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RED CANYON RESOURCES LTD.

INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024

The following interim MD&A – Quarterly Highlights of the financial position of Red Canyon Resources Ltd. ("the Company") and results of operations of the Company should be read in conjunction with the unaudited condensed interim consolidated financial statements including the notes thereto for the period ending June 30, 2024 and the audited consolidated financial statements for the year ending December 31, 2023.

The accompanying unaudited condensed interim consolidated financial statements and related notes are presented in accordance with International Financial Reporting Standards for interim financial statements and accordingly do not include all disclosures required for annual financial statements. These statements, together with the following interim MD&A – Quarterly Highlights dated **August 29, 2024** ("Report Date"), 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 the potential future performance. The information in the interim MD&A – quarterly highlights may contain forward-looking statements.

These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

Economic and industry factors are substantially unchanged with respect to a comparison of the Company's interim consolidated financial condition to the consolidated financial condition as at the most recently completed financial year end.

1. CORE BUSINESS

Red Canyon Resources Ltd. ("Red Canyon" or the "Company") was incorporated on October 2, 2020 under the laws of British Columbia. The Company's principal business activities include the acquisition and exploration of mineral property assets in North America. The address of the Company's corporate office and its principal place of business is Suite 1210 – 1130 West Pender Street, Vancouver, British Columbia, Canada. The Company's shares were approved for trading on the Canadian Securities Exchange ("CSE") under the symbol "REDC" on October 25, 2023 and on the OTCQB under the symbol "REDRF" on May 1, 2024.

The Company has one wholly owned subsidiary: RC Metals Inc. The accounts of the subsidiary are consolidated with the Company.

The Company is focused on mineral exploration in British Columbia and the western United States. The Company holds 100% interest in four copper related properties in British Columbia, three copper-gold-molybdenum properties in Nevada, and a copper-gold property in Utah as follows:

- British Columbia – **Peak** (Cariboo Regional District), **SP** (Cariboo Regional District), **Kendal** (Kitimat-Stikine Regional District), **Ping** (Fraser-Fort George Regional District);
- Nevada – **Scraper Springs** (Elko County), **Gray Hills** (Lyon County), **Oxford** (Lyon County); and
- Utah – **Keg** (Juab County).

See Section 7.1 "Exploration and Evaluation Activities" below for a description of the properties and the work programs.

2. FINANCIAL CONDITION

As at June 30, 2024, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a net loss of $161,214 for the six months ended June 30, 2024 (2023: $178,432) and, as of that date, the Company had an accumulated deficit of $1,001,896. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company had a working capital surplus of $2,185,757 at June 30, 2024 (December 31, 2023: $781,535) which includes a flow-through premium liability of $460,841 that will be settled when the Company incurs eligible "Canadian Exploration Expenses" ("CEE") that are Qualifying Expenses within the meaning of the Tax Act for flow-through ("FT") shares.

Cash was $2,720,548 at June 30, 2024 (December 31, 2023: $968,620). Restricted cash was $20,075 at June 30, 2024 (December 31, 2023: $20,763) and consists of a savings account held at a financial institution as security against a company credit card. The Company's sources and uses of cash are discussed in Section 4 "Cash Flows" below.

Amounts and other receivable of $24,802 at June 30, 2024 (December 31, 2023: $46,013) consist of GST input tax credits and office expense recoveries.

Prepaid expenses of $37,968 at June 30, 2024 (December 31, 2023: $19,928) include normal operating expenses such as listing fees, insurance, investor communications, travel and office.

Reclamation bonds of $120,000 at June 30, 2024 (December 31, 2023: $120,000) held by the Province of British Columbia in connection with the Peak, Kendal, Ping and SP projects are returnable to the Company only after the government agencies are satisfied that there is no outstanding reclamation liability associated with the land.

Equipment of $1,976 at June 30, 2024 (December 31, 2023: $2,254) consists of computer and field equipment.

Exploration and evaluation assets of $2,491,323 at June 30, 2024 (December 31, 2023: $1,920,710) consist of acquisition and exploration expenditures on the Company's mineral properties and are discussed in Section 7 "Exploration and Evaluation Activities" below.

Trade and other payables were $156,795 at June 30, 2024 (December 31, 2023: $63,208). Trade and other payables are unsecured and are usually paid within 30 days of recognition. Included in trade and other payables is $9,100 (December 31, 2023: $1,491) due to related parties which consists of amounts owed to directors and a significant shareholder for salary and expense reimbursements. Also included in trade and other payables is $2,984 (December 31, 2023: $5,243) due to a company with common directors for rent and office expenses.

2024 Flow-Through Unit Offering

During the period ended June 30, 2024, the Company raised gross proceeds of $953,568 through a flow-through ("FT") unit offering (the "2024 FT Unit Offering") that is to be used to incur eligible CEE that are Qualifying Expenses within the meaning of the Tax Act for FT shares. The Company is committed to renounce $953,542 in Qualifying Expenses at December 31, 2024 and is committed to incur such expenses by December 31, 2025. As at June 30, 2024, the Company had a remaining commitment to incur $953,542 in Qualifying Expenses in connection with the 2024 FT Unit Offering.

During the period ended June 30, 2024, the Company recorded aggregate FT premium liability of $385,338 (2023: $471,235) on the 2024 FT Unit Offering which will be settled when the Company incurs the CEE.

2023 Flow-Through Unit Offerings

During the year ended December 31, 2023, the Company raised gross proceeds of $1,291,705 through FT unit offerings (the "2023 FT Unit Offerings") that are to be used to incur eligible CEE that are Qualifying Expenses within the meaning of the Tax Act for FT shares. The Company renounced $1,291,668 in Qualifying Expenses at December 31, 2023 and is committed to incur such expenses by December 31, 2024.

During the period ended June 30, 2024, the Company incurred $370,108 (year ended December 31, 2023: $695,057) in Qualifying Expenses in connection with the 2023 FT Unit Offerings and recognized $135,078 (year ended December 31, 2023: $260,654) in FT share premium income. As at June 30, 2024, the Company had a remaining commitment to incur $226,503 (December 31, 2023: $596,611) in Qualifying Expenses in connection with the 2023 FT Unit Offerings and the remaining flow-through premium liability was $75,503 (December 31, 2023: $210,581). During the period ended June 30, 2024, the Company recorded $10,090 in Part XII.6 tax on the remaining expenditure commitment.

3. FINANCIAL PERFORMANCE

The Company has one operating segment, the exploration of mineral properties, and two geographical segments, with current exploration activities being conducted in both Canada and the United States.

Because the Company is in the exploration stage, it did not earn any revenue from production and its expenses relate to the costs of operating a private company of its size until its listing on the CSE in October 2023, following which its operating expenses increased. Net loss for the six months ended June 30, 2024 was $161,214 and comprehensive loss after cumulative translation adjustment was $165,189 or $0.00 per share, compared to a net loss of $178,432 and comprehensive loss of $177,074 for the six months ended June 30, 2023 or $0.01 per share. Net loss for the three months ended June 30, 2024 was $30,556 and comprehensive loss after cumulative translation adjustment was $31,807 or $0.00 per share, compared to a net loss of $113,182 and comprehensive loss of $111,859 for the three months ended June 30, 2023 or $0.00 per share.

