HERITAGE
MINING LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

Suite 300, 1055 West Hastings Street, Vancouver,
British Columbia, V6C 2E9

August 29, 2024

OVERVIEW

The following is management's discussion and analysis ("**MD&A**") of Heritage Mining Ltd. ("**Heritage**" or the "**Company**"), prepared as of August 27, 2024. This MD&A should be read together with the unaudited condensed interim financial statements for the six months ended June 30, 2024 and 2023 and related notes, and the audited financial statements for the years ended December 31, 2023 and 2022 and related notes. Financial amounts are expressed in Canadian dollars unless otherwise specified.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

The Company's unaudited condensed interim financial statements for the six months ended June 30, 2024 and 2023 have been prepared in accordance with IFRS accounting standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with IFRS as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee.

Additional information related to Heritage is available on SEDAR+ at www.sedarplus.ca.

DESCRIPTION OF COMPANY'S BUSINESS

The Company was incorporated on October 18, 2019, under the Business Corporations Act (British Columbia). The Company is engaged in the business of exploration of gold and other metals across Canada. The Company's registered and head office is at 3000-1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1K8.

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These financial statements have been 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. The operations of the Company were primarily funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The Company's future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

OVERALL PERFORMANCE

EXPLORATION PROJECTS

Drayton - Black Lake Project (Flagship Project)

The Drayton-Black Lake project is the consolidation of the Drayton Black Lake option agreement and Zarn Lake option agreement and Split Lake Property. On November 25, 2021, the Company entered into an option agreement to acquire a 90% interest in the Drayton – Black Lake Property. On January 6, 2022, the Company entered into an option agreement to acquire a 100% interest in the Zarn Lake property contiguous with the Drayton - Black Lake Project. On Auguste 25, 2022, the Company entered into a definitive agreement for 100% of the Split Lake property from Bounty Gold Corp. The Property is located in the Kenora District in Northwestern Ontario approximately 25 km east of the town of Sioux Lookout, Ontario and approximately 350 km northwest of the city of Thunder Bay, Ontario. The property is approximately 15,257 ha. The property adjoins Treasury Metals Inc.'s Goliath Gold Complex (Goliath, Goldlund and Miller Projects) and is along the Eagle-Wabigoon-Manitou Greenstone Belt with over 176 holes drilled on the property.

The property hosts multiple precious and base metal mineralized structural zones. The Company entered into the option agreements regarding Drayton Black Lake as the project characteristics align with the Company project evaluation criteria: project stage, commodity, region, exploration upside, technical simplicity, established historic mining jurisdiction.

Below is a description of the mentioned categories and how the project supported further work justification going forward.

Project Stage:
The project is at the exploration stage and along trend of significant, recent development projects (Treasury Metals). We believe this is supportive to a trend continuation and will work systematically to develop what we believe to be an extension of the trend.

Commodity:
The project hosts gold, silver and base metal indicators, supporting our decision to enter into the agreements.

Region:
The project is located in a be low geo-political risk jurisdiction (Ontario, Canada). Ontario is a mature mining district and globally recognized.

Exploration Upside:
We believe there is prospective geologic terrane translating to strong expansion upside that could result in economic discovery.

Technical Simplicity:
In our opinion, the project has never been systematically developed on a consolidated bases with all of the available current data.

Established Historic Mining Jurisdiction:
The project is located close to infrastructure and skilled labour supporting the likelihood of future economic production.

On November 25, 2021, the Company entered into an option agreement, amended on November 21, 2023 and December 29, 2023, to acquire a 90% interest in the Drayton - Black Lake Property. The Company paid $20,000 upon signing the letter of intent and is required to make staged option payments, common share issuances and minimum spend requirements over a four year period. To earn a 51% interest in the property, the Company must:

- Issue 2,800,000 shares within 10 business days upon a go public transaction (issued);
- Pay $150,000 cash (paid), issue 1,100,000 common shares (issued) and incur $500,000 in project expenditures on or before November 25, 2022 (incurred);
- Issue 1,350,000 common shares (issued) and incur $1,000,000 in project expenditures on or before November 25, 2023 (incurred);
- Issue 6,000,000 units on or before January 12, 2024, with each unit consisting of one common share and one warrant to purchase a common share in the capital of the Company at a price of $0.075 for a period of 24 months from the date of issue (issued); and
- Issue 1,100,000 common shares and incur $1,000,000 in project expenditures on or before November 25, 2024 to earn 51% interest in the property.

