

**YUKON METALS CORP.**  
**(formerly JKS RESOURCES INC.)**  
**Management Discussion and Analysis**  
**For the Year Ended August 31, 2024**

The following Management Discussion and Analysis (“MD&A”) of the operating results and financial position of Yukon Metals Corp. (“the Company” or “YMC”) (formerly JKS Resources Inc.) is for the year ended August 31, 2024 and is dated December 13, 2024. This MD&A has been prepared by management in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended August 31, 2024. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). This information is not a substitute for detailed investigation or analysis on any particular issue and such information is not intended to be a comprehensive review of all matters and developments concerning the Company.

Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

## **NATURE OF OPERATIONS**

The Company was incorporated under the Business Corporations Act of British Columbia on November 9, 2020. The Company is engaged in the exploration and development of mineral properties in Canada. The Company’s head office is located at 1290 – 625 Howe Street, Vancouver, BC, V6C 2T6.

On May 30, 2024, the Company acquired Lapie Mining Inc. from 18526 Yukon inc. for consideration of \$2,000,000 in cash and 25,000,000 common shares in the capital of the Company (the “Transaction”). Pursuant to the Transaction the Company acquired the AZ, Barite Mountain, Birch, Carter Gulch, Clea, Eva, Expo, Faro North, Fox, Gem, Star River (formerly, “Ketza”), Nut, Pete, Risby, Talbot claims and the Venus claims and crown grants located in the Yukon for a total land package of approximately 18,000 hectares.

On May 30, 2024, the Company completed a name change from JKS Resources Inc. to Yukon Metals Corp.

On June 3, 2024, the Company resumed trading on the Canadian Securities Exchange (the “CSE”) under the symbol “YMC”. On June 19, 2024, the common shares of the Company commenced trading on the Frankfurt Stock Exchange under the symbol “E770”. The Company’s common shares also commenced trading on the OTCQB Market under the symbol “YMMCF” on October 8, 2024.

## **EXPLORATION AND EVALUATION ASSETS**

### ***Sowchea Property***

The Company, when it was JKS Resources Inc., entered into an option agreement (the “Option Agreement”) dated January 8, 2021, as amended on February 5, 2021 and on November 9, 2021, whereby the Company had the exclusive option to acquire a 100% interest in the Sowchea property (the “Sowchea Property”), subject to a 1% GORR interest payable and deliverable to the optionor by the Company.

To fully exercise the option and acquire a 100% right, title and interest in and to the Sowchea Property, the Company was required to:

- Pay \$25,000 in cash within five business days of the execution of the Option Agreement (paid in January 2021);
- Pay \$25,000 and issue 200,000 common shares within five business days of the listing date (paid and issued shares in December 2022 valued at \$27,000);
- Pay \$25,000, issue 500,000 common shares and incur exploration expenditures of \$150,000 on or before May 29, 2024; and
- Issue 750,000 common shares and incur exploration expenditures of \$500,000 on or before May 29, 2025.

During the year ended August 31, 2024, the Company determined not to proceed with the Sowchea Property and accordingly, recorded an impairment expense of \$234,140 to write the property down to \$Nil.

### ***Acquisition of the Yukon Properties***

On January 12, 2024, the Company entered into a definitive purchase and sale agreement with 18526 Yukon Inc. (the “Vendor”), pursuant to which on May 30, 2024, the Company acquired all of the issued and outstanding common shares of Lapie Mining Inc. (“Lapie”), a wholly owned subsidiary of the Vendor, in exchange for \$2,000,000 cash and 25,000,000 common shares of the Company, which are subject to release over a period of 3 years. The Vendor will retain a royalty equal to 2.5% of the net smelter returns in respect of each of the properties acquired, subject to a right of repurchase of 0.5% of each royalty at a cost of \$1,000,000 per royalty payable in gold or cash.

Pursuant to the acquisition of Lapie, the Company acquired the AZ, Barite Mountain, Birch, Carter Gulch, Clea, Eva, Expo, Faro North, Fox, Gem, Nut, Pete, Risby, Star River, Talbot claims and the Venus claims and crown grants located in the Yukon.

