



METALSOURCE MINING INC.
(Formerly Silverfish Resources Inc.)

Management's Discussion and Analysis

For the six months ended December 31, 2023

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") contains a review and analysis of financial results for Metalsource Mining Inc. (formerly Silverfish Resources Inc.) (the "Company") for the six months ended December 31, 2023.

This MD&A supplements but does not form part of the condensed consolidated interim financial statements of the Company and should be read in conjunction with the condensed consolidated interim financial statements of the Company and notes thereto for the three and six months ended December 31, 2023 and 2022. The following MD&A is current as of February 27, 2024.

All amounts both in the Company's financial statements and this MD&A are expressed in Canadian dollars.

FORWARD-LOOKING STATEMENTS

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

BUSINESS OVERVIEW

The Company is a junior exploration company incorporated under the laws of the Province of British Columbia, Canada and whose common shares are listed on the Canadian Securities Exchange. The Company is principally engaged in the acquisition and exploration of mineral properties. The Company is currently exploring properties located in Canada and Botswana. The properties in Canada include the Eastmain Property located in the Province of Quebec and the Summit Old Timer Property located in the Province of British Columbia. The property in Botswana is the Aruba Property located in South-Central Botswana. The Company is in the exploration stage and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

Description of Properties

Aruba Property

On September 18, 2023, the Company acquired a 100% interest in 5 prospecting licenses totaling approximately 4,663 km² in South-Central Botswana, 200 km west of the coeval Busvhveld Complex in neighboring South Africa. The project area is adjacent to Rio Tinto Exploration and is surrounded by good infrastructure. The projects are located between the cities of Jwaneng and Werda, near the border with the Republic of South Africa. The property makes up a significant portion of the western margin of the approximately 1300 km² Molopo Farms Complex, and includes the basal units prospective for Nickel, Copper and PGE mineralization. The western part of the project area is underlain by the highly prospective Transvaal Super Group, which, in South Africa, contains 40% of world Manganese reserves. The Company acquired the property by purchasing all of the issued and outstanding securities of Red Ridge Mining Pty Ltd. in exchange for 13,000,000 common shares of the Company.

Eastmain Property

On October 8, 2020 and amended on September 23, 2021, December 31, 2021 and December 11, 2023, the Company entered an option agreement pursuant to which the Company has an option to acquire a 100% interest in 42 mineral claims known as the Eastmain Property located in the Province of Québec. In consideration of the optionor agreeing to amend the option agreement, the Company issued 125,000 common shares. Under the terms of the option agreement, in order to earn the 100%, the Company has to

make cash payments totaling \$15,000, issue 725,000 common shares and incur \$225,000 of exploration expenditures on the Claims as follows:

- a. pay \$15,000 on signing of the option agreement (paid);
- b. issue 250,000 common shares on or before June 30, 2023 (issued);
- c. issue an additional 475,000 common shares on or before December 30, 2023 (issued);
- d. incur \$75,000 of exploration expenditures on or before December 30, 2024; and
- e. incur an additional \$150,000 of exploration expenditures on or before June 30, 2025.

The claims are subject to a Net Smelter Return royalty (the "NSR") of 3% subject to the Company's right to purchase, at any time, a two-thirds interest in the optionor's NSR for cash consideration of \$2,000,000, leaving the Optionor with a 1% NSR.

While the Eastmain Property is considered by management to hold potential, and has not been abandoned, the focus of the Company has shifted to the Summit Old Timer Property and the Aruba Property.

Summit Old Timer Property

On December 16, 2021 and as amended on October 25, 2022 and December 11, 2023, the Company entered into an option agreement pursuant to which the Company has an option to acquire 75% interest 5 mineral claims (now 4 claims after 1 claim was refused by the Mineral Titles Branch) located in the Province of British Columbia. In consideration of the optionor agreeing to amend the option agreement, the Company issued 150,000 common shares. Under the terms of the option agreement, in order to earn the 75%, the Company has to make cash payments totaling \$72,500 issue 1,350,000 common shares and incur \$1,350,000 of exploration expenditures on the claims as follows:

- a. pay \$7,500 and issue 100,000 common shares on the earlier of: (i) listing of the Company's common shares on the Canadian Securities Exchange, and (ii) June 30, 2022 (paid and issued);
- b. pay an additional \$15,000 and issue an additional 250,000 common shares on or before December 15, 2022 (paid and issued);
- c. incur \$100,000 of expenditures on the claims by September 30, 2024 (of which \$92,972 has been incurred);
- d. pay an additional \$50,000 and issue an additional 1,000,000 common shares on or before December 15, 2024;
- e. incur a further \$250,000 of expenditures on the claims by September 30, 2025; and
- f. incur a further \$1,000,000 of expenditures on the claims by September 30, 2026.

The option agreement makes reference to a preceding head option agreement dated May 21, 2020, and amended November 9, 2021 and December 4, 2021. Under the terms of the head option agreement, the head optionor will be entitled to a 2% net smelter returns royalty, subject to the head optionor's right to purchase a one-half interest in the royalty in accordance with the terms of the head option agreement.

Upon the Company acquiring a 75% undivided interest in the property pursuant to the terms of the head option agreement and the option agreement, the Company and the head optionor will be deemed to have formed a joint venture for the purposes of the continued exploration of the property.

The property is a 1,999-hectare, road-accessible property located in southern British Columbia, approximately 17 km southeast of Nelson. The property represents the northern-most gold occurrence in the Ymir Camp, where gold mineralization occurs in quartz-filled shear zones, with the most productive veins following regional-scale north to northeast-trending structures.

