



CSE: MOLT
FSE: Y44

MOLTEN METALS CORP.
(FORMERLY BATTERY ELEMENTS CORP.)

MANAGEMENT DISCUSSION AND ANALYSIS

AS AT AND FOR THE SIX MONTHS ENDED JUNE 30, 2024 and 2023

ADDING CRITICAL MASS TO STRATEGIC METALS

Date of report: August 28, 2024

OVERVIEW

The following management discussion and analysis (“MD&A”) is a review of results of operations, current financial position and outlook of Molten Metals Corp. (formerly Battery Elements Corp.), together with its 100% subsidiary named Slovak Antimony Corporation s.r.o. (“Slovak Antimony”) (collectively, the “Company” or “Molten”) and should be read in conjunction with the interim condensed consolidated financial statements for the six months ended June 30, 2024 and the consolidated financial statements for the year ended December 31, 2023; including the notes thereto (the “Financial Statements”). The Financial Statements together with the following management discussion and analysis are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance.

Additional information related to the Company can be made available upon request from the Company's head office located at: 600 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

NATURE OF BUSINESS AND OVERALL PERFORMANCE

The Company is a mineral resource company engaged in the acquisition and exploration of mineral properties, with a focus on critical metal projects, particularly Antimony and Tin. The Company had mineral projects located in Slovakia and the maritime provinces of Canada. During the period ended June 30, 2024, pursuant to sale of its ownership interest in the Slovak Antimony, the Company disposed off the mineral projects in Slovakia. Currently, the Company owns mineral claims only in Nova Scotia, Canada.

Currently, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through private and public share offerings. It is not known whether the Company's mineral properties contain reserves that are economically recoverable. The recoverability of amounts recorded by the Company for mineral property interests and related deferred exploration costs are dependent upon the discovery of economically recoverable reserves, the ability to raise funding for continued exploration and development, the completion of property option expenditures and acquisition requirements, and from proceeds from disposition.

On March 7, 2024, pursuant to a loan agreement, the Company borrowed \$100,000 from one of its directors. The amount bear interest at a rate of 15% annually and is due to be payable on March 7, 2025. In addition, the Company issued to the lender 800,000 bonus shares of the Company at a price of \$0.025 per share. The Company repaid the loan amount on June 14, 2024, and accrued an interest of \$3,216.

On April 5, 2024, the Company sold all of its ownership interest in its subsidiary to an arms-length party for a consideration of \$85,000. Pursuant to the sale of the subsidiary, the Company recorded a loss on discontinued operations of \$146,574.

FORWARD LOOKING STATEMENTS

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and represent management's best judgment based on facts and assumptions that management considers reasonable, including that the demand for mineral deposits develops as anticipated, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labor disturbances, interruption in transportation or utilities, or adverse weather conditions, and that there are no material unanticipated variations in the cost of energies or supplies. The Company makes no representation that reasonably prudent people in possession of the same information would reach the same conclusions.

This MD&A may include certain “forward-looking statements” within the meaning of applicable Canadian 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, factors include, among others, risks related to the unavailability of capital and financing on acceptable terms, unfavorable market conditions, inherent risks involved in the exploration and development of mineral properties, uncertainties concerning reserve and resource estimates, results of exploration, inability to obtain required regulatory approvals, unanticipated difficulties or costs in any rehabilitation which may be necessary, market conditions and general business, economic, competitive, political and social conditions. These statements are based on several assumptions, including assumptions regarding general market conditions, timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Additional factors are discussed in the section titled “Risks”.

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.

Other than as required by applicable securities laws, the Company does not intend, and does not assume any obligation, to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking 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 the forward-looking statements.

