Terra Balcanica Resources Corp.

Management Discussion and Analysis

For the nine months ended October 31st, 2024 and October 31st, 2023

The following discussion and analysis of the results of operations and financial condition of Terra Balcanica Resources Corp. (formerly 1250598 B.C. Ltd.) (the "Company") for the nine months ended October 31, 2024, and 2023 and should be read in conjunction with the Company audited financial statements and related notes for the year ended January 31, 2024, and 2023. The Company financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Management is responsible for the preparation and integrity of the financial statements including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and this Management Discussion and Analysis document ("MD&A") is complete and accurate.

The Company financial statements, MD&A and all other continuous disclosure documents are filed with Canadian securities regulators and are available for review under the Company profile at www.sedar.com. This MD&A has been prepared effective as of December 20, 2024.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward- looking statements. Forward-looking statements are usually identified by The Company's use of certain terminology, including "will", "believes", "may", "expects", "should", "seeks", "anticipates" or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause The Company's actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of The Company's business model; future operations, products and services; the impact of regulatory initiatives on The Company's operations; the size of and opportunities related to the market for The Company's products; general industry and macroeconomic growth rates; expectations related to possible joint or strategic ventures; and statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of The Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the actual results may vary materially from those expected, estimated or projected. Forward-looking statements in this MD&A are not a prediction of future events or circumstances and those future events or circumstances may not occur. Given these uncertainties, the reader of the information included herein is cautioned not to place undue reliance on such forward-looking statements. The Company disclosure of a technical or scientific nature has been reviewed and approved by Aleksandar Miskovic, PhD, P.Geo, a Qualified Person ("QP") under the definition of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

DESCRIPTION OF BUSINESS

The Company was incorporated on May 19th, 2020, under the laws of British Columbia. The registered office is located at 250 – 200 Burrard St, Vancouver, BC V6C 3L6, and its principal business address is Suite # 250 – 200 Burrard Street, Vancouver, BC, Canada, V6C 3L6.
On January 25th, 2021, the Company entered a definitive Share Purchase Agreement (the "Agreement") closed on March 19, 2021, for Terra Balcanica Resources Corp. (formerly 1250598 B.C. Ltd.) ("Terra Balcanica") to acquire the Company a corporation existing under the laws of the Republic of Serbia mineral exploration company which holds certain mineral property interests in Serbia and Bosnia.

In connection to the agreement the Company acquired two subsidiaries – Tera Balkanika d.o.o. Beograd in which it holds 100% interest and Drina Resources d.o.o in which it holds a 90% interest. Tera Balkanika d.o.o. Beograd is located at 33/II Kneza Mihaila Street, 11000 Belgrade, Serbia. Drina Resources d.o.o. is located at Marsala Tita bb, 75430 Srebrenica, Republic of Srpska, Bosnia and Herzegovina. Tera Balkanika d.o.o. Sarajevo in which the Company held 100% interest, and which was located at 14 Latička Street, 71000 Sarajevo, Bosnia and Herzegovina was dissolved as a Bosnian subsidiary on the 26th of June 2023. Finally, a 100% owned subsidiary named Energetski minerali d.o.o. Banja Luka was incorporated on the 16th of March 2023 and is located at 7 Nikole Tesle Street in Banja Luka 7800, Bosnia and Herzegovina.

The Company is a natural resource corporation principally engaged in the exploration and development of the Viogor-Zanik Project located in eastern Bosnia and Herzegovina. It also seeks to identify, investigate, evaluate and acquire other mineral property opportunities located in the Balkan region of Eastern Europe, and currently owns the Ceovishte mineral exploration property in SW Serbia. It is the intention of the Company to build a portfolio of properties in the Balkans.

MINERAL PROPERTY INTEREST

Terra Balcanica Resources Corp., through its Bosnian and Serbian subsidiaries, has been granted five separate exploration licenses in both Bosnia and Herzegovina and Serbia. Two mineral exploration licences, namely Čauš in Bosnia and Kaludra in Serbia have been relinquished in the past 6 months due to business re-prioritization and to cut costs.