To earn an additional 39% interest (for an aggregate 90% interest in the Property), the Company must:

- Issue 1,100,000 common shares and incur $2,500,000 in project expenditures on or before November 25, 2025 to earn 90% interest in the property;

The optionor is also entitled to a cash payment upon the establishment of any mineral resources in the Drayton - Black Lake Project equal to $1.00 per ounce of gold equivalent capped at $10M.
The optionor has the option to maintain a 10% interest in the project through a joint venture agreement or take back a royalty described below upon the presentation of a feasibility study:

- 2% NSR on unincumbered land – Buyback 1% for $2M
- 1% NSR on Drayton - Black Lake Claims – Buyback 0.5% for $1M

The Company must spend a minimum of $500,000 per year through to the presentation of a feasibility study.

On January 6, 2022, the Company entered into an option agreement to acquire a 100% interest in the Zarn Lake property contiguous with the Drayton - Black Lake Project. To earn its 100% interest in the property, the Company paid $20,000 upon signing the option agreement and is required to make staged option payments, common share issuances and minimum spend requirements over a three year period as follows:

- Issue $50,000 worth of common shares upon completion of a go public transaction (200,000 shares issued);
- Pay $10,000 cash (paid), issue $25,000 worth of common shares (333,333 shares issued) and incur $50,000 in project expenditures on or before January 6, 2023 (incurred);
- Pay $20,000 cash (paid), issue $25,000 worth of common shares (500,000 shares issued) and incur $100,000 in project expenditures on or before January 6, 2024 (incurred); and
- Pay $70,000 cash, issue $50,000 worth of common shares and incur $250,000 in project expenditures on or before January 6, 2025 (incurred).

The optionor retains a 2% NSR on the property with a buy back of 1% for $1,000,000 and an advance royalty payment of $1,000 per year for each year following the commencement of commercial production after the Company earns 100% of the option agreement.

The Company entered into a definitive asset purchase agreement with Bounty Gold Corp. ("Bounty") dated August 25, 2022 (the "Agreement") whereby it will acquire fifty (50) mining claims in the Split Lake zone (the "Split Lake Property") adjacent to Heritage's flagship Drayton-Black Lake Project. Pursuant to the terms of the Agreement, Heritage will acquire a 100% interest in the Split Lake Property in exchange for issuing Bounty 100,000 Common Shares (issued September 1, 2022), paying Bounty $5,000 in cash (paid) and granting Bounty a 1% net smelter return royalty (the "NSR") on the Split Lake Property at closing, one-half (0.5%) of such NSR may be purchased for $500,000 by Heritage.

The Company is currently compliant with all option agreements.

Development Plan

The Company plans to systematically explore the Drayton – Black Lake Project. The Company has completed the 2022/23 field program inclusive of Airborne geophysical results, check sampling, channel sampling and diamond drilling. The company has recently received 2024 permit approval for additional exploration target area which will now be incorporated in the 2024 exploration program.

Significant milestones of this projects are as follows supporting systematic development:

1) **Historical data compilation integrated with geophysical results**

The Company is current in the process of ongoing data compilation, inclusive of past programs and historical data.

2) **Ground geophysical and geological evaluations**

The Company plans to use historical data and geophysical results to develop targets for the 2024 exploration program. Capital deployed is dependent on funds available.

3) **Drill target development & drill program**

The Company plans to incorporate results from the above mentioned milestones to systematically develop and prioritize drill targets executing on a priority basis.

The Company deployed a lot of the capital raise in respect to the IPO allocated to project development as this is the Company's flagship project. The Company notes that, depending on the its ability to raise capital, more may be allocated to meet the minimum cash payments and spending required under the two option agreements.

<u>Contact Bay Project</u>

During Q4 2021 the Company entered into multiple agreements consolidating the 4,700 hectare property. The property is located approximately 14.5 km south for Dryden Ontario and borders KG Exploration (a wholly owned subsidiary of Kinross). The property is largely underexplored with limited data. However the property hosts multiple precious and base metal occurrences and was acquired at a favorable price.

