

# **STEADRIGHT CRITICAL MINERALS INC.**

## **Management's Discussion & Analysis**

**For the three and six month period ended September 30, 2024 and 2023**

***Dated November 26, 2024***

## Forward-Looking Statements

This Management's Discussion and Analysis ("**MD&A**") contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, reserve or resource potential, exploration and operational activities, and events or developments that the Company expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Company believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. The Company and its operations are also subject to a large number of risks, including: the Company's liquidity and financing capability, fluctuations in gold prices, market conditions, results of current exploration activities, the possibility of a labor stoppage or shortage, delays in obtaining government permits and approvals and such other risks as discussed herein and in other publicly filed disclosure documents. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, there may be other factors that cause performance, events, or circumstances to differ materially from those described in forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not try to place undue reliance on forward-looking statements contained in this MD&A.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also been assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and Steadright does not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

## Recent Developments, Exploration Properties, Outlook and Strategy

### Recent Developments

#### Financings:

##### Private Placements:

On April 25, 2024, the Company closed private placements at \$0.05 per unit for proceeds of \$150,000 and issued 3,000,000 units. Each unit consists of 1 common share and 1 common share purchase warrant. Each warrant is exercisable at \$0.085 for a period of 24 months from the date of issuance. The fair value of the 3,000,000 warrants resulted in a value ascribed of \$72,081 which was estimated using the Black-Scholes option pricing model and based on the following average assumptions: expected life – 2 years, risk-free interest rate – 4.44%, Expected Volatility – 100%

##### Settlement of debt:

During the three and six months ending September 30, 2024, the Company did not settle any debts.

##### Shares issued for properties:

On June 18, 2024, the Company issued 5,500,000 shares to 1302990 B.C. Ltd. ("BCCo") and the shareholders of BCCo as part of a share exchange agreement. The Company issued 5,500,000 shares with a value of \$275,000 in connection with the purchase of its interest in the Saint Gabriel Project.

On July 12, 2024, the Company issued 6,500,000 shares to Trout Lake Silica to purchase 53 mineral claims. The Company issued a total of 6,500,000 shares with a value of \$325,000 in connection with the purchase of its interest in the Trout Lake Silica Project.

##### Warrants Exercised:

During the three and six months ending September 30, 2024, the Company no common shares were issued pursuant to exercise of warrants.

### Exploration Properties

#### Contigo Agreement:

On July 31, 2021, the Company entered into an Option Agreement with Contigo Resources Ltd. ("Contigo") whereby Contigo has agreed to grant the Company an exclusive option to acquire a one hundred percent (100%) undivided right, title, ownership and beneficial interest in and to the property, free and clear of any encumbrance (the "**Option**"); (the "RAM Project").

Under the terms of the definitive agreement, the Company will have an option to acquire a 100% undivided interest in the RAM Project by completing the following:

- Total cash payments of \$165,000 payable as follows:
  - \$80,000 (\$80,000 paid) due on or prior to 90 days from signing of the agreement ("Effective Date");
  - \$35,000 due on or prior to 12 months from the date that the common shares of the Company become listed for trading on a Canadian stock exchange (the "Listing Date" "October 6, 2022"); and

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(in Canadian dollars unless otherwise noted)

- \$50,000 due on or prior to 24 months from the Listing Date, which is now in negotiations.
- Issuing common shares as follows:
  - 250,000 common shares on or before November 1, 2021, which has been issued;
  - 250,000 common shares on or prior to the second day following the Listing Date of October 6, 2022, ("Listing Date") which has been issued;
  - 250,000 common shares on or prior to 12 months following the Listing Date, which have been issued; and
  - 875,000 common shares on or prior to 24 months following the Listing Date, which is now in negotiations.
- Issuing to Contigo a 2% net smelter return royalty ("NSR") subject to the Company retaining an option to acquire 1% of the NSR for a cash payment of \$1,500,000 for a period of five years after commencement of commercial production.
- On September 26, 2023, the Company purchased 94 additional claims, which are contiguous to the RAM Project in consideration of a payment to the seller of 1,050,000 common shares of the Company and also the payment to the seller of \$11,000 in staking costs.