Viogor-Zanik, Bosnia and Herzegovina

The Viogor-Zanik Project comprises 2 mineral exploration licences (Čumavići and Olovine) totalling 168 km2. The project overlaps the Srebrenica Magmatic Complex as the northwesternmost extension of the Serbo–Macedonian Metallogenic Province of SE Europe. The Srebrenica district is hosted by Oligo-Miocene, intermediate to mafic subvolcanic rocks emplaced into Paleozoic slates and covered by Neogene felsic pyroclastics. The district hosts three types of mineralization, including surficial gold-zinc-copper skarn, deeper porphyry style Cu-Mo and Pb-Zn-Ag bearing hydrothermal veins with variable additional concentrations of Sn and Sb. The Srebrenica district shares many mineralogical similarities to those of the Andean Ag-Sn belt, the Lavrion deposit in Greece, and the Baia Mare Metallogenic District of East Carpathians, in Romania.

Terra Balcanica has completed detailed surface geology work at Viogor-Zanik during fiscal 2020 and fiscal 2021 including geophysical analysis, geochemical analysis, surface mapping, and structural analysis and has identified a number of drill-ready targets. Additionally, the Company completed an 1,830 m maiden drilling program on the Cumavici and Olivine licences in January of 2022 to test high grade, vein hosted as well as skarn mineralization's. This involved drilling 11 diamond drill holes at four separate locations. The Company executed a 1,900 m, Phase II drill campaign in the fiscal 2023 when 17 drill holes were completed at a dozen locations at Cumavici Ridge and Cumavici Crest (Cumavici license) and Brezani (Olovine licence) targets to advance the polymetallic assets.

Ceovishte, Serbia

The Ceovishte mineral license in Serbia totals 80.36 km2. The mineral license claims straddle the northern edge of the Kopaonik metallogenic zone, a 10 x 20 km area of the Serbo-Macedonian Metallogenic Province that features many Pb and Zn deposits, as well as Cu-Au porphyries and satellite epithermal deposits hosted by Tertiary andesitic to dacitic volcanics and granodiorites. Historical exploration was minimal with Euromax Resources drilling between 2,000 and 2,500 m in 2008 and only 1,200 m of exploration drilling in the central part of the licence by First Quantum Minerals in 2014-2015. This licence is in the process of being relinquished by Tera Balkanika d.o.o. Belgrade.

Fulcrum Metals PLC

On June 2nd, 2024, the Company signed an option agreement with a wholly owned subsidiary of Fulcrum Metals PLC ("Fulcrum"). Pursuant to the Agreement, the Company will have an option (the "Option Agreement") to acquire a 100% interest in Fulcrum's Charlot-Neely, Fontaine Lake, Snowbird and South Pendleton uranium licenses (the "Licenses") located in northern Saskatchewan, Canada

The Company has a four-year option to acquire 100% of Fulcrum's owned uranium licenses.

In consideration for the four-year option, the Company shall pay Fulcrum $7,500 (Paid) for exclusivity on execution of signing of the LOI and pay Fulcrum $25,000 less the $7,500 ($17,500 Paid) exclusivity payment on execution of closing of the Option Agreement. Additionally, the Company shall pay Fulcrum cash according to the schedule below:

- $50,000 on the first anniversary of closing of the Option Agreement;
- $75,000 on the second anniversary of closing of the Option Agreement;

- $75,000 on the third anniversary of closing of the Option Agreement;
- $75,000 on the fourth anniversary of closing of the Option Agreement;

and issue Fulcrum shares of the Company at the 10-Day Volume Weighted Average Price ("VWAP") prior to the date of issuance as per the following schedule:

- $250,000 on closing of the Option Agreement with the initial share payments capped at $0.195 (Issued)
- $350,000 on the first anniversary of closing of the Option Agreement;
- $500,000 on the second anniversary of closing of the Option Agreement;
- $650,000 on the third anniversary of closing of the Option Agreement; and
- $1,250,000 on the fourth anniversary of closing of the Option Agreement.

The Company will also complete minimum work expenditures totalling $3,250,000 prior to the fourth anniversary of the Option Agreement and grant Fulcrum a 1.0% Net Smelter Return ("NSR") on all claims with buydown option of 0.5% NSR for $1,000,000. As part of the Option Agreement and for terminating the existing prior agreement (the "Prior Agreement") between Fulcrum and Global Energy Metals Corp. ("Global Energy"), Global Energy will be compensated with $150,000 in shares in the Company on closing of the Option Agreement and a 0.5% NSR on all claims.