MINERAL PROPERTY INTERESTS

Following table depicts the changes in the value of mineral properties during the period ended June 30, 2024 and December 31, 2023:

	West Gore, Nova Scotia	Slovakian properties	Total
Balance, December 31, 2022	609,242	38,705	647,947
Option payment	60,000	-	60,000
Permits and license	-	2,024	2,024
Geological consulting	7,338	51,161	58,499
Option extension payment	12,000	-	12,000
Balance, December 31, 2023	688,580	91,890	780,470
Option payment	5,400	-	5,400
Permits and license	-	1,193	1,193
Geological consulting	5,399	-	5,399
Disposed off with Discontinued operations	-	(93,083)	(93,083)
Balance, June 30, 2024	699,379	-	699,379

West Gore Antimony Claims – (Nova Scotia, Canada)

On July 9, 2021, the Company entered into an option purchase and assignment agreement (the “1st Assignment Agreement”) with a related party, Consolidated Mineral Estates Ltd. (“Consolidated”), a private company with a common director, whereby Consolidated assigned to the Company all of its right, title and interest in and to the option agreement entered into between Consolidated and an optionor dated April 8, 2021 (the “1st Underlying Agreement”) for the acquisition of the West Gore Antimony property situated in Nova Scotia. Consideration paid by the Company under the 1st Assignment Agreement was 5,000,000 common shares issued at a fair value of \$0.10 per share. Consideration payable under the 1st Underlying Agreement to acquire a 100% interest in the claims is as follows:

- \$5,000 for grant of the option (paid);
- An additional \$24,000 on or before August 31, 2021 (paid);
- An additional \$40,000 on or before April 8, 2022 (paid);
- An additional \$60,000 on or before April 8, 2023 (extended and paid October 2023) and;
- An additional \$5,000 (plus HST) Royalty Payment (advance) on or before April 8, 2024 (paid), and thereafter annually until the commencement of commercial production (refer to section 1.11 Subsequent Events).

Upon successful exercise of the option, under the 1st Underlying Agreement the Company shall be required to pay a 3% net smelter return royalty (“NSR”). One-half of the NSR may be purchased by the Company (leaving a 1.5% NSR remaining) for \$500,000.

On March 21, 2023, the Company entered into an extension agreement for the option purchase payments on its West Gore Nova Scotia property. Per the terms of the extension, the Company will make option payment of \$10,000 (paid) on April 8, 2023, and \$60,000 on the earlier of certain access, exploration work and samples being completed, or October 31, 2023 (paid).

The West Gore antimony-gold deposits are located in west-central Nova Scotia, approximately 50 km northwest of Halifax. Antimony was discovered in the area in 1880. Underground development and antimony -- gold mining occurred during 1884-1917 with some further development until 1939. Antimony and gold bearing veins occur in three sub-parallel northwest trending faults, two of which occur within the Company’s project area. Antimony and gold are also documented in sheared wall rock, in which there could be increased potential.

Antimony and gold occur in quartz-carbonate-sulfide veins cutting meta-sediments. The veins occur in northwest trending fault zones and are steeply dipping. Reports that indicate intersections of folds and faults play a key role in the location of mineralization.

Slovakian Mineral Claims

Tienesgrund Antimony – Gold Project - (Slovakia)

In April 2022, the Company was awarded license of a past-producing Antimony-Gold mine and surrounding areas in Tienesgrund, (Central Slovakia). The area of the Tienesgrund concession is 1,338 hectares. Commercial exploitation of the Antimony veins dates at least from 1840 and possibly before.

Bear Creek (Medvedi Potok - Slovakia)

On September 21, 2022, the Company obtained the exploration license for the Bear Creek (Medvedi Potok) Tin mine at Hnilec in central Slovakia. The Medvedi Potok license is located 25 km south of the town of Spišská Nová Ves and 35km north of Rožňava, in the same region as the Company’s Tienesgrund Antimony-Gold project. The license awarded covers the historic resource in the central part and basically copies the former exploration area. The area of the license is 4.37 kms².

Trojarova (Slovakia)

In October 2022, the Company was awarded the exploration license for the Trojarova Antimony-Gold mine near Pezinok in Western Slovakia, 15 km north of Bratislava, covering historic resources and mining works in the ore-district.