In accordance with IFRS 3, Business Combinations, the Company was identified as the accounting acquirer and Lapie as the acquiree. Lapie was not considered to meet the definition of a business under IFRS 3, and accordingly the transaction has been accounted for as an asset acquisition. The Transaction was accounted for in accordance with IFRS 2, Share-based Payments, whereby equity instruments issued were recognized at fair value and allocated to the fair value of the net assets acquired.

The consideration paid was allocated to the net assets acquired as follows:

<b>Net assets acquired</b>	<b>\$</b>
Assets acquired	
Accounts receivable	1,959
Prepaid	10,500
Exploration and evaluation assets	7,690,683
Liabilities assumed	
Accounts payable and accrued liabilities	(168,810)
<b>Net assets as at May 30, 2024</b>	<b>7,534,332</b>
<b>Purchase price</b>	
Cash	2,000,000
Fair value of 25,000,000 common shares issued	5,311,000
Transaction costs	223,332
<b>Total purchase price</b>	<b>7,534,332</b>

The fair value of the 25,000,000 common shares was determined based on the price of the concurrent private placement financing of \$0.30 per share, adjusted for a discount of \$2,189,000 to account for the timing of the share releases from escrow over the 36-month period. The discount was calculated using the average of the Average Strike Price Options Pricing model and the Black-Scholes Option Pricing Model, with the following assumptions: share price of \$0.30, term of 1-3 years, volatility of 100%, risk free rate of 4.34%, and expected dividends of \$nil.

#### *Fairway Property and Expansion of Existing Properties*

Subsequent to the Transaction, Lapie acquired mineral claims of Fairway and also expanded its footprints at AZ, Birch and Talbot.

#### **Summary**

Lapie now owns the AZ, Barite Mountain, Birch, Carter Gulch, Clea, Eva, Expo, Fairway, Faro North, Fox, Gem, Nut, Pete, Risby, Star River, Talbot claims and the Venus claims and crown grants located in the Yukon (the “Properties”), for a total of approximately 42,000 hectares.

Below is a summary of the changes in the exploration and evaluation assets during the year ended August 31, 2023:

	<b>Opening Balance</b>	<b>Acquisition Costs</b>	<b>Exploration Costs</b>	<b>Ending Balance</b>
	\$	\$	\$	\$
Sowchea Property	36,904	52,000	145,236	234,140
<b>TOTAL</b>	<b>36,904</b>	<b>52,000</b>	<b>145,236</b>	<b>234,140</b>

Below is a summary of the changes in the exploration and evaluation assets during the year ended August 31, 2024:

<b>PROPERTY</b>	<b>Opening Balance</b>	<b>Acquisition Costs</b>	<b>Impairment Expense</b>	<b>Exploration Costs</b>	<b>Ending Balance</b>
	\$	\$	\$	\$	\$
Sowchea	234,140	-	(234,140)	-	-
AZ	-	1,153,603	-	27,727	1,181,330
Barite Mountain	-	76,907	-	-	76,907
Birch	-	615,255	-	327,093	942,348
Carter Gulch	-	230,720	-	-	230,720
Clea	-	134,587	-	-	134,587
Eva	-	134,587	-	-	134,587
Expo	-	1,615,043	-	4,183	1,619,226
Fairway	-	-	-	3,344	3,344
Faro North	-	76,907	-	-	76,907
Fox	-	134,587	-	-	134,587
Gem	-	76,907	-	-	76,907
Star Property	-	1,615,043	-	711,484	2,326,527
Nut	-	615,255	-	640	615,895
Pete	-	230,720	-	-	230,720
Risby	-	134,587	-	-	134,587
Talbot	-	615,255	-	27,984	643,239
Venus	-	230,720	-	106	230,826
<b>TOTAL</b>	<b>234,140</b>	<b>7,690,683</b>	<b>(234,140)</b>	<b>1,102,561</b>	<b>8,793,244</b>