The optioned Licences straddles the northern and southeastern edge of the Athabasca Basin and contain Paleoproterozoic rocks as portions of the Rae Subprovince in Saskatchewan. The flagship licence cluster named Charlot-Neely Lake is located within the Zemlak tectonic domain. The NE- SW trending Black Bay fault, 20 km of which outcrops along Charlot-Neely Lake, denotes the litho-structural contact between the Beaverlodge and Zemlak Domains. The optioned Licences hosts a variety of rock types, ranging from Archean basement granites and orthogneisses to the metasedimentary, mafic volcanic, and mixed supracrustal rocks. The flagship licence cluster of the optioned portfolio is located in the prolific Beaverlodge District, which is estimated to have historically produced approximately 70 million pounds of U_3O_8 at grades ranging from 0.18 to 0.43% U_3O_8. The historic Smitty and Lorado mine sites as well as the Beaverlodge and Gunnar are all located within 14 km. These deposits are the type-deposits for Beaverlodge-style mineralization, and historical exploration efforts focused on this deposit model. Charlot-Neely Lake has not been systematically explored for high- grade “unconformity-related” uranium mineralization, found elsewhere within the Athabasca Basin.

OVERALL PERFORMANCE AND RISK FACTORS

The Company does not own interests in any producing mines. At present, management is concentrating most of its efforts on advancing its exploration activity in Terra. See “Property Transactions and Exploration” for additional information.

SELECTED ANNUAL INFORMATION

	Year ended January 31, 2024	**Year ended January 31, 2023**	**Thirteen months ended January 31, 2022**
Revenues	Nil	Nil	Nil
Net (Loss)	($1,550,828)	($2,013,644)	($2,904,497)
Net (Loss) per Share - Basic and Diluted	($0.06)	($0.03)	($0.06)
Total Assets	$2,639,152	$2,618,779	$3,130,147
Total Long-term Financial Liabilities	Nil	Nil	Nil
Cash Dividends Declared / Share	Nil	Nil	Nil

Total assets increased from January 31, 2022, to January 31, 2023, by approximately $511,000, mainly due to proceeds received from equity financings, which have been advanced to Terra and spent on property acquisition and exploration. Total assets increased from January 31, 2023, to January 31, 2024, by approximately $21,000, mainly due to proceeds received from financings, which have been spent on exploration activities offset by impairment of mineral property interests during the period.

SUMMARY FINANCIAL INFORMATION

The following table shows the results for the last quarter compared to those from the previous eight quarters.

Period Ending	Revenues	Loss	Loss per Share
October 31, 2024	Nil	$159,700	$0.00
July 31, 2024	Nil	$157,946	$0.00
April 30, 2024	Nil	$200,968	$0.01
January 31, 2024	Nil	$1,049,662	$0.00
October 31, 2023	Nil	$104,216	$0.00
July 31, 2023	Nil	$245,020	$0.00
April 30, 2023	Nil	$151,930	$0.00
January 31, 2023	Nil	$191,211	$0.00

RESULTS OF OPERATIONS

The loss from operating expenses for the three months ended October 31, 2024, compared to three months ended October 31, 2023, increased by approximately $55,000. The activity for the three months ended October 31, 2024, was caused, for the most part, by an increase in expense accounts, consulting and salaries of approximately $3,600, an increase in professional fees by approximately $400, an increase in advertising and promotion by $157,000 which was attributed to a visibility campaign through a third party which emphasised investment advisors, brokers and shareholders in the prior period. Decrease in expenses were offset primarily due to foreign exchange of approximately $6,700 and administrative expense of $32,000.

The loss from operating expenses for the nine months ended October 31, 2024, compared to nine months ended October 31, 2023, increased by approximately $206,000. The activity for the nine months ended October 31, 2024, was caused, for the most part, by increases in most expense accounts related to investor relations, advertising and professional fees related to the financings, but were offset primarily to administrative expense of $89,000.

On January 25, 2021, the Company entered into a Share Exchange Agreement (“SEA”) with Tera Balkanika d.o.o. The Company agreed to purchase all the shares in the capital of Tera (“TB Shares”) by issuing 24,525,000 common shares of the Company representing approximately 46.95% of the Company total issued and outstanding shares on March 19, 2021. The Transaction constitutes an RTO of the Company and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, Share-based Payments and IFRS 3, Business Combinations. As the Company did not qualify as a business according to the definition in IFRS 3, the RTO does not constitute a business combination; rather it is treated as an issuance of common shares by the Company for the net assets Tera Balkanika, with the Company as the continuing entity. Accordingly, no goodwill or intangible assets were recorded with respect to the Transaction as it does not constitute a business.

