or foreseeable metals prices, as well as for available investment funds. Competition is also high for the recruitment of qualified personnel and equipment. Significant and increasing competition exists for mineral opportunities in the Province of British Columbia. There are a number of large established mineral exploration companies in British Columbia with substantial capabilities and greater financial and technical resources than the Company.

### **Government Regulation**

Mining operations and exploration activities are subject to various laws and regulations which govern prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters.

### **Environmental Regulation**

The Company's mineral exploration activities are subject to various federal and provincial laws and regulations governing protection of the environment. In general, these laws are amended often and are becoming more restrictive.

### **Other Property Interests and Mining Claims**

The Company may in the future acquire new mineral exploration properties or interests but has not entered into any agreements to acquire such properties or interests other than the Blue Property and the Silver Lime Property.

### **Trends**

As a junior mining issuer, the Company is subject to the cycles of the mineral resource sector and the financial markets as they relate to junior companies.

The Company's financial performance is dependent upon many external factors. Both prices and markets for metals are volatile, difficult to predict and subject to changes in domestic and international, political, social and economic environments. Circumstances and events beyond its control could materially affect the financial performance of the Company.

## **Forward Looking Statements**

This Management Discussion & Analysis may contain forward-looking information and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ from those projected in the forward-looking statements.

*Readers can identify many of these statements by looking for words such as “believes”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues” or similar words or the negative thereof.*

Forward-looking information is based on the opinions and estimates of management and its consultants at the date the information is given. It is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. The information is based on reasonable assumptions which include but are not limited to those regarding actual costs for mining and processing and their impact on the cut-off grade established, actual capital costs, forecasts of mine production rates, the timing and content of upcoming work programs, geological interpretations, potential process methods and mineral recoveries, the availability of markets for the products produced, market pricing for the products produced, etc.

Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for metals, the conclusions of detailed feasibility and technical analyses, lower than expected grades and quantities of resources, mining rates and recovery rates and the lack of availability of necessary capital, which may not be available to the Company on terms acceptable to it or at all.

Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. There can be no assurance that the plan, intentions or expectations upon which these forward-looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Readers are cautioned not to put undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

## **Approval**

The Board of Directors of Core Assets Corp. has approved the disclosure contained in this MD&A.

## **Additional Information**

Additional information related to the Company can be found on the Company’s website at [www.coreassetscorp.com](http://www.coreassetscorp.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).