The project was acquired as its characteristics align with the Company project evaluation criteria outlined below:

Project Stage:
Early exploration stage with little data provide significant project development upside.

Commodity:
Gold, Copper, Nickle, Platinum and Palladium occurrences align with high valued commodities.
Region:
The project is a low geo-political risk jurisdiction. Ontario is a mature mining district and globally recognized.

Exploration upside:
We believe there is prospective geologic terrane translating to strong expansion upside that could result in an economic discovery.

Technical Simplicity:
Significant early stage development work must be completed systematically to development this project.

Established historic mining jurisdiction:
The project is located close to infrastructure and skilled labour, supporting the likelihood of future economic production.

On October 15, 2021, the Company entered into an asset purchase agreement to acquire a 100% interest in the Contact Bay claims from Bounty Gold Corp. To earn its 100% interest in the property, the Company paid $2,000 upon signing the purchase agreement and is required to issue $8,000 worth of common shares upon the go public transaction (32,000 shares issued).

On October 22, 2021, the Company entered into an asset purchase agreement to acquire a 100% interest in the Contact Bay claims from Scott Woolhead. To earn a 100% interest in the property, the Company paid $2,500 upon signing the purchase agreement.

On December 6, 2021, the Company entered into an asset purchase agreement (the "EMX Agreement") to acquire a 100% interest in the Contact Bay claims from EMX Royalties. To earn a 100% interest in the property, the Company paid $15,000 upon signing the asset purchase agreement. EMX Royalties retains a 3% NSR with a 1% buyback provision for $1,500,000. Annual advance royalties are due to EMX Royalties beginning on the third anniversary of the EMX Agreement in the amount of $10,000 per year (common shares of the Company or cash at the Company's discretion) until a maiden resource is issued, after that time an annual advance royalty of $25,000 (common shares of the Company or cash at the Company's discretion) is payable by the Company until production occurs. EMX Royalties is entitled to milestone bonus payments in cash or shares at the Company's discretion following the announcements listed below:

- $100,000 on announcement of maiden resource
- $250,000 on announcement of preliminary economic assessment
- $350,000 on announcement pre-feasibility study
- $500,000 announcement on feasibility study

The Company has completed its obligations for the property to date and is in compliance with all agreements.

Development Plan

The Company is currently evaluating the project and will and does not currently intend to deploy additional capital at this time to advance this project until preliminary evaluations are complete.

Overall, the industry is experiencing high demand on specialized labor such as geologists, drilling contractors etc., supporting a risk of higher than anticipated costs. Above average inflationary pressures further increase this risk of higher than expected costs. Furthermore, to the Company's benefit, the price of gold and other precious and base metals remains strong, supporting the ability to raise sufficient capital to maintain and execute on operations. In order to mitigate this risk to an acceptably low level, the Company has taken proactive measures in its initial planning, budgeting and cost management to ensure the long term success of the Company and its ability to generate value to current and future stakeholders.

Scattergood Project

On May 31, 2024, the Company entered into an asset purchase agreement to acquire a 100% interest in certain unpatented claims from Shear Gold Exploration Corp. To earn its 100% interest in the property, the Company is required to issue $100,000 worth of common shares together with the Royalty grant of 1.5% NSR (0.5% buyback for C$500,000) for 4,508.28 Ha. The Common Shares shall be issuable to the Vendor as follows:

- $15,000 Common Shares issuable on the Signing Date at a deemed price equal to the Market Price (300,000 shares issued);
- $35,000 in Common Shares issuable on or within ten (10) Business Days of the six month anniversary of the Signing Date (the "Anniversary Date") at a deemed price equal to the Market Price; and
- $50,000 in Common Shares issuable on or within ten (10) Business Days of the Closing Date at a deemed price equal to the Market Price.

On May 31, 2024, the Company entered into an asset purchase agreement to acquire a 100% interest in certain unpatented claims from South Timmins Mining Inc. To earn its 100% interest in the property, the Company is required to issue $100,000 worth of common shares together with the Royalty grant of 1.0% NSR (0.5% buyback for C$500,000) for 1,888.72 Ha. The Common Shares shall be issuable to the Vendor as follows:

- $15,000 Common Shares issuable on the Signing Date at a deemed price equal to the Market Price (300,000 shares issued);
- $35,000 in Common Shares issuable on or within ten (10) Business Days of the six month anniversary of the Signing Date (the "Anniversary Date") at a deemed price equal to the Market Price; and
- $50,000 in Common Shares issuable on or within ten (10) Business Days of the Closing Date at a deemed price equal to the Market Price.