Net assets (liabilities) of Tera acquired:	March 19, 2021 $
Cash	429,925
Accounts receivable	10,000
Advances	1,065,000
Accounts payable	(19,399)
Net assets acquired	**1,485,526**

Consideration paid for reverse acquisition of the Company:	$
Common shares issued (27,759,721 fair value price per share $0.10)	2,775,972
Total consideration paid	**2,775,972**
Transaction cost	**1,290,446**

LIQUIDITY AND CAPITAL RESOURCES

(a) Working Capital

The Company has working capital deficit in the amount of $187,997 as of October 31, 2024. During period ended October 31, 2024, the Company received share subscriptions advances totalling $25,000.

On July 19, 2024, the Company issued 5,670,000 units at a price of $0.10 per unit for gross proceeds of $567,000. Each unit consists of one common share in the capital of the Company (each a "common share") and one common share purchase warrant (each a "warrant"). Each warrant entitles the holder to purchase one common share at an exercise price of $0.15 until July 19, 2027. The Company incurred $11,200 in finders' fees in connection with the offering, and an additional $17,000 which related to the fair value of finders' warrants issued in connection with the offering.

On June 17, 2024, the Company issued 2,057,500 units at a price of $0.10 per unit for gross proceeds of $205,750. Each unit consists of one common share in the capital of the Company (each a "common share") and one common share purchase warrant (each a "warrant"). Each warrant entitles the holder to purchase one common share at an exercise price of $0.15 until June 17, 2027.

On January 16, 2024 the Company closed the final tranche on the private placement financing announced on December 1, 2023, and issued 400,000 common shares for gross proceeds of $48,000.

On December 1, 2023, the Company announced a private placement financing for gross proceeds of up to $150,000 through the issuance of up to 3,750,000 common shares at a purchase price of $0.04 per share. On December 15, 2023, the Company closed the first tranche and issued 4,105,000 common shares for gross proceeds of $164,200.

On September 22, 2023, the Company announced their fifth tranche closing of 1,826,470 units at $0.085 per unit for gross proceeds of $155,250 pursuant to the offering announced on April 4, 2023. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.13 until September 22, 2026. The Company incurred $3,570 in finders' fees in connection with the offering. Pursuant to the Company's significant accounting policy, the Company determined that the residual value of the warrant component of the units sold was $0.015 per unit, for a total of $27,397.

On July 31, 2023, the Company announced their fourth tranche closing of 2,866,229 units at $0.085 per unit for gross proceeds of $243,629 pursuant to the offering announced on April 4, 2023. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.13 until July 31, 2026. The Company incurred $13,484 in finders' fees in connection with the offering. Pursuant to the Company's significant accounting policy, the Company determined that the residual value of the warrant component of the units sold was $0.01 per unit, for a total of $28,662.

On July 19, 2023, the Company announced their third tranche closing of 1,194,118 units at $0.085 per unit for gross proceeds of $101,500 pursuant to the offering announced on April 4, 2023. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.13 until July 19, 2026. Pursuant to the Company's significant accounting policy, the Company determined that the residual value of the warrant component of the units sold was $0.005 per unit, for a total of $5,971.

On May 5, 2023, the Company announced their first tranche closing of 4,760,586 units at a price of $0.085 per unit for gross proceeds of $404,650. Each unit consists of one common share in the capital of the Company (each, a "Common Share") and one common share purchase warrant (each whole warrant, a "Warrant"). Each warrant entitles the holder to purchase one common share at an exercise price of $0.13 until May 5, 2026. The Company incurred $8,057 in finders' fees in connection with the offering.

On June 16, 2023, the Company announced they have settled an outstanding debt in the amount of $77,923 owing to an arm's-length creditor by issuing an aggregate of 916,749 common shares at a price of $0.085.

On June 21, 2023, the Company announced their second tranche closing of 3,620,564 units at a price of $0.085 per unit for gross proceeds of $307,748 pursuant to the offering announced on April 4, 2023. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.13 until June 21, 2026. The Company incurred $10,465 in finders' fees in connection with the offering.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related party payables and transactions

The Company's related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence for the period ended October 31, 2024, and Directors receive no salaries, non-cash benefits, or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on a thirty-day advance notice.