3.1 Total expenses for the six months ended June 30, 2024

Total expenses for the six months ended June 30, 2024 were $332,292 compared to total expenses of $172,127 for the six months ended June 30, 2023.

Employee costs were $159,832 for the six months ended June 30, 2024 compared to $120,702 in employee costs recorded in the 2023 comparative period. Employee costs consist of consulting fees, management, salaries and benefits and share-based payments. The following is a breakdown of material components of the Company's employee costs for the six months ended June 30, 2024 and 2023.

	Six months ended June 30, 2024 $	Six months ended June 30, 2023 $
Consulting fees	33,682	640
Management	66,295	42,723
Salaries and benefits	59,855	40,032
Share-based payments	-	37,307
	159,832	120,702

Included in consulting fees during the period ended June 30, 2024 is $32,253 paid to advisors in connection with the Company's listing on the OTCQB and DTC eligibility submission.

Management expenses consist of salary allocations paid to the CEO, CFO and director's fees of $5,000 per month effective September 1, 2023. Management fees increased during the current financial period in support of the Company's operational development.

Salaries and benefits consist of salaries paid to the CFO and employees of the Canadian head office, employer payroll expenses, group health premiums and WorkSafeBC premiums. Salaries and benefits increased during the current financial period in support of the Company's operational development.

Share-based payments for the 2023 comparative period record the fair value of 250,000 stock options granted during the period.

Filing fees were $19,315 for the six months ended June 30, 2024 compared to $2,318 in filing fees recorded for the 2023 comparative period and include $14,978 in CSE sustaining fees and OTCQB listing fees.

General exploration expenses were $34,982 for the six months ended June 30, 2024 compared to $24,236 in general exploration expenses recorded for the 2023 comparative period. General exploration expenses include project generation costs.

Investor communication expenses were $40,029 for the six months ended June 30, 2024 compared to $942 in expenses incurred during the 2023 comparative period. An investor communications program was undertaken to increase the profile of the Company upon its public listing. The following is a breakdown of the Company's investor communication expenses for the six months ended June 30, 2024 and 2023.

	Six months ended June 30, 2024 $	Six months ended June 30, 2023 $
Advertising	7,340	183
News releases	1,575	-
Trade shows and conferences	28,867	759
Transfer agent	2,190	-

Website	57	-
	40,029	942

Legal fees were $4,953 for the six months ended June 30, 2024 compared to $1,465 in legal fees recorded for the 2023 comparative period. Legal fees of $3,384 were incurred in connection with the Company's DTC eligibility application, and the balance relates to general corporate and commercial matters.

Office expenses were $46,904 for the six months ended June 30, 2024 compared to $15,660 in expenses recorded for the 2023 comparative period. Office expenses increased to support the Company's corporate development. Insurance consists of directors and officers liability and commercial general liability policies purchased upon public listing. Meals and entertainment expenses were incurred in connection with investor relations activities and the Company expanded its office premises rental. The following is a breakdown of the Company's office expenses for the six months ended June 30, 2024 and 2023.

	Six months ended June 30, 2024 $	**Six months ended June 30, 2023 $**
Bank charges and interest	1,449	883
Insurance	8,360	-
IT and web	3,246	3,585
Meals and entertainment	11,722	1,602
Office supplies and expenses	4,686	2,912
Rent	16,260	6,000
Telephone	1,181	678
	46,904	15,660

Travel expenses were $20,040 for the six months ended June 30, 2024 compared to $5,088 in expenses recorded for the 2023 comparative period. Travel expenses were incurred to attend trade shows and conferences.

3.2 Total expenses for the three months ended June 30, 2024

Total expenses for the three months ended June 30, 2024 were $161,820 compared to total expenses of $106,170 for the three months ended June 30, 2023.

Employee costs were $68,041 for the three months ended June 30, 2024 compared to $82,680 in employee costs recorded in the 2023 comparative period. Employee costs consist of consulting fees, management, salaries and benefits and share-based payments. The following is a breakdown of material components of the Company's employee costs for the three months ended June 30, 2024 and 2023.

	Three months ended June 30, 2024 $	**Three months ended June 30, 2023 $**
Consulting fees	525	376
Management	32,880	20,331
Salaries and benefits	34,636	24,666
Share-based payments	-	37,307
	68,041	82,680

Management expenses consist of salary allocations paid to the CEO, CFO and director's fees of $5,000 per month effective September 1, 2023. Management fees increased during the current financial period in support of the Company's operational development.

Salaries and benefits consist of salaries paid to the CFO and employees of the Canadian head office, employer payroll expenses, group health premiums and WorkSafeBC premiums. Salaries and benefits increased during the current financial period in support of the Company's operational development.

Share-based payments for the 2023 comparative period record the fair value of 250,000 stock options granted during the period.

Filing fees were $9,914 for the three months ended June 30, 2024 compared to $2,318 in filing fees recorded for the 2023 comparative period and include $5,803 (2023: $nil) in CSE sustaining fees and OTCQB listing fees; $3,015 (2023: $nil) in annual financial statements filing; and $896 (2023: $2,096) in filing reports of exempt distribution.

General exploration expenses were $9,015 for the three months ended June 30, 2024 compared to $9,157 in general exploration expenses recorded for the 2023 comparative period. General exploration expenses include project generation costs.

Investor communication expenses were $31,770 for the three months ended June 30, 2024 compared to $275 in expenses incurred during the 2023 comparative period. An investor communications program was undertaken to increase the profile of the Company upon its public listing. The following is a breakdown of the Company's investor communication expenses for the three months ended June 30, 2024 and 2023.

	Three months ended June 30, 2024 $	**Three months ended June 30, 2023 $**
Advertising	1,199	-
News releases	788	-
Trade shows and conferences	27,986	275
Transfer agent	1,740	-
Website	57	-
	31,770	275

Legal fees were $587 for the three months ended June 30, 2024 compared to $1,465 in legal fees recorded for the 2023 comparative period and were incurred in connection with general corporate and commercial matters.

Office expenses were $27,584 for the three months ended June 30, 2024 compared to $8,175 in expenses recorded for the 2023 comparative period. Office expenses increased to support the Company's corporate development. Insurance consists of directors and officers liability and commercial general liability policies purchased upon public listing. Meals and entertainment expenses were incurred in connection with investor relations activities and the Company expanded its office premises rental. The following is a breakdown of the Company's office expenses for the three months ended June 30, 2024 and 2023.