Highly prospective, significant land position along strike of Dynasty Gold's Thundercloud – Pelham Deposit totaling (260,000 oz Au NI 43-101 Resource) totaling ~ 6,397Ha

- Numerous intrusives with mineralized contacts in mineralized volcanic host rock effected by complex structural features
- Discovery potential for Au, Cu, Ni, Zn, PGE

- Excellent Access by paved highway and logging roads

Planned 2024 Scattergood Exploration Program:

- Compilation and digitization of historical work, 3D geological model, geophysical interpretation, structural interpretation, prospecting, soil sampling, drill targets, drilling.

SUMMARY OF PROJECT EXPENDITURES

The exploration and evaluation expenses for the Company for the six months ended June 30, 2024 and 2023 are summarized as follows:

Period ended June 30, 2024	Drayton – Black Lake	Contact Bay	Zarn Lake	Scattergood	Total
Acquisition cost - Opening	$ -	$ -	$ 35,000	$ -	$ 35,000
Additions	300,000	-	10,000	30,000	340,000
Acquisition cost - Ending	300,000	-	45,000	30,000	375,000
Exploration costs - Opening	-	-	23,612	-	23,612
Additions:					
Assay	14,755	-	-	-	14,755
Field work and supplies	43,181	3,187	-	-	46,368
Geological and geophysical	152,639	21,621	1,483	18,312	194,056
Travel	4,871	-	-	-	4,871
Exploration costs - Ending	215,446	24,808	25,095	18,312	283,662
Cost recoveries – Government Grants	(340,000)	-	-	-	(340,000)
Exploration expenditures	$ 175,446	$ 24,808	$ 46,483	$ 48,132	$ 295,049

Period ended June 30, 2023	Drayton – Black Lake	Zarn Lake	Total
Acquisition cost - Opening	$ -	$ 10,000	$ 10,000
Additions	-	25,000	25,000
Acquisition cost - Ending	-	35,000	35,000
Exploration costs - Opening	-	-	-
Additions:			
Assay	9,590	-	9,590
Field work and supplies	114,661	21,263	135,924
Geological and geophysical	57,009	31,089	88,098
Exploration costs - Ending	181,260	52,352	233,612
Cost recoveries– Government Grants	(181,260)	(18,740)	(200,000)
Exploration expenditures	$ -	$ 68,612	$ 68,612

SUMMARY OF QUARTERLY RESULTS

The Company's operating results from the last eight quarters are summarized as follows:

	Three months ended			
	30-June-24	31-Mar-24	31-Dec-23	30-Sep-23
Revenue	$ -	$ -	$ -	$ -
Net and comprehensive loss	(509,160)	(499,629)	(627,016)	(1,313,092)
Loss per share	(0.01)	(0.01)	(0.01)	(0.03)
	Three months ended			
	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22
Revenue	$ -	$ -	$ -	$ -
Net and comprehensive loss	(543,956)	(210,650)	(1,178,378)	(1,151,753)
Loss per share	(0.01)	(0.01)	(0.04)	(0.05)

Over the past eight quarters comprehensive losses ranged from a high of $1,313,092 in the third quarter of 2023 to a low of $210,650 in the first quarter of 2023. Expenses increased significantly in the third quarter of 2023 due to property acquisition payments in both cash and shares incurred as well an increased exploration program. Variance between quarters is based on the timing of project advancement, due diligence on potential projects, share capital structure changes, and professional/management services.

During the six months ended June 30, 2024, net and comprehensive loss increased to $509,160 (March 31, 2024 - $499,629) primarily due to higher consulting expense of $65,947 (March 31, 2024 – $34,878) and advertising, promotion, and investor relations of $145,986 (March 31, 2024 – $43,514).

As an exploration stage company, the Company has not generated any revenue from its projects and does not anticipate it will do so for the foreseeable future. These costs are expected to increase during the next few quarters as the Company closed an equity financing subsequently pending the anticipated capital raise.