Svedlar Processing Facility (Slovakia)

In October 2022, the Company signed a lease for a processing facility at Svedlar in Eastern Slovakia. The lease covers some 20% of the Svedlar complex, which was constructed as part of a complex to mine and process quartz. It operated from the early 1980s until the mid-1990s and employed over 200 people at its peak of operations. The Svedlar Plant is located some 10 km north of the Tienesgrund license and 20 kms from the Bear Creek Tin mine at Hnilec. The nearest substantial town is Spisska Nova Ves, some 30 kms to the north. This lease was terminated in 2023.

Grant from Province of Nova Scotia

During the period ended June 30, 2024, the Company entered into an agreement with the Government of Province of Nova Scotia, whereby, the Company will receive a non-refundable grant of \$30,800 to support its West Gore Drillhole Relogging and Resampling as follows:

- a. 80% of the total grant upon execution of the agreement (received \$24,640 on July 26, 2024)
- b. 20% of the total grant upon receipt and approval of a final report no later than February 17, 2025

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following table provides a summary of the Company's eight quarterly results ending on June 30, 2024:

	Three months ended			
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Net loss and comprehensive loss	\$ 285,731	\$ 6,940	\$ 134,013	\$ 48,938
Loss per share	\$ (0.02)	\$ 0.01	\$ 0.01	\$ 0.01

	Three months ended			
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Net loss and comprehensive loss	\$ 58,313	\$ 100,789	\$ 106,132	\$ 283,397
Loss per share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01

During the last eight quarters, the Company has reported high variations in the net losses due to the varied level of activities. In the management's efforts to recover from COVID-19 impact on its operations, the Company tried to limit its activities during 2022 and 2023, resulting in declining trend in the net losses per quarter. The Company sold its subsidiary and reported a loss on discontinued operations of \$146,574, resulting in significant net loss during the second quarter of the year 2024.

RESULTS OF OPERATIONS

Operational Results

Three months ended June 30, 2024 and 2023

During the three months ended June 30, 2024 and 2023, the Company had a net loss from continued operations of \$139,157 (2023 - \$48,951). Following are the significant expenses incurred by the Company:

Management fee - \$52,500 (2023 - \$10,500)

Professional fee - \$28,978 (2023 - \$8,039)

Consulting fee - \$21,235 (2023 - \$18,419)

Management fee of \$52,500 (2023 - \$10,500) include payments made and accrued the companies controlled by the senior officers of the Company as discussed under the heading "Transactions with Related Parties". With the changes in the senior management in the past year, the Company renegotiated the remuneration of the officers which resulted in an increase in the fees during the current period.

Professional fee of \$28,978 (2023 - \$8,039) comprises of the accounting and legal fee charged by Company's accountants, auditors, and lawyers. The significant increase in the professional fees is due to audit accruals recorded during the quarter ended June 30, 2024.

Consulting fee of \$21,235 (2023 - \$18,419) comprises of the fee charged by the directors, corporate secretary and external consultants of the Company to provide consultation on various corporate and strategic matters. The Consulting fee during the quarter ended June 30, 2024 was similar to the comparative period.

Six months ended June 30, 2024 and 2023

During the six months ended June 30, 2024 and 2023, the Company had a net loss from continued operations of \$146,097 (2023 - \$159,102). Following are the significant expenses incurred by the Company:

Management fee - \$52,500 (2023 - \$21,000)

Professional fee - \$35,093 (2023 - \$40,370)

Consulting fee - \$28,235 (2023 - \$58,450)

Management fee of \$52,500 (2023 - \$21,000) include payments made and accrued the companies controlled by the senior officers of the Company as discussed under the heading "Transactions with Related Parties". With the changes in the senior management in the past year, the Company renegotiated the remuneration of the officers which resulted in the increase in the fees during the current period.

Professional fee of \$35,093 (2023 - \$40,370) comprises of the accounting and legal fee charged by Company's accountants, auditors, and lawyers. Due to decrease in the volume of transactions in the Company, there was a slight reduction in the fee during the period ended June 30, 2024.

Consulting fee of \$28,235 (2023 - \$58,450) comprises of the fee charged by the directors, corporate secretary and external consultants of the Company to provide consultation on various corporate and strategic matters. Since the Company had limited activities during the current period, the corresponding fee is also significantly lower than the last period.