Key management personnel and Directors can participate in the Company's stock option plan. No stock options were granted to related parties during the period ended October 31, 2024, and October 31, 2023.

During the year ended January 31, 2024, upon acquisition of Tera, Rockstone Group D.O.O. is wholly held by Aleksandar Ilić, who was the project vendor pursuant to the option agreements on mineral property interests. Mr. Ilić is a current director of the Company. Mr. Ilić was paid $50,000 on March 4, 2021, for the option of the Kaludra License. Mr. Ilić was also due another $50,000 as a finder's fee for the Ceovishte License once granted by the Serbian Ministry of Energy and Mines within a calendar year following the licence grant. (see Note 6). Mr. Ilić was issued Company shares at the price of $0.255 equivalent to $50,000 as a finder's fee for the Ceoviste License during the year ended January 31, 2024.

(a) Stephen Brohman is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services (included within professional fees).

(b) Alex Miskovic is a Company Director and the Company's CEO. He is a shareholder and has significant influence over Geotarget Solutions Inc. ("Geotarget Solutions") which is a geological consulting firm. Geotarget Solutions provides the Company with geological consulting services and CEO services (included within consulting and salaries).

(c) Catherine Cox is the Company's Corporate Secretary. She has significant influence over CAT Corporate Services Inc. ("CAT Corporate Services") which is a consulting firm. She provides the Company with Corporate Secretary services (included within consulting fees).

	Transactions Nine months ended October 31, 2024 $	Transactions Nine months ended October 31, 2023 $	**Balances outstanding October 31, 2024 $**	Balances outstanding January 31, 2024 $
CAT Corporate Services	27,000	34,625	926	9,450
Geotarget Solutions	110,595	109,624	20,759	30,842
DBM CPA	38,500	38,500	11,025	22,618
Aleksander Llic (Rockstone Group D.O.O)	-	50,000	-	11,519
	176,095	232,749	**32,709**	74,429

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land title, exploration and development, government and environmental regulations, permits and licenses, competition, fluctuating metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities. See "Risk Factors" in the Prospectus (as defined below).

Risks to Operations in the Bosnia and Herzegovina

The Company's exploration activities on the Viogor-Zanik Project may be affected by political instability, social unrest and government regulations relating to foreign investment, corporate activity, and the mining business in the Bosnia and Herzegovina. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation. The License granted by the Government of the Bosnia and Herzegovina enables the Company to conduct exploration and development activities. Notwithstanding this arrangement, the Company's ability to conduct exploration and development activities or to later expand its operations will be subject to obtaining and/or renewing licenses, permits or concessions, changes in laws or government regulations or shifts in political attitudes beyond its control.

The laws and regulations on mining in Bosnia and Herzegovina have experienced continued growth and development since the nation's recovery from the Bosnian War and surrounding conflict during the 1990s. As a result of the continual changes to the law, some areas of the mining laws and regulations are unclear. This lack of certainty in the laws and regulations may impact the Company's ability to ensure compliance with the same.

Political Instability

The Bosnia and Herzegovina has experienced political difficulties in past years, including a civil war in the 1990s, with portions of the region still subject to hidden landmines including the area consisting of the Viogor-Zanik Project. Although the Company has retained demining consultants, there is no guarantee that the presence of landmines or other dangers resulting from the past civil war would not impede access, progress, or safety of operations.

The Company may consider carrying political risk insurance to cover its activities on the Viogor-Zanik Project. There can be no assurance that, if the Company chose to obtain it, political risk insurance would be available to it, or that particular losses the Company may suffer with respect to its foreign investments will be covered by any insurance that it may obtain in the future. Any such losses could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Governmental Regulations

The activities of the Company in connection with the Drina Licenses are subject to the Republic of Srpska, Bosnia and Herzegovina approvals, various laws governing development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances, and other matters. Although the Issuer believes that activities on the Viogor-Zanik Project are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or production. Amendments to current laws and regulations governing operations and activities of mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the Drina Licenses and any future licenses and permits may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses and permits. In the event of revocation, the value of the Company's investments in the Viogor-Zanik Project will decline. If the Reporting Issuer does not comply with the laws and regulations of the Bosnia and Herzegovina, the Government could conduct a review into the activities of the Reporting Issuer and may issue decrees to revoke land use rights of the Company. The activities of the Company in connection with the Tera Balkanika doo Beograd License is subject to approvals, various laws governing development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances, and other matters of the Republic of Serbia. Likewise, the exploration activities of the Company in connection with the Saskatchewan uranium portfolio are subject to the approvals and are governed by the Crown Minerals Act (Saskatchewan) and the Mineral Tenure Registry Regulations (Saskatchewan), which are administered by the Saskatchewan Ministry of Energy and Resources. Mineral rights are owned by the Crown and are distinct from surface rights. The mineral tenures that constitute the optioned licences do not grant surface rights.