In July 2023, an exploration campaign was completed on the property. The program established a geochemical grid over an area of historically identified mineralization and saw the collection of 329 soil samples. The crew additionally took 9 grab samples and located several historic adits.

SUMMARY OF RESULTS

Second Quarter Results

During the second quarter of its 2024 financial year, the Company had a net loss of \$136,137. This represents a decrease of \$50,924 from the \$187,061 loss in the same quarter last year. The decrease was caused by a \$6,000 decrease in consulting fees, a \$12,526 decrease in general and administration expenses, a \$10,530 decrease in listing fees, and a \$81,618 decrease in professional fees. Offsetting these was a \$51,500 increase in management fees and a \$8,250 increase in rent.

Six-Month Results

During the first half of its 2024 financial year, the Company had a net loss of \$248,259. This represents a decrease of \$53,787 from the \$302,046 loss during the same period last year. The decrease was caused by a \$39,833 decrease in listing fees, a \$104,166 decrease in professional fees, and a \$683 increase in interest income. Offsetting these was a \$30,000 increase in consulting fees, a \$1,895 increase in general and administration expenses, a \$42,500 increase in management fees, and a \$16,500 increase in rent.

Summary of Unaudited Quarterly Results

Below is a summary of the Company's last eight quarterly results, selected from financial statements prepared under International Financial Reporting Standards:

	2024			2023			2022	
	2 st Quarter	1 st Quarter	4 st Quarter	3 st Quarter	2 st Quarter	1 st Quarter	4 st Quarter	3 st Quarter
Loss for the period	(136,137)	(112,122)	(185,255)	(150,724)	(187,061)	(114,985)	(17,069)	(74,262)
Loss per share	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)
Total assets	3,010,458	2,944,872	520,070	640,369	836,254	887,764	359,934	276,054

The variability of net loss during the quarterly results is mainly due to increases or decreases in exploration and business activity.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash at December 31, 2023 in the amount of \$1,484 and negative working capital of \$190,089 in order to meet short-term business requirements. During the six months ended December 31, 2023, the Company had the following changes in cash flow:

Cash used in Operating Activities

The Company's cash used in operating activities for the six months ended December 31, 2023 was \$30,219 compared to the Company's cash flows used in operating activities for the six months ended December 31, 2022 of \$425,104, a decrease of \$394,885, primarily due to the changes in non-cash working capital balances.

Cash used in Investing Activities

The Company's cash used in investing activities for the six months ended December 31, 2023 was \$106,781 compared to the Company's cash used in investing activities for the six months ended December 31, 2022 of \$14,015, an increase of \$92,766, primarily due to cash payments related to the exploration of property.

Cash provided by Financing Activities

The Company's cash provided by financing activities for the six months ended December 31, 2023 was \$Nil compared to the Company's cash provided by financing activities for the six months ended December 31, 2022 of \$923,501, a decrease of \$923,501, due to cash received from the initial public offering.

Previous Financings

Date	Gross Proceeds	Use of proceeds	Expended	Remaining
	\$		\$	\$
August 18, 2020	8,250	General working capital	8,250	0
January 26, 2021	96,000	Exploration	96,000	0
February 12, 2021	350,000	General working capital and exploration	350,000	0
September 13, 2022	1,000,000	General working capital and exploration	998,516	1,484
Total	1,454,250		1,452,766	1,484

The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds through the issuance of shares. When acquiring an interest in mineral properties through purchase or option the Company will sometimes issue common shares to the vendor or optionee of the property as partial or full consideration for the property interest to conserve its cash. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of the Company's assets may be materially less than amounts on the statement of financial position.

SHARE CAPITAL

As at December 31, 2023 and the date hereof, the Company has the following outstanding securities:

- (i) Common Shares: 28,300,000
- (ii) Compensation options: 360,000
- (iii) Warrants: 2,400,000

The Company has obtained its capital funding through equity financing.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management personnel includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The Company had incurred the following key management personnel costs:

	Six months ended December 31, 2023	Six months ended December 31, 2022
Management fees	\$ 99,000	\$ 46,000
Accounting fees included in professional fees	-	44,738
	\$ 99,000	\$ 64,760

As at December 31, 2023, accounts payable and accrued liabilities includes \$63,086 (2022 – \$Nil) due to key management personnel. The amounts payable is unsecured, non-interest bearing and due on demand.

CRITICAL ACCOUNTING ESTIMATES

Please refer to the December 31, 2023 unaudited condensed consolidated interim financial statements on www.sedarplus.ca for critical accounting estimates.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and accounts payable and accrued liabilities. The risks associated with these financial instruments and any mitigating factors are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There were no changes to the Company's risk exposures during the six months ended December 31, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is the carrying amount of cash. To minimize the credit risk, the Company places its cash with a high-quality financial institution.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. All of the Company's accounts payable and accrued liabilities are due within 30 days and are subject to normal trade terms. The Company had cash at December 31, 2023 in the amount of \$1,484 (2022 – \$532,434) in order to meet short-term business requirements. At December 31, 2023, the Company had current liabilities of \$208,037 (2022 – \$66,095).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual

financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to material other price risk at December 31, 2023.

ADDITIONAL INFORMATION

Commitments and Contingencies

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in the Business Overview.

Off Balance Sheet Transactions

The Company has no off-balance-sheet transactions.

Additional Information as specified by National Instrument 51-102

Additional information is available on SEDAR at www.sedarplus.ca.