CASH FLOWS

Sources and Uses of Cash	June 30, 2024	June 30, 2023
Cash used in operating activities – continued operations	\$ (75,924)	\$ (178,533)
Cash used in operating activities – discontinued operations	(8,071)	-
Cash used in investing activities – continued operations	(10,799)	(80,625)
Cash sourced from investing activities – discontinued operations	83,792	-
Total increase /(decrease) in cash	\$ (11,002)	\$ (259,158)

A more detailed analysis is given in the section “Overall Performance and Operational Activities”.

Operating activities

For the six months ended June 30, 2024, cash used in operating activities was \$83,995 (2023 - \$178,533) which included cash used in discontinued operations of \$8,071 (2023 - \$Nil). During the period ended June 30, 2024, the Company sold its subsidiary and had limited activities on its Canadian project. The cash used in operating activities mainly consists of management fees, professional fees and consulting fees.

Investing activities

For the six months ended June 30, 2024, cash used in investing activities of continued operations of \$10,799 (2023 – used \$80,625) consists of the amount paid for acquisition and exploration expenditures incurred on the mineral properties. Pursuant to the sale of its subsidiary, the Company reported cash inflow from investing activities from discontinued operations of \$83,792.

Financing activities

During the six months ended June 30, 2024, the Company received a short-term loan of \$100,000 from one of its directors and repaid it within the same period. There were no financing activities during the period ended June 30, 2023.

CAPITAL DISCLOSURE

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company’s objectives when managing capital are to (i) maintain financial flexibility to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to finance its growth using internally generated cash flow and debt capacity; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company’s financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and receivables.

LIQUIDITY & CAPITAL RESOURCES

As at June 30, 2024, the Company had a working capital deficit of \$94,213 (December 31, 2023 – \$40,400) and cash balance of \$1,850 (December 31, 2023 – \$12,852). As the Company is an initial stage exploration company, it does not generate, nor does it anticipate generating any revenue in the next fiscal year. The Company’s mineral property interests do not currently generate cash flow from operations and, to continue operations and fund its expenditure commitments, it is dependent on equity financing through existing and new members, third party financing, and cost sharing arrangements to fund its work programs and operations.

Flow Through Liability

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined under Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that are allotted for such expenditure but have not yet been spent.

In connection with the flow-through shares issued during the year ended December 31, 2021, the Company had an obligation to incur qualified expenditures of \$50,400 by December 31, 2023. During the year ended December 31, 2023, the Company incurred \$9,336 (2022 - \$13,764) in qualifying expenditures and recognized a flow-through liability recovery of \$6,002 (2022 - \$8,848). Flow-through liability after flow-through liability recovery is \$17,550 as at June 30, 2024 (December 31, 2023 - \$17,550).

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Authorized

The Company has authorized share capital of an unlimited number of common shares without par value. Common shares are entitled to receive dividends if they are declared by the Board of Directors.

Issued and Outstanding Common Shares

As at June 30, 2024, there were 17,714,288 (December 31, 2023 – 16,914,288) common shares issued and outstanding.

Outstanding Share Data

The following table summarizes the outstanding share capital of the Company as at June 30, 2024, and the report date:

	June 30, 2024	Report date
Common shares	17,714,288	17,714,288
Warrants	96,600	96,600
Options	650,000	650,000
Total, Fully diluted	18,460,888	18,460,888

Share Capital Transactions

There were no share capital transactions during or after the period ended June 30, 2024 and December 31, 2024.

Stock Options

Following table depicts the changes in the outstanding stock options during the period ended June 30, 2024 and December 31, 2024:

	Number of options	Weighted average exercise price (\$)
Balance as at December 31, 2022	1,220,000	0.20
Forfeited	(400,000)	0.20
Balance as at December 31, 2023	820,000	0.20
Forfeited	(170,000)	0.20
Balance as at June 30, 2024	650,000	0.20
Exercisable	650,000	0.20

During the year ended December 31, 2023, pursuant to the resignation of some directors of the Company, 400,000 of the outstanding stock options were forfeited.