Below is a summary of the exploration costs incurred during the year ended August 31, 2023:

<b>Costs</b>	<b>Sowchea</b> <b>\$</b>	<b>Total</b> <b>\$</b>
Claim fees	1,140	1,140
Drilling	100,129	100,129
Field staff & consultants	1,638	1,638
Sampling	1,434	1,434
Transportation	40,895	40,895
<b>TOTAL</b>	<b>145,236</b>	<b>145,236</b>

Below is a summary of the exploration costs incurred during the year ended August 31, 2024:

<b>Costs</b>	<b>AZ</b> <b>\$</b>	<b>Birch</b> <b>\$</b>	<b>Expo</b> <b>\$</b>	<b>Fairway</b> <b>\$</b>	<b>Nut</b> <b>\$</b>	<b>Star</b> <b>River</b> <b>\$</b>	<b>Talbot</b> <b>\$</b>	<b>Venus</b> <b>\$</b>	<b>Total</b> <b>\$</b>
Camp	5,521	213,245	-	-	-	474,152	17,348	-	710,266
Field staff & consultants	6,808	22,199	3,733	3,344	640	39,430	3,903	106	80,163
Geophysics	-	12,000	-	-	-	137,753	2,625	-	152,378
Surveying	-	4,108	-	-	-	22,500	4,108	-	30,716
Sampling	-	67,125	-	-	-	-	-	-	67,125
Supplies	12,598	6,948	-	-	-	10,083	-	-	29,629
Travel	2,800	1,468	450	-	-	27,566	-	-	32,284
<b>TOTAL</b>	<b>27,727</b>	<b>327,093</b>	<b>4,183</b>	<b>3,344</b>	<b>640</b>	<b>711,484</b>	<b>27,984</b>	<b>106</b>	<b>1,102,561</b>

## EXPLORATION OUTLOOK

On May 29, 2024, Lapie filed a technical report prepared in accordance with the disclosure standards of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) on the Expo Property dated May 13, 2024. The Technical Report was prepared by Carl Schulze, BSc, P.Geo., who is a qualified person under NI 43-101.

On September 3 and October 16, 2024, the Company announced exploration updates on its 2,285-hectare Birch Project, located approximately 65 kilometres (“km”) northeast of Burwash Landing and accessible via helicopter. The Birch Project lies predominantly within the Finlayson assemblage of the Yukon-Tanana Terrane, consisting of variably carbonaceous schist and quartzite, marble, garnet amphibolite and rare metaplutonic rocks. Cu-Zn and Mo mineralization was first identified in the area in the early 1970s. Gold was not assayed for until interest renewed in the early 2010s with soil and mapping exploration work over the area uncovering several high soil anomalies ranging from 0.02-15g/t Au.

Completed fieldwork at the Birch Property, which commenced on August 3, 2024, includes a soil sampling and prospecting program. Assays for 964 soil samples were received and show encouraging gold, copper and molybdenum results including a strong copper and gold anomaly in the north of the claim block. Highlights of the 2024 campaign include a 1,400-meter copper and gold in soil anomaly grading up to 0.2% copper and up to 0.99 grams per tonne gold and mineralized skarn rock sampling up to 2.42% copper and up to 14.1 grams per tonne gold. These results have identified a copper & gold mineralized system that has significant scale as demonstrated by the soil anomaly being over 1,400 meters long. Once the new geophysical data is integrated with the mapped geology and geochemical data sets, the Company will be able to design first pass drilling of the optimal targets scheduled for spring of 2025. The Company has also

completed a shallow electrical resistivity and induced polarization geophysical survey over the anomalous northern zone to better define bedrock structure and rock type with results in process.

On October 1 and November 5, 2024, the Company provided updates from ongoing reconnaissance fieldwork at the Star River Project located 50km due south of Ross River, Yukon. The Company owns 100% of the 716-hectare, Star River base and precious metals project accessible by road from the Robert Campbell Highway and former Ketz Mine Road. The project is host to multiple showings of polymetallic carbonate replacement mineralization and quartz-sulphide veins first discovered in the 1950s. Remnants of underground and surface workings using historical exploration techniques are visible around much of the property and tied together with a network of roads and trails surrounding the Ketz Mine.