Regulatory Requirements in the Bosnia and Herzegovina

The proposed or future activities of the Company will require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land and water use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on the Viogor-Zanik Project.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in development and production operations may be required to compensate those suffering loss or damage by reason of the development and production activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures and development costs or require abandonment or delays in the development of the Viogor-Zanik Project, the Ceovishte licence or the portfolio of optioned properties in Saskatchewan, Canada.

The Company may encounter regulatory and/or permitting delays. The Company will utilize its best efforts to ensure timely application for any government permits necessary for conducting its operations in the Bosnia and Herzegovina. However, its past ability to obtain all necessary permits in a timely fashion is not a guarantee of future results as events like bureaucracy and minor changes in legislation that are beyond the Company’s control could substantially impede the timing of receiving essential permits and delay or stall the Company’s exploration efforts.

Environmental Risks

The Company’s exploration and development activities on the Bosnian, Serbian and Canadian Licences are, 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 and state 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 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.

If the environmental laws and regulations relating to the Company’s activities were to change, or the enforcement of such laws and regulations were to become more rigorous, the Company could be required to incur significant expenditures to comply, which could have a material adverse effect on its future cash, flows, earnings, results of operations and financial condition, its ability to develop projects further, and increase its reserves and resources.

The Company may also be required to establish a decommissioning and reclamation plan for the Viogor-Zanik Project. Provision made for the cost of decommissioning and reclamation can be significant and are subject to change. It cannot be predicted what level of decommissioning and reclamation may be required in the future by regulators. If the Company is required to comply with significant additional regulations or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

The Company conducted a comprehensive baseline environmental study in May of 2021 to establish the initial environmental parameters across the three licences which constitute the Viogor-Zanik project in Bosnia.

Canadian Regulatory Requirements

The Company will also be subject to Canadian regulations while operating in the Bosnia and Herzegovina and Serbia, specifically the Corruption of Foreign Public Officials Act (the “Anti-Corruption Legislation”). The Anti-Corruption

Legislation will prohibit the Company or any officer, director, employee or agent of the Company or any shareholder of the Company acting on its behalf from paying, offering to pay, or authorizing the payment of anything of value to any foreign government official, government staff member, political party, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The Anti-Corruption Legislation also requires Canadian public companies to make and keep books and records that accurately and fairly reflect their transactions and to devise and maintain an adequate system of internal accounting controls.

The Company's operations in the Bosnia and Herzegovina and Serbia may create the risk of unauthorized payments or offers of payments by the Company's employees, consultants or agents. Any failure by the Company and its subsidiaries to adopt appropriate compliance procedures and ensure that its employees and agents comply with the Anti-Corruption Legislation and applicable laws and regulations in foreign jurisdictions could result in substantial penalties or restrictions on the Reporting Issuer's ability to conduct business in certain foreign jurisdictions, which may have a material adverse impact on the Reporting Issuer and its share price.

License of the Viogor-Zanik Project

The Company owns the Bosnian Licenses of the Viogor-Zanik Project through its subsidiary corporation, Drina Resources doo Srebrenica. The Company's right to maintain and exercise the Drina Licenses will require payments to the government pursuant to the terms of the Drina's exploration right and obligations. There is no assurance that such rights provided for by the Viogor-Zanik licenses will not be revoked or significantly altered to the detriment of the Company. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties, including local governments. Though the Company may not be aware of any uncertainties in the Drina Licenses, there is no assurance that such uncertainties will not arise and result in future losses or additional expenditures, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

Substantial Capital Requirements and Liquidity

The Company will have limited financial resources and no revenues. If the Company's exploration and development of the Viogor-Zanik Project is successful, substantial additional funds will be required for the purposes of further development and future operations. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities on acceptable terms or at all. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and 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. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope and/or amend the timing of its development plans and/or operations.