During the period ended June 30, 2024, pursuant to the resignation of some directors of the Company, 170,000 of the outstanding stock options were forfeited.

Warrants

There has been no changes in the warrants during the periods ended June 30, 2024 and December 31, 2024. As at June 30, 2024, the Company had 96,600 share warrants issued and outstanding with an exercise price of \$0.40 and weighted average life of 0.45 year.

Escrow Shares

As at June 30, 2024, the Company had 3,240,000 (December 31, 2023 - 6,480,000) common shares subject to escrow. Under the escrow agreement, 10% of the total common shares to be released upon listing with the Canadian Securities Exchange and 15% of the remaining shares are to be released every six months following listing. The Company was listed on the Canadian Securities Exchange on August 8, 2022.

RELATED PARTY TRANSACTIONS

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. The related party transactions not disclosed elsewhere in these financial statements are presented below.

As at June 30, 2024, due to related parties amounted to \$72,961 (December 31, 2023 - \$24,570) as below:

	As at	
	June 30, 2024	December 31, 2023
Company controlled by Chief Executive Officer ("CEO")	\$ 22,500	\$ -
Company controlled by Chief Financial Officer ("CFO")	7,000	-
Corporate secretary	-	3,150
Companies controlled by Directors	25,716	-
Company controlled by former Chief Financial Officer	-	3,675
Company controlled by former Directors	17,745	17,745
	\$ 72,961	\$ 24,570

During the six months ended June 30, 2024, and 2023, the Company incurred the following transactions with the directors, senior officers and companies controlled by directors:

	For the six months ended	
	June 30, 2024	June 30, 2023
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:		
Management fees	\$ 52,500	\$ 21,000
Consulting fees	25,085	18,000
	\$ 77,585	\$ 39,000

Management fee

	For the six months ended	
	June 30, 2024	June 30, 2023
Company controlled by CEO	\$ 31,500	\$ -
Company controlled by CFO	7,000	-
Company controlled by former CFO	14,000	21,000
	\$ 52,500	\$ 21,000

Consulting fee

	For the six months ended	
	June 30, 2024	June 30, 2023
Company controlled by Corporate secretary	\$ 2,585	\$ 18,000
Director	22,500	-
	\$ 25,085	\$ 18,000

On March 7, 2024, the Company entered into a loan agreement with a director of the Company pursuant to which the Company borrowed \$100,000. Amounts borrowed bear interest at a rate of 15% per annum and is due and payable on March 7, 2025. In addition, the Company issued to the lender 800,000 bonus shares of the Company at a price of \$0.025 per share. The loan amount was repaid on June 14, 2024. As at June 30, 2024, the interest amount of \$3,216 is outstanding.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value Hierarchy

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 – Input for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Management considers that due to their short-term nature, the carrying amounts of financial assets and financial liabilities, which include cash, accounts payables and accrued liabilities, and due to related parties are assumed to approximate their fair values (Level 1). There were no transfers between levels of the fair value hierarchy in the period ended June 30, 2024.

Financial Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. The Company places its cash in major financial institutions. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of June 30, 2024, the Company had a cash balance of \$1,850 to settle current liabilities of \$108,010. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, with the exception of a promissory note due within 12 months. As of June 30, 2024, the Company did not have sufficient cash to cover its short-term obligations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

The Company has cash balances and no interest-bearing debt other than a promissory note. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company is nominally exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in US Dollars (USD) and Euros (EUR).

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

CAPITAL MANAGEMENT

The Company defines capital that it manages as cash and equity, consisting of issued common shares, contributed surplus and deficit.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage as such the Company has historically relied on the equity markets and a promissory note to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

PROPOSED TRANSACTIONS

There are no proposed transactions as of June 30, 2024, and on the date of this report.

CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting estimates, the readers are directed to Note 3 of the notes to the consolidated financial statements for the years ended December 31, 2023, and 2022.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Notes to the consolidated financial statements for the years ended December 31, 2023, and 2022.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

A detailed listing of exploration expenditures and a breakdown of general and administrative expenses are provided in the consolidated financial statements for the years ended December 31, 2023, and 2022.