The Company is currently in the process of developing its flagship project, Drayton – Black Lake, provided the Company meets all its cash and minimum spend requirements on the Drayton Black Lake project. The Company notes this is subject to change pending future exploration results.

The Company notes that it operates in Canadian Dollars. The Canadian Dollar is both the functional and presentation currency.

LIQUIDITY AND CAPITAL RESOURCES

As the Company is a start-up and its mineral exploration activities are at its infancy stage, the Company has to depend on its ability to procure sufficient funding through share offerings to support current and future expenditures. The Company has demonstrated its ability to raise capital given the current economic environment through the initial public offering on the Canadian Securities Exchange. The Company notes that additional capital will be required to significantly advance exploration initiative, however the Company remains well capitalized for current budgeted expenditures for the foreseeable future. The Company anticipates additional capital requirements driven from cash payment and minimum spend requirements under recent options agreements.

As at June 30, 2024, the Company had net working capital of $468,782 (December 31, 2023 – $113,516) and a cumulative deficit of $7,335,030 (December 31, 2023 – $6,326,241). The cash component of working capital as at June 30, 2024, was $270,798 (December 31, 2023 – $172,213). As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities and debt in order to fund operations.

Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis. This has permitted the Company to carry out limited exploration and ongoing expenses. The Company completed a private placement in the first quarter of 2022 for gross proceeds of $378,500 and as at May 31, 2022 filed a prospectus offering and on August 25, 2022, announced that it completed an initial public offering of units and flow-through units of the Company at a price of $0.25 per Unit and $0.275 per FT Unit. Pursuant to the IPO, a total of 7,973,580 Units and 2,320,210 FT Units for gross proceeds of approximately $2,630,000 and the common shares in the capital of Heritage are now listed on the Canadian Securities Exchange. The Common Shares started trading on the Exchange on August 26, 2022, under the symbol "HML".

Share transactions for the six month period ended June 30, 2024:

On January 12, 2024, the Company issued 500,000 common shares at a value of $25,000 as part of the option payments for the Zarn Lake Property Agreement and 6,000,000 units at a value of $300,000 as part of the option payment for the Drayton – Black Lake Project. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until January 12, 2026.

On January 12, 2024, the Company completed a non-brokered private placement by issuing 2,780,000 units at a price of $0.05 per unit for gross proceeds of $139,000, of which $87,000 was received during the year ended December 31, 2023. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until January 12, 2026.

The Company paid $1,600 in finders' fees and issued 32,000 agent options entitling the holder to purchase one additional unit at an exercise price of $0.05 until January 12, 2026. The compensation options have an estimated fair value of $1,600, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 2 years, volatility 100%, risk-free rate 3.98%, dividend yield 0%.

On June 6, 2024, the Company issued 600,000 common shares at a value of $30,000 as part of the acquisition payments for the Scattergood project (Note 4).

On June 6, 2024, the Company issued 1,100,000 common shares at a value of $55,000 pursuant to debt settlement.

On June 24, 2024, the Company completed the first tranche of a non-brokered private placement by issuing 7,240,000 units at a price of $0.05 per unit for gross proceeds of $362,000, of which $242,300 was collected subsequently. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until June 24, 2027.

The Company also issued 3,850,066 flow-through units at a price at a price of $0.06 per flow-through unit for gross proceeds of $231,004. Each flow-through unit consists of one flow-through common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until June 24, 2027.

The Company paid $23,320 in finders' fees and issued 400,806 agent options entitling the holder to purchase one additional unit at an exercise price of $0.075 until June 24, 2027. The compensation options have an estimated fair value of $15,600, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 150%, risk-free rate 3.77%, dividend yield 0%.

On June 28, 2024, the Company issued 840,000 common shares at a value of $50,400 to settle $42,000 and recorded $8,400 loss on the settlement.

On June 28, 2024, the Company completed the second tranche of a non-brokered private placement by issuing 2,140,000 units at a price of $0.05 per unit for gross proceeds of $107,000, of which $87,000 was collected subsequently. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until June 28, 2027.

The Company also issued 833,334 flow-through units at a price at a price of $0.06 per flow-through unit for gross proceeds of $50,000. Each flow-through unit consists of one flow-through common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until June 28, 2027.