	Three months ended June 30, 2024 $	**Three months ended June 30, 2023 $**
Bank charges and interest	874	603
Insurance	4,606	-
IT and web	1,858	1,853

Meals and entertainment	8,127	781
Office supplies and expenses	2,208	1,623
Rent	9,240	3,000
Telephone	671	315
	27,584	8,175

Travel expenses were $8,936 for the three months ended June 30, 2024 compared to $451 in expenses recorded for the 2023 comparative period. Travel expenses were incurred to attend trade shows and conferences.

3.3 Total other income and expenses for the three and six months ended June 30, 2024

FT share premium income of $119,498 (2023: $nil) and $135,078 (2023: $nil) was recognized during the three and six months ended June 30, 2024 upon incurrence of $328,564 (2023: $nil) and $370,108 (2023: $nil) of eligible CEE respectively.

Finance income of $9,355 (2023: $11,274) and $14,519 (2023: $12,428) recorded during the three and six months ended June 30, 2024 respectively consists of bank interest on savings accounts.

Foreign exchange gains and losses arise from transactions denominated in U.S. dollars, the functional currency of the Company's subsidiary.

Part XII.6 tax of $5,332 (2023: $nil) and $10,090 (2023: $nil) was recorded during the three and six months ended June 30, 2024 respectively.

Impairment of $1,994 (2023: $nil) recorded during the three and six months ended June 30, 2024 relate to the relinquishment of certain Peak and Ping mineral claims.

4. CASH FLOWS

The Company is in the exploration and evaluation stage and as such does not earn any revenue from production. Total cash used in operating activities was $322,396 for the six months ended June 30, 2024 compared to cash used of $166,925 during the 2023 comparative period. The Company incurred net loss of $161,214 with adjustments to add back items not involving cash (depreciation, foreign exchange, flow-through share premium income, impairment and share-based payments) and adjustments for non-cash working capital items (amounts receivable, prepaid expenses, trade and other payables) to calculate the cash used in operating activities.

Total cash flows used in investing activities were $452,161 during the six months ended June 30, 2024 and consist of expenditures on exploration and evaluation assets. Total cash flows used in investing activities were $346,424 during the six months ended June 30, 2023 and consist of $222,920 in expenditures on exploration and evaluation assets, $120,000 paid in deposits for reclamation bonds, and $3,504 paid for purchase of equipment.

Total cash flows provided by financing activities were $2,525,084 for the six months ended June 30, 2024 and consist of $2,560,078 in proceeds from share issuances less $34,994 in share issuance costs. Total cash flows provided by financing activities were $2,393,111 for the six months ended June 30, 2023 and consist of $2,430,865 in proceeds from share issuances less $37,754 in share issuance costs.

5. SELECTED ANNUAL INFORMATION

N/A

6. MAJOR OPERATING MILESTONES

6.1 Period from January 1 to June 30, 2024

Effective February 27, 2024, the Company entered into an Exploration Lease and Option to Purchase Agreement with an arm's length party under which the Company is granted exclusive mineral and surface rights to certain private lands within the boundaries of the Scraper Springs property for a 30-year term with an option to purchase the Property.

On March 21, 2024, 25,000 stock options exercisable at $0.10 per share were cancelled.

On May 1, 2024, the Company's common shares commenced trading on the OTCQB under the symbol "REDRF".

On May 17, 2024, the Company entered into an Exploration Lease and Option to Purchase Agreement of the Oxford property located in Lyon County, Nevada.

On May 27, 2024, the Company issued 100,000 common shares pursuant to the exercise of 100,000 stock options priced at $0.10 for gross proceeds of $10,000.

During May 2024, the Company staked 50 mineral claims totalling 418 hectares in Lyon County, Nevada that comprise the Gray Hills property.

On June 4, 2024, the Company completed a non-brokered private placement (the "2024 Unit Offering") consisting of 7,259,728 units priced at $0.22 (each, a "Unit") for gross proceeds of $1,597,140. Each Unit is comprised of one common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.30 per share for a two year term.

On June 13, 2024, the Company completed a non-brokered private placement (the "2024 Charity FT Unit Offering") consisting of 2,580,000 charity flow-through units (each, a "2024 CFT Unit") of the Company priced at $0.3696 for gross proceeds of $953,568. Each 2024 CFT Unit is comprised of one flow-through common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.30 per share for a two year term. The Company recorded a flow-through premium liability of $385,338.

During the second quarter of 2024, the Company drilled four first pass diamond drill holes totaling 1,310 metres at the Company's Peak copper-gold project in central British Columbia.

6.2 Period from July 1, 2024 to the Date of this Report

On August 1, 2024, 25,000 options exercisable at $0.10 per share were cancelled.

On August 3, 2024, the Company allowed its Cooper project claims in central British Columbia to lapse.

In August 2024, the Company initiated a diamond drill program consisting of 4 to 6 drill holes totalling up to 2,500 metres at its 100% owned Kendal project in west-central British Columbia.

7. Exploration and Evaluation Activities

7.1 Exploration and Evaluation Activities for the Six Months Ended June 30, 2024

The Company is in the mineral exploration stage and as such has no revenues. Mineral interests in the form of exploration and acquisition costs totalled $2,491,323 as at June 30, 2024 (December 31, 2023: $1,920,710).

Total costs incurred on exploration and evaluation assets for the periods ended June 30, 2024 and 2023 are summarized as follows:

	British Columbia $	Nevada $	Utah $	Total $
Acquisition costs				
Balance, December 31, 2022	33,611	233,248	143,058	409,917
Additions	2,961	-	1,731	4,692
Foreign exchange	-	(5,235)	(3,248)	(8,483)
Balance, June 30, 2023	36,572	228,013	141,541	406,126
Exploration costs				
Balance, December 31, 2022	449,584	155,764	121	605,469
Additions				
Drilling	-	5,525	-	5,525
Geology	87,516	14,362	9,079	110,957
Mapping and sampling	4,356	-	-	4,356
Project manager	18,826	-	-	18,826
Reports	1,600	-	-	1,600
	112,298	19,887	9,079	141,264
Foreign exchange	-	(3,804)	(133)	(3,937)
Balance, June 30, 2023	561,882	171,847	9,067	742,796
Total acquisition costs and exploration expenditures				
June 30, 2023	598,454	399,860	150,608	1,148,922

	British Columbia $	Nevada $	Utah $	Total $
Acquisition costs				
Balance, December 31, 2023	42,865	272,267	155,333	470,465
Additions	1,624	100,349	1,751	103,724
Impairment	(1,993)	-	-	(1,993)
Foreign exchange	-	9,962	5,415	15,377
Balance, June 30, 2024	42,496	382,578	162,499	587,573
Exploration costs				
Balance, December 31, 2023	1,239,044	202,144	9,057	1,450,245
Additions				
Community relations	4,679	-	-	4,679
Drilling	289,210	-	-	289,210
Geology	95,019	10,895	-	105,914
Geophysics	-	15,508	-	15,508
Prospecting, mapping, sampling	3,520	2,163	-	5,683
Project manager	25,053	-	-	25,053

	417,481	28,566	-	446,047
Foreign exchange	-	7,142	316	7,458
Balance, June 30, 2024	1,656,525	237,852	9,373	1,903,750
Total acquisition costs and exploration expenditures				
June 30, 2024	1,699,021	620,430	171,872	2,491,323

7.2 Peak (Cariboo Regional District, British Columbia)

As at June 30, 2024, Peak was comprised of 14 mineral claims totalling 6,560 hectares located in south central British Columbia, approximately 30 km northeast of Williams Lake. The claims were acquired by staking with the exception of one claim purchased from an arm's length vendor for $575 and a 1% net smelter return ("NSR") royalty that the Company may purchase for $1,000,000 at any time. During the period ended June 30, 2024, the Company elected not to maintain one claim totalling 158 hectares and it was forfeited on May 11, 2024, resulting in the write off of $276 in acquisition costs.