### Saint Gabriel Project

On June 18, 2024, the Company closed an arm's length share exchange agreement (the "Agreement") with 1302990 B.C. Ltd. ("BCCo") and the shareholders of BCCo (collectively, the "Vendors"), pursuant to which the Company has acquired all of the issued and outstanding shares in the capital of BCCo (the "Vendor Shares") from the Vendors (the "Acquisition"). BCCo is a private company incorporated pursuant to the laws of the Province of British Columbia and owns a 100% undivided interest in the Saint Gabriel Project (the "Property"). which is comprised of Silica based claims in the Bas-Saint – Laurent Region Quebec, Canada. The closure of the purchase of 1302990 B.C. comes after the proposed acquisition was announced on May 28th, 2024 Steadright press release. As consideration for the Acquisition, the Company issued the Vendors an aggregate of 5,500,000 common shares in the capital of the Company at a deemed price of \$0.05 per Common Share.

### Trout Lake Silica Project

On July 12, 2024, the Company acquired 100% undivided interest in the Trout Lake Silica Claims ("Claims Acquisition"). As consideration for the Claims Acquisition, the Company issued the Vendors an aggregate of 6,500,000 common shares in the capital of the Company at a deemed price of \$0.05 per Common share.

### Outlook and Strategy

Steadright is focused on discovering quality critical minerals and expanding and converting its projects, all of which are located in Quebec. Steadright will use its systematic scientific and phase-based exploration program to advance all of its projects over the next few three and six month periods subject to obtaining the necessary permits For the early projects, Steadright will take a first pass at target definition work consisting of soil and rock samples, mapping and some geophysics.

### Summarized Financial Results

#### RESULTS OF OPERATIONS

##### Expenses

## Management's Discussion and Analysis

For the three and six month period ended September 30, 2024 and 2023

(in Canadian dollars unless otherwise noted)

### ***For the three month period ended September 30, 2024 and 2023:***

Expenses of \$410,000 for the three month period ended September 30, 2024, increased in comparison with the expenses of \$345,824 for the three month period ended September 30, 2023.

- Exploration and evaluation expenditures increased from \$284,706 for the three month period ended September 30, 2023 to \$348,656 for the three month period ended September 30, 2024. The increase is due to the exploration and evaluation work on the Company's Trout Lake Silica Property.
- Consulting fees decreased from \$36,141 for the three month period ended September 30, 2023 to \$25,200 for the three month period ended September 30, 2024. The decrease is due to fewer consulting staff relating to corporate management and operations as the Company cut back on expenses.
- Office and general expenses increased from \$8,610 for the three month period ended September 30, 2023 to \$28,185 for the three month period ended September 30, 2024. Costs during the period increased due to the increased office and administrative work at the corporate head office due to increased activity..
- Professional fees increased to \$6,451 for the three month period ended September 30, 2024 from \$4,186 for the three month period ended September 30, 2023. The increase is due to increased activity in corporate and legal as the Company completed some transactions.
- Promotion and travel expenses decreased from \$12,181 for the three month period ended September 30, 2023 to \$1,562 for the three month period ended September 30, 2024. The decrease is mainly in relation to budget restraints in corporate head offices.