The Company paid $2,500 in finders' fees and issued 41,666 agent options entitling the holder to purchase one additional unit at an exercise price of $0.075 until June 28, 2027. The compensation options have an estimated fair value of $2,000, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 150%, risk-free rate 3.83%, dividend yield 0%.

RESULTS OF OPERATIONS

For the three month period ended June 30, 2024 and 2023

The Company had net and a comprehensive loss of $509,160 for the three months period ended June 30, 2024 (2023 – 543,956). The change in loss is main due:

- Advertising, promotion, and investor relations of $145,986 (2023 - $116,427) due to Company's effort to raise market awareness in the current period.
- Capital market advisory of $13,333 (2023 – 87,500) decreased due to the Company's efforts to conserve capital.
- Consulting of $65,947 (2023 - $17,500) increased due to more technical consultants in the current period.
- Depreciation of $23,977 (2023 - $9,158) increased due to depreciation on right to use assets in the current period.
- Exploration expenditures decreased from $189,428 in 2023 to $22,626 in 2024. The Company received $200,000 (2023 - $200,000) from the Ontario Junior Exploration program which was netted in the 2024 exploration expenditures.
- General and administrative of $35,644 (2023 - 23,967) increased due to a inecrease in general activities in the current period.
- Management fees of $39,375 (2023 - $31,500) increased due to increased fees to the CEO of the Company.
- Professional fees of $81,939 (2023 - $44,300) relate to legal advice on the Company's compliance to applicable laws as well as for the Company's financial recording and reporting activities.
- Share-based payments of $68,660 (2023 - $9,700) increased due to stock options vested during the current period.
- Loss on settlement of debt $8,400 (2023 - $Nil) increased due to share for debt settlement in the current period.

For the six month period ended June 30, 2024 and 2023

The Company had net and a comprehensive loss of $1,008,789 for the six month period ended June 30, 2024 (2023 – $754,606). The change in loss is main due:

- Advertising, promotion, and investor relations of $189,500 (2023 - $261,557) due Company's effort to raise market awareness in the current period.
- Capital market advisory of $13,333 (2023 – 175,000) decreased due to the Company's efforts to conserve capital.
- Consulting of $100,825 (2023 - $21,000) increased due to more technical consultants in the current period.
- Depreciation of $47,954 (2023 - $9,158) increased due to depreciation on right to use assets in the current period.
- Exploration expenditures increased from $68,612 in 2023 to $295,049 in 2024. The Company received $340,000 (2023 - $200,000) from the Ontario Junior Exploration program which was netted in the 2024 exploration expenditures.
- Management fees of $78,750 (2023 - $63,000) increased due to increased fees to the CEO of the Company.
- Professional fees of $118,790 (2023 - $65,479) relate to legal advice on the Company's compliance to applicable laws as well as for the Company's financial recording and reporting activities.
- Share-based payments of $92,953 (2023 - $19,294) increased due to stock options vested during the current period.
- Loss on settlement of debt $8,400 (2023 - $Nil) increased due to share for debt settlement in the current period.

CAPITAL RESOURCES

The Company relies on its ability to procure capital via equity issuances as none of their projects generate revenue. The Company has no fixed expenditure commitments. The Company has entered into option agreements requiring share issuances, cash payments, and minimum spend requirements on its projects to maintain its exploration mining claims in good standing. The Company notes that pending exploration results, capital requirements and allocated expenditures are subject to change based on management judgement.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at June 30, 2024, or as of the date of this report.

TRANSACTIONS BETWEEN RELATED PARTIES

Related party balances

As at June 30, 2024, there were amounts owing to a company controlled by Peter Schloo, the CEO of the Company, in the amount of $50,385 (December 31, 2023 – $29,508). The amount due to related parties are unsecured, non-interest bearing and due on demand.

Related party transactions and key management compensation

During the six months ended June 30, 2024 and 2023, the Company incurred the following amounts through transactions with the directors and officers of the Company:

For the period ended	June 30, 2024	June 30, 2023
Management fees	$ 78,750	$ 63,000
General and administrative	9,107	11,131
Professional fees	6,000	6,000
Share-based payments	60,727	14,574
	$ 154,584	$ 94,705

During the six months ended June 30, 2024, the Company paid $87,857 (2023 – $74,131) to a company controlled by the CEO for executive and administrative services and rent. The Company entered into a service agreement with the CEO for an annual compensation of $126,000 effective February 1, 2021; effective August 1, 2023, the annual compensation was amended to $157,500.