During the period ended June 30, 2024, the Company expended $1,624 in acquisition costs (2023: $1,901) and $359,918 in exploration costs (2023: $30,804) on Peak which included community relations and a drill program. As at June 30, 2024, total acquisition and exploration expenditures recorded on Peak was $810,855 (2023: $311,719).

About the Peak Property

The Peak property is located in the Cariboo region of southcentral British Columbia, approximately 30 km northeast of the City of Williams Lake. Peak is a large, 6,560-hectare, strategic land position situated in a copper district with active large scale mining operations and excellent infrastructure. The Project is located approximately 28 km southwest of the Mount Polley copper-gold mine and 20 km southeast of the Gibraltar copper-molybdenum mine.

A series of complex magnetic highs spanning over approximately 15 km of interpreted Quesnellia Island Arc Terrane have been identified using magnetic inversion modeling and are considered by the Company to be prospective for copper-gold. Project wide soil geochemistry has outlined anomalous areas of copper associated with magnetic features that may reflect the presence of porphyry-type intrusions in the bedrock. An IP geophysical survey, which focused on coincident magnetic features with elevated copper in soils, was completed by the Company in 2023. Four of the seven targets tested show IP chargeability highs coincident with elevated copper geochemistry and interpreted intrusion related magnetic features.

The Company's primary drill-ready target is at Peak Central, which represents an area of complex magnetic highs and lows associated with altered and mineralized porphyritic rocks. A previous IP survey at Peak Central outlined a large chargeability zone and a deep resistive centre, west of outcropping copper bearing porphyritic rocks grading up to 2% copper.

Additional information on the Peak project can be found in the NI 43-101 Technical Report dated May 1, 2023, as filed on SEDAR+ at www.sedarplus.ca.

2024 Work Program - Peak

Work completed during the period ended June 30, 2024 includes compilation of data and report writing relating to the Peak project assessment report and the completion of an initial diamond drill program.

The Company drilled four first pass diamond drill holes totaling 1,310 metres. This initial program tested the main Peak Central target with three holes and the 6S target with one hole.

Drill holes at Peak Central intersected a series of mixed sediments including black graphitic shales, sandstones, and polymictic conglomerates. The sedimentary package is intruded throughout by a series of porphyry dykes. The highly chargeable zone outlined by IP geophysics is likely due to graphitic sediments and zones with up to 5% pyrite. In addition, a deep resistive centre targeted in RC-PG-02 is interpreted to be caused by quartz-rich sandstones, conglomerates and late porphyry dykes. Both the high chargeability and high resistivity anomalies targeted by drilling are not considered to be associated with an intrusive centre at Peak Central. A source of copper mineralization found on surface to the east of recent drilling by Red Canyon remains unknown. However, drill hole RC-PC-01 intersected an altered megacrystic alkaline porphyry dyke that contains quartz veining and minor sulphides. This rock is encouraging in that the intense sericitic alteration and associated veining is typical of that associated with a possible mineralized porphyry system.

The Company tested the 6S target north of Peak Central with one drill hole. Graphitic sediments with sulphides, predominately pyrite with trace chalcopyrite are interpreted to be the cause of the associated chargeability high at 6S. Elevated copper geochemistry surrounding the 6S area is possibly related minor chalcopyrite identified in the sediments. No further work is planned on the 6S target.

For more information on the Peak drill program, refer to the Company's news releases dated May 30, 2024 and August 15, 2024.

7.3 SP (Cariboo Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the SP property, which it acquired by way of staking. At June 30, 2024, SP was comprised of four mineral claims totalling approximately 3,763 hectares located in south central British Columbia approximately 50 km northeast of Williams Lake.

During the period ended June 30, 2024, the Company expended $nil in acquisition costs (2023: $nil) and $3,453 in exploration costs (2023: $7,275) on SP. As at June 30, 2024, total acquisition and exploration expenditures recorded on SP was $89,335 (2023: $47,964).

About the SP Property

The SP Project located in the South Cariboo region in the south-central British Columbia covers a strategic land position of 3,763 hectares underlain by geology of the Quesnel Terrane. The Project area is located 6 km southwest of the Mount Polley copper-gold mine within geologically similar rocks. Previous exploration at SP has identified areas of anomalous copper and gold soil geochemistry, coincident with large magnetic highs that may indicate the presence of porphyry-related intrusive rocks, similar to copper-bearing rocks elsewhere in Quesnellia.

2024 Work Program - SP

No major work was completed during the period.

7.4 Kendal (Kitimat-Stikine Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Kendal property, which it acquired by way of staking. At June 30, 2024, Kendal was comprised of five mineral claims totalling approximately 2,738 hectares located in west central British Columbia approximately 25 km northeast of Terrace.

During the period ended June 30, 2024, the Company expended $nil in acquisition costs (2023: $nil) and $41,576 in exploration costs (2023: $38,197) on Kendal. As at June 30, 2024, total acquisition and exploration expenditures recorded on Kendal was $235,179 (2023: $106,232).

About the Kendal Property

The Kendal Project comprises five mineral claims totalling 2,738 hectares located in west-central British Columbia, approximately 25 km northeast of the city of Terrace, a regional infrastructure hub with a well-serviced airport. Infrastructure is excellent with four intersecting highways, hydroelectric power and rail corridors and port facilities approximately 120 km to the west at Prince Rupert. The project has direct road access, only 3.5 km from Highway 16.

A key focus of the Kendal project is the large 2.5 x 1.5 km zone of hydrothermal alteration, manifested as a phyllic zone associated with an interpreted mineralized porphyry intrusion. The Company has completed detailed geological interpretation, a lithogeochemistry vectoring study, magnetic inversion modeling and radiometric studies. These technical studies have significantly enhanced our confidence that Kendal may represent a newly discovered, never drilled, copper porphyry system.

In the fourth quarter of 2023, a lithogeochemical vectoring study including approximately 200 specimens of variably altered and randomly mineralized whole rocks were collected within the area of interest. Interpretation of Kendal data suggests that the current level of erosion is potentially in close proximity to the most prospective potassic alteration zone, suggesting that the top of a copper porphyry system could be near-surface.