### ***For the six month period ended September 30, 2024 and 2023:***

Expenses of \$752,077 for the six month period ended September 30, 2024, increased in comparison with the expenses of \$430,518 for the six month period ended September 30, 2023. During the previous six month period in 2023, the Company only incurred Exploration and evaluation expenditures on one property

- Exploration and evaluation expenditures increased from \$285,306 for the six month period ended September 30, 2023 to \$631,685 for the six month period ended September 30, 2024. The increase is due to the exploration and evaluation work on the Company's Saint Gabriel Property and the Trout Lake Silica Project .
- Consulting fees decreased from \$83,255 for the six month period ended September 30, 2023 to \$48,450 for the six month period ended September 30, 2024. The decrease is due to fewer consulting staff relating to corporate management and operations as the Company cut back on expenses.
- Office and general expenses increased from \$23,040 for the six month period ended September 30, 2023 to \$51,678 for the six month period ended September 30, 2024. Costs during the period increased due to the increased office and administrative work at the corporate head office due to increased activity..
- Professional fees increased to \$15,445 for the six month period ended September 30, 2024 from \$6,926 for the six month period ended September 30, 2023. The increase is due to increased activity in corporate and legal as the Company completed some transactions.

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**For the three and six month period ended September 30, 2024 and 2023**  
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- Promotion and travel expenses decreased from \$31,021 for the six month period ended September 30, 2023 to \$4,819 for the six month period ended September 30, 2024. The decrease is mainly in relation to budget restraints in corporate head offices.

**SELECTED FINANCIAL INFORMATION**

The information below should be read in conjunction with the financial statements and related notes and other financial information. The following is for the year ended:

	<b>March 31, 2024</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	\$	\$	\$
Income (Loss)	664,473	(585,838)	(326,666)
Income (Loss) per share	(0.08)	(0.05)	(0.07)
Total assets	63,304	281,580	330,725

**SUMMARY OF QUARTERLY RESULTS**

The following tables set forth selected financial information for each of the Company's eight most recently completed quarters:

	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q4 2024</b>	<b>Q3 2023</b>
Expenses	(410,054)	\$ (342,022)	\$ (74,251)	\$ (64,697)
Net loss	(410,052)	\$ (590,497)	\$ (803,598)	\$ (64,549)
Basic income (loss) per share	(0.02)	\$ (0.05)	\$ (0.11)	\$ (0.01)

	<b>Q2 2023</b>	<b>Q1 2023</b>	<b>Q4 2023</b>	<b>Q3 2022</b>
Expenses	\$ (345,824)	\$ (84,694)	\$ (260,853)	\$ (232,884)
Net loss	\$ 287,913	\$ (84,239)	\$ (260,853)	\$ (232,884)
Basic income (loss) per share	\$ 0.04	\$ (0.01)	\$ (0.04)	\$ (0.04)

The Company was incorporated in 2019 and had limited activity until 2020 when the Company commenced financing activities and arranging its land package.

<b>Management's Discussion and Analysis</b> <b>For the three and six month period ended September 30, 2024 and 2023</b> (in Canadian dollars unless otherwise noted)	
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**Disclosure of Outstanding Share Data as of September 30, 2024**

	<b>Authorized</b>	<b>Outstanding</b>
Voting or equity securities issued and outstanding	Unlimited	23,326,557 common shares
Securities convertible or exercisable into voting or equity shares		a) 450,000 Options to acquire up to 450,000 common shares b) 213,697 Warrants exercisable to acquire common shares of the Company

**Disclosure of Outstanding Share Data as of November 22, 2024 (consolidated 2:1 November 6, 2024)**

	<b>Authorized</b>	<b>Outstanding</b>
Voting or equity securities issued and outstanding	Unlimited	11,663,273 common shares
Securities convertible or exercisable into voting or equity shares		c) 225,000 Options to acquire up to 225,000 common shares d) 1,628,250 Warrants exercisable to acquire common shares of the Company

**LIQUIDITY AND CASH FLOWS**

***For the six month period ended September 30, 2024 and 2023:***

The Company ended the six month period ended September 30, 2024 with cash of \$650, compared to \$18,745 as at March 31, 2024. The Company had a working capital deficit (current assets – current liabilities) of \$81,075 as at September 30, 2024 compared to a working capital deficit of \$122,872 as at March 31, 2024.