No Mineral Resources or Reserves

The Viogor-Zanik Project and Terra's Serbian mineral exploration licence Ceovishte are jointly considered to be in the early exploration and development stage. As of the date of this Prospectus, no 43-101 compliant mineral resources have been defined at the Viogor-Zanik or Serbian Project. There is no certainty that further exploration and development will result in the definition of indicated, or measured resources, or probable or proven reserves, at the Viogor-Zanik Project, the Ceovishte Project, or any mineral exploration project that the Company pursues, or that if any mineral resources or reserves are defined at such projects that that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

Development and Operating Risks

The 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 which may be 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 evaluated in pilot conditions. Mineral development and production are speculative in nature.

The Company's operations will be subject to all of the hazards and risks normally encountered in the development and production of mineral properties. 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.

Reliance on Management and Dependence on Key Personnel

The success of the Company is currently largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

The Company may also experience difficulty acquiring visas for foreign workers and key personnel which could have a material adverse effect on the Company and its operations.

Health and Safety Risks

The Company must comply with the health and safety laws, regulations, guidelines and permitting requirements in Bosnia and Herzegovina and Serbia. These laws are in place to protect the health and safety of employees while working at the Viogor-Zanik Project. The possibility of more stringent laws or more rigorous enforcement of existing laws could have a material adverse effect on the Company's exploration activities and the viability of the Viogor-Zanik Project.

Limited Operating History

The Company will be a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from its activities. The Company will be 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 objectives.

Fluctuating Mineral Prices

The economics of mineral development are affected by many factors beyond the Company's control including, commodity prices, the cost of operations, and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is uneconomic to continue the Company's activities on the Viogor-Zanik Project.

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 metals which may be identified on the Viogor-Zanik Project.

Currency Fluctuations

Currency fluctuations may materially affect the financial position and results of the Company. The Company's earnings and cash flow may also be affected by fluctuations in the exchange rate between the Canadian dollar and other currencies, such as the Bosnian mark, the Serbian dinar, and the Euro. The Company will not engage in currency hedging to offset any risk of currency fluctuations.

Supply Chain Interruptions

Due to limited suppliers of equipment, materials, supplies and services available in the Bosnia and Herzegovina and in Serbia, any disruption at supplier facilities could result in curtailment or suspension of activities. Any disruption in the transportation of or restriction in the flow of these goods or the imposition of customs clearance requirements may result in production delays.

The Company is also exposed to price volatility in respect of key inputs, such as fuel. Increases in global fuel prices can materially increase operating costs, erode operating margins and project investment returns, and potentially reduce viable reserves. Conversely, a significant and sustained decline in world oil prices may offset other costs and improve returns.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Risks of Foreign Operations

The Company operates in countries with varied political and economic environments. Any changes in regulations or shifts in the political environment are beyond the control of the Company and may adversely affect its operations. Within Canada, the Company's activities may be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. Beyond Canada's borders, the Company's foreign operations are subject to certain risks including extreme fluctuations in currency, political and economic instability, risks of war or civil unrest, labour unrest, expropriation and nationalization, acts of terrorism, illegal mining and mineral exploration, government regulations that favour or require the country's domestic contractors, suppliers or resources, opposition from environmental or other non-governmental organizations and renegotiation or nullification of existing concessions, licenses, permits and contracts, all of which may affect the Company and its operations in varying degrees.

The Drina Licenses pertain to the Viogor-Zanik Project which is located in the Bosnia and Herzegovina. The Company's activities may be adversely affected by laws and policies of Canada affecting foreign trade, taxation, and investment. In the event of a dispute arising in connection with the Company's operations in the Bosnia and Herzegovina, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's development activities on the Viogor-Zanik Project could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company.

The Company has a license application with respect to an additional exploration project in Serbia pending before the Ministry of Mines and Energy of the Republic of Serbia and will in the future acquire resource properties and operations outside of the Bosnia and Herzegovina as part of its strategy to develop a portfolio of properties in the Balkan region. Such expansion may present challenges and risks that the Company has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Company.

Conflicts of Interest

Certain of the proposed directors and officers of the Company engage in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.

Uninsurable Risks

Development and production operations of mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes, and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company Shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Dividends

To date, the Company has not generated any earnings and or paid any dividends on their outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions. If the Company generates earnings in the foreseeable future, it expects that they would be retained to finance growth.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments – fair value

The Company's financial instruments consist of cash, receivables, accounts payable and accruals.