The area is underlain by Latest Triassic-Early Jurassic Hazelton Group volcanic rocks that are intruded by coeval plutons, then by later stocks and dykes associated with the Cretaceous to Tertiary Coast Plutonic Complex.

Previous mapping and sampling also identified propyllitically altered porphyritic rock and breccia zones with widespread anomalous copper geochemical values and highs up to 0.75% copper in rock. The Company interprets that the current level of erosion at Kendal is likely above a more prospective potassic alteration zone, suggesting that the main part of the copper system is preserved and could be open laterally and at depth.

2024 Work Program - Kendal

Work completed during the period ended June 30, 2024 includes compilation and analysis of data related to a detailed rock lithochemistry program completed in the fourth quarter of 2023 and Planning for a first pass diamond drill program in the third quarter of 2024.

Planned drilling will target an interpreted copper porphyry system, represented by significant altered and mineralized volcanic and porphyritic rocks exposed over 2.5 x 1.5 km. Recent lithogeochemical studies suggest the erosional level of the porphyry system at the base of Kendal creek could be directly above and in close proximity to the modelled zone of copper mineralization.

For more information on the Kendal drill program, refer to the Company’s news release dated August 15, 2024.

7.5 Ping (Fraser-Fort George Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Ping property, which it acquired by way of staking. At June 30, 2024, Ping was comprised of five mineral claims totalling approximately 4,427 hectares located in south central British Columbia approximately 50 km northwest of Prince George. During the period ended June 30, 2024, the Company elected not to maintain one claim totalling 981 hectares and it was forfeited on June 1, 2024, resulting in the write off of $1,717 in acquisition costs.

During the period ended June 30, 2024, the Company expended $nil in acquisition costs (2023: $1,060) and $12,324 in exploration costs (2023: $29,455) on Ping. As at June 30, 2024, total acquisition and exploration expenditures recorded on Ping was $542,187 (2023: $98,469).

About the Ping Property

The Ping Project, situated in the central British Columbia, in the northern Cariboo region, covers a strategic land position of 4,427 hectares underlain by geology of the Quesnel Terrane. Regional geological mapping situates the Ping Project on the western boundary of the Takla volcanics, which hosts multiple copper porphyry systems in British Columbia. Previous exploration conducted on the property includes MMI (Mobile Metal Ion) soil geochemistry, an extensive aeromagnetic survey, and IP geophysics. The Company has compiled data from these surveys and has identified multiple targets that may represent copper porphyry intrusive rocks.

Within the Ping Project, the Ping South property comprises four contiguous mineral claims covering 3,821 hectares in north-central British Columbia, located approximately 50 km NW of the City of Prince George. Ping South lies within the Quesnellia Island Arc Terrane which hosts numerous deposits of alkalic porphyry gold-copper style mineralization, including Mount Polley and Mt. Milligan. The Company believes this underexplored area of the Quesnellia Terrane presents a significant opportunity to use advanced geoscience to identify new copper deposits masked by the till cover.

The Ping South area is within an elevated magnetic portion of a 25 km long northwest-trending positive magnetic feature. The feature is also partly correlative with the western margin of a 90 km by 15 km north-trending gravity high that is co-spatial with the western margin of a conductivity (VTEM) low. These coincident geophysical features share comparable characteristics to regional geophysical responses from several British Columbia copper deposits.

Access to the property is excellent via a well-maintained logging road network. Main haul roads run to the north and south of the Ping South claims.

In the fourth quarter of 2023, the Company conducted a first pass diamond drill program, completing four diamond drill holes totalling 665 m, and testing one of three interpreted alkalic copper-gold porphyry targets. Drill hole RCPG-23-003, collared on the edge of an interpreted intrusive related magnetic feature, intercepted a sericite/pyrite altered, quartz-rich porphyry intrusion from the beginning of bedrock to the end of the hole. Intersecting a new porphyry intrusion in this glacial till covered area of the Quesnellia Island Arc Terrane is considered technically positive. For more information on the drill program, refer to the Company's news releases dated October 25, 2023 and January 22, 2024.

2024 Work Program - Ping

No major work was completed during the period.

7.6 Cooper (Cariboo Regional District, British Columbia)

The Company owned a 100% royalty-free interest in the Cooper property, which it acquired by way of staking. At June 30, 2024, Cooper was comprised of eight mineral claims totalling 5,445 hectares located in south central British Columbia, approximately 50 km northeast of the municipality of 100 Mile House.

During the period ended June 30, 2024, the Company expended $nil in acquisition costs (2023: $nil) and $210 in exploration costs (2023: $nil) on Cooper. As at June 30, 2024, total acquisition and exploration expenditures recorded on Cooper was $21,465 (2023: $nil).

Subsequent to period end, the Company elected not to maintain the claims and they were forfeited on August 3, 2024. Initial work at Cooper failed to replicate previous operators' sampling results and validate the geological interpretation.

7.7 Scraper Springs (Elko County, Nevada)

The Company holds a 100% interest in the Scraper Springs property, which at June 30, 2024 was comprised of 190 mineral claims totalling approximately 1,589 hectares located in Elko County, Nevada. The property was originally acquired pursuant to a property purchase and sale agreement dated February 22, 2021 for consideration of $100,000 and is subject to a 2% NSR royalty. The Company has staked additional claims on Federal Bureau of Land Management ("BLM") land to expand the property.

The Company has entered into an Exploration Lease and Option to Purchase Agreement (the "Agreement") with an arm's length party effective February 27, 2024 (the "Effective Date") under which the Company is granted exclusive mineral and surface rights to certain private lands (the "Property") within the boundaries of the Scraper Springs property for a 30-year term with an option to purchase the Property for US$2,375,000, for consideration of US$10,000 paid upon execution of the letter of intent and the Agreement, annual lease payments ranging from US$5,000 to US$80,000 over the term of the lease, a surface disturbance fee, and a NSR royalty of 4% which the Company may purchase the first 2% for US$500,000 and the second 2% for US$1,000,000 at any time prior to commercial production.

During the period ended June 30, 2024, the Company expended $7,848 in acquisition costs (2023: $nil) and $9,271 in exploration costs (2023: $19,887) on Scraper Springs which included geological review. As at June 30, 2024, total acquisition and exploration expenditures recorded on Scraper Springs was $508,257 (2023: $399,860).

About the Scraper Springs Property

The Scraper Springs Project is located in northern Nevada approximately 125 km from the cities of Winnemucca and Elko. The project occurs at the northernmost exposure of Paleozoic rocks in the north-central Nevada Carlin Trend in Elko County, Nevada. Scraper Springs is interpreted to host high temperature alteration minerology overlying a potential porphyry mineralizing system at depth. The approximate 4 km x 4 km alteration footprint surrounding the Scraper Springs target is comparable in scope to some of the world's largest copper deposits.