Significant gold and silver values were returned from the prospecting program at Star River. The field portion of the exploration program has now been completed, including mapping, prospecting, and ground geophysics.

In September 2024, Aurora Geosciences of Yellowknife, NWT completed ground-based Gravity and Time Domain Electromagnetic (TDEM) surveys at the Star River Property to assist in target definition and support drill hole planning. Four prominent conductive zones were identified in the TDEM survey and Maxwell plate modelling. In addition, a LiDAR DEM (Digital Elevation Model) lineament analysis revealing bedrock structures was conducted. The Company reported multiple compelling targets with strong electromagnetic responses coincident with gold and silver sampling featuring up to 101 grams per tonne gold. These targets will help focus the Company's exploration efforts to maximize its chances of adding substantial value to the project through drilling.

On November 13, 2024, the Company announced the successful staking of additional claims surrounding its Birch Property, nearly tripling the exploration footprint in pursuit of a major porphyry/skarn copper-gold discovery. The newly acquired claims increase the project area from 2,285-hectares to 7,008-hectares, further strengthening the Company's land position in this highly prospective region. The results from the 2024 exploration season encouraged the Company to secure tenure to the west, north and east along and into the intrusive contact zone. The claims to the southeast were staked as a highly prospective area for new mineralization following the identification of airborne geophysical anomalies and the potential extension of a copper-molybdenum trend in soils.

## **QUALIFIED PERSON**

Helena Kuikka, P.Geo., VP Exploration for the Company and a Qualified Person within the meaning of National Instrument 43-101, has reviewed the technical information in this MD&A.

## **RESULTS OF OPERATIONS**

The net loss for the year ended August 31, 2024 was \$1,987,010 (2023 - \$240,475). The majority of the increase in net loss from last year is a result of the increased management and director fees, marketing fees, professional fees, property investigation expenses, and salaries and wages, all due to the Lapie acquisition and related properties in the Yukon. Additionally, the Company recorded an impairment loss of \$234,140 in connection with the Sowchea Property during the year ended August 31, 2024 (2023 - \$Nil). Share-based compensation expense increased, as a result of the stock options granted in May 2024.

The most significant expenses for the year ended August 31, 2024 were professional fees of \$313,478 (2023 - \$66,097), share-based compensation of \$378,856 (2023 - \$Nil), property investigation expenses of \$332,216 (2023 - \$Nil), marketing of \$285,659 (2023 - \$92,877) and transfer agent, filing and listing fees

of \$119,160 (2023 - \$42,184). These expenses were offset by interest income of \$134,370 in 2024 compared to \$Nil in 2023.

## SELECTED ANNUAL INFORMATION

	<b>For the year ended August 31, 2024 (Audited)</b>	<b>For the year ended August 31, 2023 (Audited)</b>	<b>For the year ended August 31, 2022 (Audited)</b>
Total revenues	Nil	Nil	Nil
Net Loss and Comprehensive Loss	(\$1,987,010)	(\$240,475)	(\$100,685)
Total Assets	\$19,342,423	\$467,092	\$235,463
Total Liabilities	\$447,133	\$18,683	\$20,989
Shareholder's Equity	\$18,895,290	\$448,409	\$214,474

Due to the Company's status as an exploration stage mineral resource company and a lack of commercial production from its resource properties, the Company currently does not have any revenues from its operations. The Company incurred a net loss of \$1,987,010 during the year ended August 31, 2024.

The majority of the loss for the year ended August 31, 2024 was due to marketing fees of \$285,659, professional fees of \$313,478, property investigation expenses of \$332,216, transfer agent, filing and listing fees of \$119,160 and management and director fees of \$126,846 relating to director and officer compensation. These expenses increased from the prior years as a result of the Lapie acquisition, which caused the Company's business activities to significantly increase, resulting in higher expenses. Salaries and wages also increased, due to the hiring of additional employees for the 2024 exploration season. Share-based compensation expense of \$378,856 in the 2024 fiscal year was due to the stock options granted in May 2024.

## SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the most recent eight quarterly periods:

	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q1 2024</b>
Net Loss for the period	(897,134)	(869,722)	(131,320)	(88,834)
Basic and Diluted loss per share	(0.01)	(0.04)	(0.01)	(0.00)
	<b>Q4 2023</b>	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>
Net Loss for the period	(93,279)	(46,893)	(66,849)	(33,454)
Basic and Diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)

Over the last eight quarters, the Company's net loss ranged from \$33,454 in Q1 2023 to \$897,134 in Q4 2024. The quarterly losses from Q1 2023 to Q2 2024 were comparable with one another, as the Company only had the Sowchea Property in its portfolio at the time and most of the expenses incurred were to maintain the Company's listing on the CSE.

The higher losses in Q4 2024 and Q3 2024 are due to the increase in the Company's business activities in connection with the Lapie transaction, which resulted in higher expenses, as well as property investigation expenses incurred in Q3 2024. Salaries and wages also increased, due to the hiring of additional employees for the 2024 exploration season. Higher share-based compensation expense in Q4 2024 was due to the stock options granted in May 2024.

#### **FOURTH QUARTER**

The net loss for the quarter ended August 31, 2024 was \$897,134 (2023 - \$93,279). The majority of the increase in net loss compared to Q4 2023 is a result of the increased marketing fees, professional fees, property investigation expenses, management and director fees, salaries and wages, and share-based compensation.

The most significant expenses for the quarter ended August 31, 2024 were management and director fees of \$126,846 (2023- \$Nil), salaries and wages of \$202,520 (2023 - \$Nil), marketing fees of \$215,898 (2023 - \$56,644), and share-based compensation of \$374,782 (2023 - \$Nil). These expenses were offset by interest income of \$95,401 in 2024 compared to \$Nil in 2023.

#### **CASH FLOWS**

Cash and cash equivalents increased by \$5,920,490 during the year ended August 31, 2024 from \$214,375 at August 31, 2023 to \$6,134,865 at August 31, 2024. The increase in cash and cash equivalents was primarily a result of cash provided by financing activities of \$14,744,035, reduced by cash used in operating activities of \$1,781,865, and cash used in investing activities of \$7,041,680 in connection with Lapie acquisition and cash spent on exploration and evaluation assets and investment in term deposit of \$4,000,000.

The cash of \$14,744,035 provided by financing activities consisted of proceeds from private placements of \$15,199,357, offset by share issuance costs of \$525,322, and proceeds from the exercise of options and warrants of \$55,000 and \$15,000, respectively.

#### **FINANCING ACTIVITIES**

On November 30, 2022, the Company successfully completed its initial public offering (the "IPO") of 6,500,000 common shares at a price of \$0.10 per share for total gross proceeds of \$650,000. In connection with the IPO, the Company agreed to pay the agent a cash commission equal to 10% of the proceeds and granted the agent an option to acquire 650,000 common shares of the Company at a price of \$0.10 per share until November 30, 2024. The Company paid \$36,750 to the IPO agent as a corporate finance fee (the "Agent Finance Fee"). Including the Agent Finance Fee, the Company incurred total share issuance cost of \$202,590 in cash.

On December 1, 2022, the Company issued 200,000 common shares pursuant to the Sowchea Property option agreement at the fair value of \$27,000.

On May 3, 2024, the Company completed a non-brokered Share Private Placement by issuing 24,032,417 Subscription Receipts at a price of \$0.30 per Subscription Receipt for gross proceeds of \$7,209,725. Each Subscription Receipt was automatically exercised into one common share of the Company upon completion of the Company acquiring all of the issued and outstanding shares of Lapie on May 30, 2024.