The carrying value of receivables, accounts payable and accruals, short-term deposits, due to related parties and advances payable approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets and liabilities are carried at amortized cost and belong to Level 2 of the fair value hierarchy. During the period ended October 31, 2024 there were no transfers between the level of fair value hierarchy.

Financial instruments – risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

(a) Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company has minimal receivables exposure as its refundable credits are due from the Serbian government.

(b) Interest rate risk

The Company is not exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. The Company's contractual cash outflows of its financial liabilities is approximate their carrying values and due within 0 to 12 months as of October 31, 2024 and October 31, 2023.

(d) Currency risk

As of October 31, 2024 of the Company's cash was held either in Canadian dollars, Bosnian Mark or Serbian Dinar. The Company incurs expenditures in Canada, Bosnia and Serbia, and as such is exposed to currency risk associated with these costs.

A change in the value of the Bosnian Mark and Serbian Dinar by 10% relative to the Canadian dollar would not have a significant impact on the Company's working capital and net loss for the period ended October 31, 2024, and October 31, 2023.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant and future accounting policies are detailed in Note 2 to the audited financial statements for the year ended January 31, 2024.

INVESTOR RELATIONS

All investor relations functions are performed by the Company management, employees and the consulting form Paradox PR from Montreal based on the IR contract dated June 20th, 2022.

PROPERTY TRANSACTIONS AND EXPLORATION

The Company is focused on growth through the acquisition and systematic advancement of established mineral exploration projects. The Company is a natural resource corporation principally engaged in the exploration and development of the Viogor-Zanik Project located in eastern Bosnia and Herzegovina. It also seeks to identify, investigate, evaluate and acquire other mineral property opportunities located in the Balkan region of Eastern Europe, and currently has one mineral property in Serbia, being the 80 km^2 Ceovishte Project, for applied geological research of lead, zinc, silver, copper, gold and any accompanying metals. It is also the intention of the Company to build a portfolio of properties in the Balkan region including lithium licences exploration in Bosnia.

Elsewhere, the Company seeks to advance exploration of an optioned portfolio of 596.71 km^2 in norther Saskatchewan where it focuses on primarily uranium but also gold, REE, nickel and copper. The option agreement with Fulcrum Metals plc of Birmingham, UK and stipulates that Terra Balcanica will complete minimum work expenditures totalling $3,250,000 prior to the fourth anniversary of the Option Agreement. Upon the exercise of the Option, Terra will grant Fulcrum a 1.0% net smelter returns royalty (“NSR”) on all claims with a buy-down option for half of the NSR, being a 0.5% NSR, for the cash payment of C$1,000,000.

The Company will target attributes that are favourable for the formation of Beaverlodge-style and basement-hosted uranium mineralization. Key geological factors include uranium- enriched metamorphic or intrusive bedrock, reactivated and graphitized structures, Athabasca Supergroup sandstone and overall favourable basement rock competency contrasts. Uranium mineralization is locally comprised of uranium oxides (e.g., uraninite) with subordinate uranium silicates (e.g., coffinite, uranophane) and secondary uranyl (oxy) hydroxides (e.g., curite).

TECHNICAL REVIEW

Technical information disclosed in this MD&A has been approved by the Aleksandar Miskovic, PhD., a “Qualified Person” as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

SHARE CAPITAL INFORMATION

The authorized share capital of The Company consists of the following classes of shares:

An unlimited number of common shares and preferred shares without par value.

As of October 31, 2024, the Company issued share capital consisted of 46,589,142 common shares. As of December 20, 2024, the Company issued share capital consisted of 46,589,142.

Stock Options

As of October 31, 2024 and September 30, 2024, the Company has 1,466,667 stock options outstanding.

Warrants

As of October 31, 2024 the Company had 16,749,132 warrants outstanding. As of December 20, 2024, the Company has 16,749,132 warrants outstanding.

CORPORATE INFORMATION

Aleksandar (Alex) Miskovic, Montreal, QC	Chief Executive Officer and Director
Giulio Bonifacio, Vancouver, BC	Chairman and Director
Brandon Bonifacio, Vancouver, BC	Director
Kim Oishi, Vancouver, BC	Director
Aleksandar Ilic, Serbia	Director
Catherine Cox, Vancouver, BC	Corporate Secretary
Stephen Brohman, Port Moody, BC	Chief Financial Officer

Auditors
Kreston GTA LLP
8953 Woodbine Avenue
Markham, Ontario L3R 0J9