Previous operators at Scraper Springs mostly targeted shallow, high-grade gold systems or Carlin-related gold systems. A reinterpretation of the alteration and geology at the Project by Red Canyon and third-party consultants suggests high-temperature, low-pH clays and Eocene-aged intrusions at Scraper Springs could be associated with a deeper, large-scale copper system. In 2022, Red Canyon completed a deep IP survey at the Project, which outlined a significant, chargeable zone not previously drill tested. One historical drill hole approximately 1.5 km east of this new chargeability target intersected strong propylitic alteration and ended in anomalous copper mineralization with values up to 0.17% copper.

The Company views Scraper Springs as an important, high-profile copper project with excellent discovery potential.

Additional information on the Scraper Springs project can be found in the NI 43-101 Technical Report dated September 26, 2023, as filed on SEDAR+ at www.sedarplus.ca.

2024 Work Program – Scraper Springs

Plans are underway to conduct expanded IP and gravity geophysical surveys at Scraper Springs. The Company expects to expand on a deep penetrating IP geophysical line previously completed by Red Canyon in 2022. A series of parallel lines and one cross-line are planned to better define the extent of a large, previously identified chargeable target. In addition, the Company has commissioned Fathom Geophysics to complete a 3D magnetic inversion model at Scraper Springs prior to the expanded IP and gravity program.

7.8 Oxford (Lyon County, Nevada)

The Oxford property is comprised of 80 mineral claims totalling 670 hectares located in Lyon County, Nevada. The Company has entered into an Exploration Lease and Option to Purchase Agreement with an arm's length party effective May 17, 2024 (the "Effective Date") under which the Company is granted the exclusive right to explore for and develop minerals on the property for a 20-year term.

During the period ended June 30, 2024, the Company expended $71,045 in acquisition costs (2023: $nil) and $16,029 in exploration costs (2023: $nil) on Oxford. As at June 30, 2024, total acquisition and exploration expenditures recorded on Oxford was $87,444 (2023: $nil).

Preliminary work programs are planned for 2024.

7.9 Gray Hills (Lyon County, Nevada)

The Company holds a 100% interest in the Gray Hills property, which is comprised of 50 mineral claims totalling 418 hectares located in Lyon County, Nevada that the Company acquired by staking.

During the period ended June 30, 2024, the Company expended $21,456 in acquisition costs (2023: $nil) and $3,266 in exploration costs (2023: $nil) on Gray Hills. As at June 30, 2024, total acquisition and exploration expenditures recorded on Gray Hills was $24,729 (2023: $nil).

7.10 Keg (Juab County, Utah)

The Company holds a 100% interest in the Keg property, which at June 30, 2024 was comprised of 63 mineral claims on BLM land and two Utah State leased sections totalling approximately 1,049 hectares located in Juab County, Utah. The property was acquired pursuant to a property purchase and sale agreement dated March 22, 2021 for consideration of $100,000 and is subject to a 2% NSR royalty.

During the period ended June 30, 2024, the Company expended $1,751 in acquisition costs (2023: $1,731) and $nil in exploration costs (2023: $9,079) on Keg. As at June 30, 2024, total acquisition and exploration expenditures recorded on Keg was $171,872 (2023: $150,608).

About the Keg Property

The Keg Property is located in Juab County, 100 kilometres south of Salt Lake City, in central Utah's Great Basin. The property is considered to have potential for porphyry copper and related skarn mineralization. Previous work includes geological mapping and sampling and airborne and surface geophysical surveys.

2024 Work Program – Keg

The Company plans to complete a rock and soil geochemistry program across a zone of pyritic volcaniclastic and Eocene-aged porphyritic rocks associated with a magnetic low. Previous grab samples in the area returned up to 300 ppm copper.

7.11 Qualified Person

The scientific and technical information contained in this document has been reviewed and approved by Wendell Zerb, P. Geol, a "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

8. SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed fiscal quarters as presented in the unaudited condensed interim consolidated financial statements. The financial data provided is prepared in accordance with IFRS Accounting Standards ("IFRS") and is presented in Canadian dollars.

	Q2 Jun 30, 2024 $	Q1 Mar 31, 2024 $	Q4 Dec 31, 2023 $	Q3 Sep 30, 2023 $
Total revenue	-	-	-	-
Net loss for the period	(30,556)	(130,658)	(19,454)	(39,618)
Comprehensive loss for the period	(31,807)	(133,382)	(16,926)	(41,166)
Net loss per share, basic	(0.001)	(0.004)	(0.001)	(0.001)
Net loss per share, diluted	(0.001)	(0.004)	(0.001)	(0.001)

	Q2 Jun 30, 2023 $	Q1 Mar 31, 2023 $	Q4 Dec 31, 2022 $	Q3 Sep 30, 2022 $
Total revenue	-	-	-	-
Net loss for the period	(113,182)	(65,250)	(134,834)	(2,045)
Comprehensive loss for the period	(111,859)	(65,215)	(135,084)	(3,819)
Net loss per share, basic	(0.003)	(0.003)	(0.005)	(0.000)
Net loss per share, diluted	(0.003)	(0.003)	(0.005)	(0.000)

Because the Company is in the exploration stage, it did not earn any revenue.

The net loss of $30,556 for 2024 Q2 is narrower than other periods due to recognition of $119,498 in FT share premium income. The Company paid $15,000 in quarterly director's fees commencing September 1, 2023.

The net loss of $130,658 for 2024 Q1 is wider than other periods. Included in the loss is $42,047 incurred in connection with the Company's OTCQB listing and DTC eligibility application. General exploration expenditures also increased as the result of project generation activities. The Company paid $15,000 in quarterly director's fees commencing September 1, 2023.

The net loss of $19,454 for 2023 Q4 is narrower than other periods. Offsetting the loss is $175,192 in FT share premium income. Contributing to the loss are $34,070 in mineral property impairment on the Hatter property, $40,250 in audit fee provision and $23,144 in legal and filing fees incurred in connection with the Company's CSE listing.

The net loss of $113,182 for 2023 Q2 is wider than other periods. Included in the loss is $37,307 in share-based payments.

The net loss of $134,834 for 2022 Q4 is wider than other periods. Included in the loss is $50,205 in audit fee provision and $30,482 in share-based payments.

The net loss of $2,045 for 2022 Q3 is narrower than other periods. Expenses were lower in general because the Company was in an earlier stage of development, and the Company recorded an unrealized foreign exchange gain of $37,282.

9. LIQUIDITY

The Company's interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations. Management has been successful in raising equity financing in the past. However, there is no assurance that it will be able to do so in the future.

Factors that could impact on the Company's liquidity are monitored regularly and include market changes, copper price changes, and economic upturns or downturns that affect the market price of the Company's securities for the purposes of raising financing. World economic and geopolitical events and resulting inflation has created uncertainty in the equity and commodity markets, which makes it a challenge to raise financing. Management believes that this condition will continue over the next twelve months.

Cash was $2,720,548 at June 30, 2024 (December 31, 2023: $968,620). Restricted cash was $20,075 at June 30, 2024 (December 31, 2023: 20,763) and consists of a savings account held at a financial institution as security against a company credit card.