Cash used by operating activities was \$152,549 for the six month period ended September 30, 2024, compared to cash used by operating activities of \$336,753 for the six month period ended September 30, 2023. Cash flows used by operating activities decreased during the current six month period compared to the September 30, 2023 six month period, mainly due to a decrease of administration and office expense activities.

Cash flows provided by investing activities were \$62,000 for the six month period ended September 30, 2024, compared to \$(55,000) for the six month period ended September 30, 2023.

Cash flows provided by financing activities were \$130,000 for the six month period ended September 30, 2024, compared to \$200,500 for the six month period ended September 30, 2023.

It is not possible to predict if or when the Company will achieve profitable levels of operations. As at September 30, 2024, the Company had a working capital deficit of \$81,075 (Working capital surplus as at September 30, 2023 - \$617,003 and March 31, 2023 - \$(212,829)).

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The financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a net loss during the six month period ended September 30, 2024 of \$410,052 and an accumulated deficit of \$2,166,787.

The Company's ability to continue as a going concern is dependent upon attaining profitable operations, and, if required, the ability to raise funds through public equity financings to meet expenditure commitments. There is no assurance that these activities will be successful. The combination of the circumstances set out above represents a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. However, the Company is confident that it will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing its financial statements. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used that would be necessary if the going concern assumptions were not appropriate. These adjustments would be material to the financial statements.

## **TRANSACTIONS WITH RELATED PARTIES**

### **Compensation of Key Management Personnel of the Company**

Key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the three month period ended September 30, 2024 and 2023 as follows:

	<b>September 30, 2024</b>	September 30, 2023
Short term employee benefits, director fees	\$ 24,700	\$ 34,125
	<b>\$ 24,700</b>	<b>\$ 34,125</b>

As at September 30, 2024, an amount of \$22,593 (March 31, 2024 - \$87,138) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash and cash equivalents, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.



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## Dividends

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its common shares in the foreseeable future.

## RISK FACTORS

The Company's Board of Directors has overall responsibility for the oversight of the Company's risk management policies. In carrying on its business, the Company is exposed to a variety of risks, including the risks described elsewhere in this MD&A. The Company can neither predict nor identify all such risks nor can it accurately predict the impact, if any, of such risks on its business, operations or the extent to which one or more risks or events may materially change future results of financial position from those reported or projected in any forward looking statements. Accordingly, the Company cautions the reader not to rely on reported financial information and forward-looking statements to predict actual future results. The Company has policies and practices mandated by the Board of Directors to manage the Company's risks which include the risks described elsewhere in this MD&A and below.

The Company's business, being the acquisition, exploration, and development of mineral properties in Canada, is speculative and involves a high degree of risk. The risk factors listed on the annual report could materially affect the Company's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Company.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial assets and financial liabilities as at September 30, 2024 and March 31, 2024:

	Assets at fair value through profit of loss	Amortized cost	Other financial liabilities	Total
<b>As at September 30, 2024</b>				
Cash	\$ -	\$ 650	\$ -	\$ 650
Accounts payable and accrued liabilities	-	-	101,113	101,113
<b>As at March 31, 2024</b>				
Cash	\$ -	\$ 18,745	\$ -	\$ 18,745
Accounts payable and accrued liabilities	-	-	186,176	186,176

The Company classifies financial instruments in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;
- Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

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(in Canadian dollars unless otherwise noted)	
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The carrying value of cash, and accounts payable and accrued liabilities approximate fair value because of the limited terms of these instruments.

### **SUBSEQUENT EVENTS**

Subsequent to quarter end, on November 6, 2024, the Company consolidated the outstanding common shares on the basis of two (2) existing common shares for one (1) new common share.

### **MANAGEMENT'S RESPONSIBILITY**

Management is responsible for all information contained in this report. The financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the financial statements with management. The Board of Directors has approved the financial statements on the recommendation of the Audit Committee.