On May 3, 2024, the Company completed a non-brokered Unit Private Placement by issuing 17,754,738 Unit Subscription Receipts at a price of \$0.45 per Unit Subscription Receipt for gross proceeds of \$7,989,632. Each Unit Subscription Receipt was automatically exercised into one common share and one-half of one common share purchase warrant upon completion of the Company acquiring all of the issued and outstanding shares of Lapie on May 30, 2024. Each whole warrant entitles the holder to purchase one common share at an exercise price of \$0.60 up to May 3, 2027. In connection with the private placements, the Company incurred finders fees of \$359,243 and other share issuance costs including legal fees and filing fees of \$166,079.

On May 30, 2024, the Company issued 25,000,000 common shares at the fair value of \$5,311,000 to acquire Lapie.

The Company issued 550,000 common shares pursuant to the exercise of 550,000 options with an exercise price of \$0.10 per share for total gross proceeds of \$55,000. The share price on the date of exercise was \$0.35.

The Company issued 150,000 common shares pursuant to the exercise of 150,000 warrants with an exercise price of \$0.10 per warrant for total proceeds of \$15,000.

## **LIQUIDITY AND CAPITAL RESOURCES**

In management's view, given the nature of the operations, which currently consists of its interest in the Yukon properties acquired on May 30, 2024, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the extent to which it can determine whether its resource properties contains reserves, which are economically recoverable. The Company is also focused on creating value by drilling, and the outlining of inferred resources, measured and indicated resources.

As at August 31, 2024 the Company had current assets totalling \$10,529,946, composed of cash and cash equivalents, term deposit, accounts receivable and prepaid expenses. As at August 31, 2024, the Company had working capital of \$10,082,813.

As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded operations through the issuance of equity securities on a private placement basis. Management believes that the Company currently has sufficient capital resources to carry out the intended exploration on the Yukon properties for the immediate next 12 months. The Company does not have any other commitments for material capital expenditures over the near and long term other than as disclosed in this MD&A plus normal operating expenses.

## **RELATED PARTY TRANSACTIONS**

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

The Company incurred charges to directors and officers, or to companies associated with these individuals during the years ended August 31, 2024 and 2023 as follows:



	2024	2023
	\$	\$
Accounting fees <sup>(1)</sup>	26,568	14,124
Consulting fees <sup>(2)</sup>	8,967	12,520
Director fees <sup>(3)</sup>	65,000	-
Management fees <sup>(4)</sup>	91,846	-
Salaries and wages <sup>(5)</sup>	40,897	-
Share-based compensation	318,400	-
	551,678	26,644

<sup>(1)</sup> The accounting fees consisted of fees paid for the services provided by Denitsa Doncheva, former CFO.

<sup>(2)</sup> Consulting fees consisted of fees paid to 1727856 Ontario Limited, a company owned by Peter Born, former director.

<sup>(3)</sup> Director fees consisted of director fees paid to Patrick Burke, Darryl Clark, Jim Coates, and Dan Vickerman, directors of the Company.

<sup>(4)</sup> Management fees consisted of management fees paid to Rory Quinn, CEO, and Jim Coates, director.

<sup>(5)</sup> Salaries and wages consisted of salaries paid to Helena Kuikka, VP, Exploration of the Company.

Key management of the Company includes the CEO, the CFO, the VP, Exploration, and the directors. During the years ended August 31, 2024 and 2023, compensation paid to key management consisted of accounting fees paid to Malaspina Consultants Inc. for services provided by Denitsa Doncheva, former CFO, consulting fees charged by 1727856 Ontario Limited, a company owned by Peter Born, former director, director fees paid to Patrick Burke, Darryl Clark, Jim Coates, and Dan Vickerman, directors of the Company, management fees paid to Rory Quinn, CEO, and Jim Coates, director, and salaries paid to Helena Kuikka, VP, Exploration, which have been presented in the table above.

Accounts payable and accrued liabilities at August 31, 2024 includes \$14,287 (2023 - \$781) owed to Rory Quinn, Patrick Burke, Jim Coates, and Dan Vickerman. The balances owing are non-interest bearing and due on demand. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

## **OFF BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off balance sheet arrangements, that have, or are reasonably likely to have, an impact on the current or future results of operations or the financial condition of the Company.