Amounts and other receivable consist of GST input tax credits and office expense recoveries. Prepaid expenses were recorded for ordinary operating expenses.

Amounts and other payable total $156,795 at June 30, 2024 compared to $63,208 at December 31, 2023.

Other liabilities total $460,841 at June 30, 2024 compared to $210,581 at December 31, 2023. Other liabilities consist of flow-through share premium that will be settled when the Company incurs eligible CEE.

Working capital surplus was $2,185,757 at June 30, 2024 compared to a surplus of $781,535 at December 31, 2023.

The Company has no debt or debt arrangements.

At June 30, 2024, the Company has a commitment to incur $226,503 in qualifying exploration expenditures by December 31, 2024 and an additional $953,542 in qualifying exploration expenditures by December 31, 2025 in order to meet its FT financing obligations to shareholders. During the period ended June 30, 2024, the Company has recorded $10,090 in Part XII.6 tax on the portions of unspent flow-through commitment. The Company plans to use its FT funds to drill or conduct other advanced exploration work on its Peak, Ping or Kendal projects in 2024 to satisfy its FT commitments.

Based on the consolidated financial condition as at June 30, 2024, the Company anticipates that is has sufficient capital to meet its financial obligations as they become due in the current fiscal year.

10. CAPITAL RESOURCES

The Company does not have any commitments for capital expenditures. The Company does not have any capital resources in the form of debt, equity and any other financing arrangements.

11. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

12. TRANSACTIONS BETWEEN RELATED PARTIES

12.1 Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company. Key management personnel compensation is comprised of the following:

	Period ended June 30, 2024 $	Period ended June 30, 2023 $
Short-term employee benefits and director fees	135,000	84,000
Share-based payments	-	22,384
	135,000	106,384

The Company has entered into a Management Agreement with Wendell Zerb, the Chairman, President and Chief Executive Officer (the "CEO") effective January 1, 2022 for no fixed term. As compensation for the services to be provided, the CEO will receive a monthly fee of $10,800 with provisions for severance of (i) six months of compensation plus an additional one month for each completed year of service up to a maximum of twelve months in the event the Company terminates the Agreement without Cause after twelve months of the effective date; (ii) eighteen times the monthly compensation if the CEO resigns for Good Cause; and (iii) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CEO resigns with or without Good Cause, within twelve months following a change of control of the Company. In the event the CEO participates in activities that lead to (i) the sale of any of the Company's exploration properties or the creation of a new or spin-off company, he will be awarded a Special Bonus in the amount of 0.5% of the sale of any of the Company's exploration properties or the creation of a new or spin-off company; and (ii) a corporate transaction involving a sale of the Company or more than 50% of the Company's issued and outstanding common shares, he will be awarded a Special Bonus of 0.2% of the consideration up to $50 million of consideration received, and 0.1% of additional value beyond that $50 million level. During the period ended June 30, 2024, the Company recorded $64,800 (2023: $64,800) in fees payable to the CEO, of which $50,220 (2023: $32,400) was capitalized to Exploration and Evaluation Assets in the Consolidated Statement of Financial Position, $nil (2023: $nil) was expensed to general exploration and $14,580 (2023: $32,400) was expensed to Management in the Consolidated Statement of Loss. Effective July 1, 2024, the monthly fee paid to the CEO was increased to $11,450.

The Company has entered into an Employment Agreement with Sandra Wong, the Chief Financial Officer and Corporate Secretary (the "CFO") effective June 1, 2023 for no fixed term. As compensation for the services to be provided, the CFO will receive a monthly salary of $6,700 with provisions for severance of (i) three months of compensation in the event the Company terminates the Agreement without Cause; (ii) three months of compensation in the event the CFO resigns for Good Cause; and (iii) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CFO resigns with or without Good Cause, within twelve months following a change of control of the Company. During the period ended June 30, 2024, the Company recorded $40,200 (2023: $19,200) in fees payable to the CFO, of which $20,100 (2023: $9,600) was expensed to Management and $20,100 (2023: $9,600) was expensed to Salaries and Benefits in the Consolidated Statement of Loss. Effective July 1, 2024, the monthly fee paid to the CFO was increased to $7,100.

The Company has approved the payment of a director's fee of $1,000 per month to each of Lauren Roberts, Caleb Stroup and Alistair Waddell and $2,000 per month to Cecil R. Bond, the chair of the audit committee, effective September 1, 2023. During the period ended June 30, 2024, the Company recorded $30,000 (2023: $nil) in director fees which were expensed to Management in the Consolidated Statement of Loss.

Wendell Zerb, Caleb Stroup and Alistair Waddell are officers and/or directors of the Company and are also directors and shareholders of NewQuest Capital Inc., which holds a 20.09% interest in the Company. Sandra Wong is CFO and Corporate Secretary of the Company and is also CFO, Corporate Secretary and a shareholder of NewQuest.

12.2 Private Placements

In connection with the private placement that closed on March 31, 2023, Wendell Zerb, the Chairman, President, CEO and a director of the Company, purchased a total of 100,000 Units for total proceeds of $22,000, and Lauren Roberts, a director of the Company, purchased a total of 200,000 Units for total proceeds of $44,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

In connection with the private placement that closed on April 25, 2023, Mr. Zerb purchased a total of 100,000 FT Units for total proceeds of $33,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders.

In connection with the private placements that closed on May 5, 2023, NewQuest purchased a total of 80,000 Units for total proceeds of $17,600 and Cecil R. Bond, a director of the Company, purchased 100,000 FT Units for total proceeds of $33,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

In connection with the private placement that closed on June 4, 2024, Mr. Zerb purchased a total of 150,000 Units for total proceeds of $33,000, Caleb Stroup, a director of the Company, purchased a total of 25,000 Units for total proceeds of $5,500 and NewQuest purchased a total of 100,000 Units for total proceeds of $22,000.

12.3 Office Expenses

During the period ended June 30, 2024, the Company recorded office rent of $16,260 (2023: $6,000) and office expenses of $29,262 (2023: $14,303) payable to companies with common directors. The Company also recovered office expenses of $16,222 (2023: $8,428) from companies with common directors.