During the six months ended June 30, 2024, the Company controlled by Peter Schloo, CEO and Director for executive charged $20,000 for consulting related to an administrative assistant.

During the six months ended June 30, 2024, the Company paid $6,000 (2023 – $6,000) to Rachel Chae, CFO, for professional services rendered.

During the six months ended June 30, 2024, related parties participated in private placements acquiring 2,870,000 common shares in exchange for $143,500.

Detailed discussions related to the Company's cash flows

Cash balances increased to $270,798 during the six months ended June 30, 2024 (December 31, 2023 – $172,213).

During the six months ended June 30, 2024, cash used in the operating activities was $291,939 compared to cash used by operating activities of $462,922 during the six months ended June 30, 2023. The cash used in operating activities in 2024 decreased as there was a decrease in the Company's operating expenses, namely, advertising, promotion, and investor relations.

During the six months ended June 30, 2024, cash provided by financing activities amounted to $390,524 (2023 - $828,956), relating to shares issued for cash, net of issue costs and lease payments made during the respective periods.

CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting policies and critical accounting estimates, the readers are directed to Note 3 of the Notes to the unaudited condensed interim financial statements for the six months ended June 30, 2024, and audited financial statements for the year ended December 31, 2023 that are available on SEDAR+ at www.sedarplus.ca.

RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

Limited Operating History

The Company has no history of business or mining operations, revenue generation or production history. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

No Mineral Reserves or Mineral Resources

The properties in which the Company holds an interest are considered to be an early exploration stage property, however no mineral reserve or mineral resource estimates have been prepared in respect of the properties. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

FORWARD-LOOKING STATEMENTS

This MD&A may include certain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company’s businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", ‘‘intend’’, "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks that actual results of current exploration activities will differ, changes in project parameters as plans continue to be refined, unavailability of financing, fluctuations in precious and/or base metals prices and other factors, as outlined in the Company’s preliminary long form prospectus filed on SEDAR+. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current Directors and Officers of the Company are as follows:

Peter Schloo, CEO, President and Director
Rachel Chae, CFO
Patrick Mohan, Chairman and Director
James Fairbairn, Director
Wray Carvelas, Director
Patrick Sullivan, Corporate Secretary

OUTLOOK

The Company's primary focus for the foreseeable future will be on continuing exploration and development activities on its mineral projects.

OUTSTANDING SHARE DATA

As of the date of this MD&A there were:

- A total of 74,350,903 shares issued and outstanding.

Details of stock options outstanding are as follows:

Outstanding	Exercisable	Exercise Price	Expiry Date
821,666	821,666	$ 0.075	August 29, 2025
1,240,000	620,000	0.15	December 23, 2025
2,065,000	-	0.09	September 1, 2026
1,385,000	1,385,000	0.05	April 12, 2027
1,920,000	1,920,000	0.05	July 30, 2027
7,431,666	4,746,666		

Details of Unit Warrants outstanding are as follows:

Outstanding and Exercisable	Exercise Price	Expiry Date
2,094,006	$ 0.40	December 31, 2024
3,028,000	0.40	January 26, 2025
2,399,993	0.075	May 22, 2025
10,293,790	0.40	August 25, 2025
8,780,000	0.075	January 12, 2026
3,928,333	0.15	April 12, 2026
4,552,777	0.15	June 19, 2026
5,204,441	0.15	August 18, 2026
11,090,066	0.075	June 24, 2027
2,973,334	0.075	June 28, 2027
54,344,740		

Details of Agent Options/Warrants outstanding are as follows:

Outstanding and Exercisable		Exercise Price	Expiry Date
11,900	$	0.40	December 31, 2024
42,000		0.40	January 26, 2025
677,136		0.25	August 25, 2025
32,000		0.075	January 12, 2026
258,177		0.09	April 12, 2026
258,000		0.09	June 19, 2026
76,000		0.09	August 18, 2026
400,806		0.075	June 24, 2027
41,666		0.075	June 28, 2027
1,797,685			