OTHER MATTERS

Legal Proceedings

The Company is not aware of any legal proceedings.

Contingent Liabilities

At the date of the report, management was unaware of any outstanding contingent liability relating to the Company's activities.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

RISK FACTORS RELATING TO THE COMPANY'S BUSINESS

The Company's ability to generate revenue and profit from its natural resource properties, or any other resource property it may acquire, is dependent upon several factors, including, without limitation, the following:

Precious and Base Metal Price Fluctuations

The profitability of the Company's metals operations is dependent in part upon the market price of certain precious and base metals. The price of such metals or interests related thereto has fluctuated widely and is affected by numerous factors beyond the control of the Company. These factors include international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumption patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or the investment retaining its value.

Operating Hazards and Risk

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development, and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Exploration and Development

There is no known body of commercial ore on the Company's exploration and evaluation assets. Development of the Company's properties will only follow upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of bodies of commercial 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.

Substantial expenditures are required to establish reserves through drilling, to develop, in the case of precious and base metal properties, metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control, and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection.

Calculation of Reserves and Mineralization and Precious and Base Metal Recovery

There is a degree of uncertainty attributable to the calculation of reserves and mineralization and corresponding grades being mined or dedicated to future production. Until reserves or mineralization are mined and processed, the quantity of mineralization and grades must be considered as estimates only. In addition, the quantity of reserves and mineralization may vary depending on metal prices. Any material changes in quantity of reserves, mineralization, grade or stripping ratio may affect the economic viability of the Company's properties. In addition, there can be no assurance that precious or other metal recoveries in small-scale laboratory tests will be duplicated in larger-scale tests under on-site conditions or during production.

Government Regulation

Operations, development, and exploration on the Company's properties are affected to varying degrees by government regulations relating to such matters as environmental protection, health, safety, and labour; mining law reform; restrictions on production; price controls; tax increases; maintenance of claims; tenure; and expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the Company's properties, which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties.

Title to Assets

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and therefore, the precise area and location of such claims may be in doubt. The Company's claims may be subject to prior unregistered agreements or transfers, or native land claims and title may be affected by undetected defects.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Price Fluctuations and Share Price Volatility

In recent years the securities markets in the United States and Canada have experienced a high level of price and volume volatility. The market price of securities of many mineral exploration companies have experienced wide fluctuations in price, which has not necessarily been related to their operating performance, underlying asset value or prospects. There can be no assurance that continued fluctuations in price will not occur.

Litigation

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings which may be with or without merit. As of the date of this filing, the Company is not aware of any civil or other legal proceedings related to its directors or officers.

Dividends

The Company has not achieved profitability or paid any dividends since its incorporation and is unlikely to do so in the foreseeable future as a result of the Company's limited resources which are currently deployed in the Company's corporate and business development activities. The decision to pay dividends in the future will be at the discretion of the Company's Board of Directors and will be dependent on the Company's financial condition, results of operations, capital requirements and any other considerations deemed relevant by the Board of Directors.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are engaged in a similar line of business. 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.

On January 31, 2024, the announced resignation of Jon Harris and Joel Montgomery as directors, and appointed Allan Larmour as a director of the Company.

On February 1, 2024, the Company announced the resignation of Nelson Lamb as Chief Financial Officer of the company, and appointed Lara Smith as interim CFO.

On February 7, 2024, the Company announced the appointment of Rana Vig as a director of the Company.

On May 10, 2024, the Company announced the appointment of Jatinder Sandhar as new CFO of the Company to replace its existing interim CFO Lara Smith.

On May 16, 2024, the Company announced the resignation of Simon Hobson as director of the Company.

On June 4, 2024, the Company announced the resignation of Hugh Oswald as non-executive director of the Company.

Current Directors and Officers of the Company are as follows:

Lara Smith, CEO and Director

Jatinder Sandhar, CFO

Rana Vig, Director

Allan Larmour, Director

Brooklyn Reed, Corporate Secretary