12.4 Receivable from Related Parties

As at June 30, 2024, the Company has $3,980 (December 31, 2023: $nil) receivable from a company with common directors for office expenses, which is due on demand, unsecured and is non-interest bearing. The amounts receivable from related parties are as follows:

	June 30, 2024 $	December 31, 2023 $
Inflection Resources Ltd.	3,980	-
	3,980	-

12.3 Due to Related Parties

As at June 30, 2024, the Company has $9,100 (December 31, 2023: $1,491) due to related parties which consists of amounts owed to directors and a significant shareholders for salaries and expense reimbursements, which is due on demand, unsecured and is non-interest bearing. The amounts due to related parties are payable to the following:

	June 30, 2024 $	December 31, 2023 $
Wendell Zerb, President, Chairman, CEO, Director	298	149
Lauren Roberts, Director	3,000	-
Caleb Stroup, Director	3,000	-
NewQuest, significant shareholder and common directors	2,802	1,342
	9,100	1,491

As at June 30, 2024, the Company also has $2,984 (December 31, 2023: $5,243) due to a company with common directors for office rent and expenses, which is due on demand, unsecured and is non-interest bearing. The amounts are payable as follows:

	June 30, 2024 $	December 31, 2023 $
Headwater Gold Inc.	2,984	5,243
	2,984	5,243

13. FOURTH QUARTER

N/A

14. PROPOSED TRANSACTIONS

The Company is engaged in the search for potential joint venture partners, mineral property acquisitions and financings, but there are currently no proposed asset or business acquisitions or dispositions other than disclosed in this Report. Other than disclosed in this Report, the Company does not have any proposed transactions.

15. COMMITMENTS, EXPECTED EVENTS OR UNCERTAINTIES

Other than disclosed in this Report, the Company does not have any commitments, expected events, or uncertainties.

At June 30, 2024, the Company has a commitment to incur $226,503 in qualifying exploration expenditures by December 31, 2024 and an additional $953,542 in qualifying exploration expenditures by December 31, 2025 in order to meet its FT financing obligations to shareholders. During the period ended June 30, 2024, the Company has recorded $10,090 in Part XII.6 tax on the portions of unspent flow-through commitment. The Company plans to use its FT funds to drill or conduct other advanced exploration work on its Peak, Ping or Kendal projects in 2024 to satisfy its FT commitments.

16. SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

Other than disclosed in this Report, there are no significant changes from previous disclosure.

In the Company's Non-Offering Prospectus dated October 12, 2023 (the "Prospectus"), the Company disclosed an expected use of exploration funds as follows:

Use of funds available	**Amount**
Exploration of the Peak Property:	
Phase 1 Work Program	$287,100
Phase 2 Work Program depending on results of Phase 1	$660,000
Exploration of the Company's other properties	$150,000
Total allocation for exploration	**$1,097,100**

The Company has completed its Phase 1 Work Program on the Peak property at a cost in excess of the $287,100 budget previously disclosed. Assays are currently outstanding. If Management determines that the results of the initial drill program warrant immediate follow-up, then the Company will prioritize an appropriate Phase 2 Work Program. However, in the interim, the Company has strategically reallocated the original Phase 2 budget of $660,000 to other projects in order to advance immediately actionable exploration programs.

17. CHANGES IN ACCOUNTING POLICES INCLUDING INITIAL ADOPTION

A number of new or amended accounting standards are scheduled for mandatory adoption on or after January 1, 2025. The Company has not early adopted these new standards in preparing the interim financial statements. These new standards are either not applicable or are not expected to have a material impact on the Company's Financial Statements.

18. KNOWN TRENDS, RISKS OR DEMANDS

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 primary sources of credit risk for the Company arise from its financial assets consisting of cash. The carrying value of cash represents the Company's maximum exposure to credit risk. To minimize credit risk, the Company only holds its cash with chartered Canadian financial institutions. The Company owns restricted cash of $20,075 which consists of a savings account held by a financial institution as security against a Company credit card. The Company also owns cash reclamation bond deposits of $120,000 held by the Province of British Columbia. The Company believes that the credit risk of default for these assets is low. As at June 30, 2024, the Company has no financial assets that are past due or impaired due to credit risk defaults. The Company's management of credit risk has not changed during the period ended June 30, 2024, from that of the prior year.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its trade and other payables. The Company has a working capital surplus of $2,185,757 as at June 30, 2024 and anticipates it has sufficient capital to meet its financial obligations as they become due in the current fiscal year. The Company handles its liquidity risk through the management of its capital structure as described in Note 12 of the Financial Statements. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no variable interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in copper and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

- 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 the foreign currency exchange rates. The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. A portion of the Company's exploration property expenditures will be incurred in United States dollars.

Risks and Uncertainties

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

The Company has Limited History of Operations

The Company has limited history of operations and is in the early stages of exploration on its mining properties. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High-Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the exploration stage and such exploration is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

The Company is Subject to Substantial Environmental Requirements Which Could Cause a Restriction or Suspension of our Operations

The current and anticipated future operations and exploration activities of the Company on its projects in Canada and the United States require permits from various governmental authorities and such operations and exploration activities are and will be governed by Federal, State and local laws and regulations governing various elements of the extractive industry. It is the Company's intention to ensure that the environmental impact on areas where it operates is mitigated by restoration and rehabilitation of affected areas.

As the Company is presently at the early exploration stage with all of our properties, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will likely require Inflection to provide remedial actions to correct the negative effects. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. 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 exploration or development.

Conflicts of Interest

Certain of our directors and officers are also directors and/or officers and/or shareholders of other natural resource companies. While we are engaged in the business of exploring for and, if appropriate, exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. Our directors are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of our board of directors, any director in a conflict must disclose his interest and abstain from voting on the matter. In determining whether or not we will participate in any project or opportunity, our directors will primarily consider the degree of risk to which we may be exposed and our financial position at the time.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date, the Company has not experienced any material losses related to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attacks, damage or unauthorized access remain a priority. As the threat landscape is ever-changing, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Climate Change

The Company is exposed to physical risks related to climate change including extreme weather events such as floods, longer wet or dry seasons, increased temperatures and drought, increased precipitation and snowfall and wildfires. Such events can temporarily slow or halt operations due to physical damage of assets, shortage of resources and route disruptions that may limit the transportation of materials and personnel. Additionally, regulations and taxes developed to regulate the transition to a low-carbon economy and energy efficiency may result in increased operation costs including environmental monitoring, increased reporting and other costs to comply with such regulations.

19. DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at August 29, 2024, the Company has 44,877,187 common shares issued and outstanding.

As at August 29, 2024, the Company has 2,650,000 stock options outstanding.

As at August 29, 2024, the Company has 9,616,564 warrants outstanding.

20. BOARD OF DIRECTORS AND OFFICERS

The directors of the Company are Cecil R. Bond, Lauren Roberts, Caleb Stroup, Alistair Waddell and Wendell Zerb.

The officers of the Company are Wendell Zerb (Chairman, President and Chief Executive Officer and Sandra Wong (Chief Financial Officer and Corporate Secretary).

21. CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

This Management's Discussion and Analysis contains "forward-looking statements, within the meaning of applicable Canadian Securities legislation", that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and copper, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks relating to the integration of acquisitions, risk relating to international operations, the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and copper; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; fluctuations in metal prices; as well as those risk factors discussed or referred to elsewhere in this Management's Discussion and Analysis for the period ended June 30, 2024. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. 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. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

22. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure Controls and Procedures Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting

("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CSE-listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a CSE issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RED CANYON RESOURCES LTD.

Wendell Zerb

Chairman, President and Chief Executive Officer