## **SUBSEQUENT EVENTS**

On September 6, 2024, the Company granted 250,000 stock options to an employee. The stock options have an exercise price of \$0.425 per share and expire on September 6, 2029. The stock options will vest as to 50% every 6 months after the grant date.

On October 8, 2024, 425,000 previously granted options with an exercise price of \$0.45 and an expiry date of May 30, 2029 were cancelled unvested.

On October 17, 2024, 100,000 options with an exercise price of \$0.10 were exercised for proceeds of \$10,000.

On October 17, 2024, the Company granted 475,000 stock options to a consultant. The stock options have an exercise price of \$0.50 per share and expire on October 17, 2029. The stock options will vest as to 50% every 6 months after the grant date.

On November 1, 2024, the Company entered into a lease agreement for the use of office premises in Vancouver, BC. The term of the lease is 2 years and expires on October 31, 2026. The monthly lease payments are \$5,631 and include two rent free months (December 2024 and January 2025).

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

### *Exploration and evaluation assets*

The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available. Determination of whether an impairment has occurred requires highly subjective assumptions.

### *Valuation of shares issued*

The estimated fair value of shares issued to acquire Lapie Mining Inc. involves significant estimates related to the fair value adjustment for a discount using the Average Price Option Pricing Model.

### *Determination of Transaction as asset acquisition vs. business combination*

The assessment of whether an acquisition meets the definition of a business or an asset is an area of key judgment. In the acquisition of Lapie Mining Inc., judgment was required to determine if the acquisition represented a business combination or asset acquisition. More specifically, management concluded that Lapie Mining Inc. did not represent a business as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Since it was concluded that the Transaction represented the acquisition of assets, there was no goodwill recognized and the transaction costs were capitalized to the assets acquired rather than expensed.

### *Going concern*

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Management has determined that the Company will have sufficient working capital for at least the next 12 months. There are no material uncertainties which may raise substantial doubt about the Company's going concern assumption.

## **ACCOUNTING POLICIES**

The preparation of consolidated financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amount of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgement on matters which are inherently uncertain. Details of the material accounting policies can be found in Note 2 of the audited financial statements for the year ended August 31, 2024.

## **FINANCIAL INSTRUMENTS**

Details of the Company's financial instruments can be found in Note 6 of the Company's audited consolidated financial statements for the year ended August 31, 2024.

## **DISCLOSURE OF OUTSTANDING SHARE DATA**

As of the date of this report, there were 89,207,155 common shares, 13,377,369 share purchase warrants, with exercise prices ranging from \$0.10 to \$0.60, and 5,000,000 stock options, with exercise prices ranging from \$0.425 to \$0.50, outstanding.

## **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

Disclosure controls and procedures 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 the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting 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. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the year ended August 31, 2024 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **MANAGEMENT’S RESPONSIBILITY OF FINANCIAL STATEMENTS**

The information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

## **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

The Company provides disclosure related to capitalized exploration and acquisition costs in the notes to the financial statements and disclosure related to general and administration expenses in the statements of operations and comprehensive loss.

## **RISK FACTORS**

The Company is in the business of exploring mineral properties, which is a highly speculative endeavor. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of development, a number of risk factors should be considered. Refer to the Listing Statement filed on [www.sedarplus.ca](http://www.sedarplus.ca) on May 30, 2024 for a detailed description of the Risk Factors.

## **FORWARD LOOKING INFORMATION**

This MD&A includes certain statements that may be deemed “forward-looking statements” concerning the future performance of the Company’s business, its operations, its financial performance and condition, as well as management’s objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as “may”, “will”, “plan”, “expect”, “anticipate”, “estimate”, “intend” and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that may cause actual results to vary from forward looking statements include, but are not limited to, the Company’s ability to access capital, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and reliance on key personnel, as described in more detail in this document under “Risk Factors”. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.