



**QUESTCORP**  
MINING INC.

**Management's Discussion and Analysis**

For the Three Months Ended October 31, 2024

Dated December 06, 2024

## NOTE TO READER

This management's discussion and analysis ("MD&A") for the three months ended October 31, 2024 was prepared by management and approved and authorized for issue on December 06, 2024 for Questcorp Mining Inc. (the "Company" or "Questcorp") in accordance with International Financial Reporting Standards ("IFRS"). The MD&A supplements but does not form part of the condensed interim financial statements of Questcorp and the notes thereto for the three months ended October 31, 2024. Consequently, the MD&A should be read in conjunction with the Company's condensed interim financial statements and related notes for the three months ended October 31, 2024 and the annual audited financial statements for the year ended July 31, 2024.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

The Company's management is responsible for presentation and preparation of the financial statements and the MD&A. The financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

All amounts are in Canadian dollars unless otherwise specified. Additional information is available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR+") at [www.sedarplus.ca](http://www.sedarplus.ca), and on the Company's website at [www.questcorpmining.ca](http://www.questcorpmining.ca).

## FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith, and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity
- The Company's success at completing future financings
- The Company's strategies and objectives
- General business and economic conditions
- The Company's ability to meet its financial obligations as they become due
- The positive cash flows and financial viability of new business opportunities

- The Company's ability to manage growth with respect to a new business opportunity
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company

Readers are cautioned that the preceding list of risks, uncertainties, assumptions, and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. Due to the risks, uncertainties, and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

## INTRODUCTION

The Company is a resource exploration company focused on acquiring and exploring resource properties in Canada. The company is currently focusing its efforts on exploring its North Island Copper Property on Vancouver Island.

## OVERVIEW

### *Recent Highlights*

- The Company was incorporated under the laws of British Columbia on April 9, 2021.
- In December 2023, the Company completed its initial public offering and its common shares were listed on the Canadian Securities Exchange on December 11, 2023, under the trading symbol QQQ.
- In December 2023, the Company completed its initial public offering by issuing 2,500,000 common shares at \$0.20 per share for gross proceeds of \$500,000. The agent received a cash commission \$50,000 and corporate finance fees of \$25,000 in cash, 50,000 common shares at \$0.20 per share for a value of \$10,000 and 250,000 agent's warrants valued at \$36,154 using the Black Scholes Model, with each agent warrant exercisable for one common share at a price of \$0.20 until December 12, 2025. The Company incurred an additional \$72,741 cash share issuance costs in relation to the initial public offering.
- On May 22, 2024, all issued and outstanding common shares of the Company were consolidated on a 2:1 basis. All references to share, option, warrant and per share amounts have been retroactively restated to reflect the share consolidation.
- On June 28, 2024, the Company announced that completed a non-brokered private placement offering (the "Offering") of 4,999,999 units (each, a "Unit") at a price of \$0.07 per Unit for gross proceeds of \$350,000. Each Unit will consist of one common share of the Company and one common share purchase warrant entitling the holder to acquire a further common share of the Company at a price of \$0.10 per share for a period of two years.
- During the three months ended October 31, 2024, the Company entered into a letter of intent with Riverside Resources Inc. ("Riverside"), an arm's-length party, under which the Company will be granted an option (the "Transaction") to acquire a 100% interest in the La Union project (the "Project") located in Sonora, Mexico. In line with the terms of the Transaction, the Company can acquire full ownership of the Project by completing a series of cash payments totaling \$100,000, issuing 19.9% of its outstanding common shares, and incurring a minimum of \$5,500,000 in exploration expenditures on the Project.

### *Exploration highlights*

For more details on the following highlights, please refer to the news releases available on Questcorp's website and on SEDAR+: <https://www.sedarplus.ca>

**North Island Copper Property, BC, Canada**

On October 4, 2021, the Company entered into an option agreement to acquire a 100% interest in the North Island Copper Property (the "Property") with a third party. Following the exercise of the option, the Property will remain subject to a 3% net smelter return royalty ("NSR"). The Company may purchase the first 1% of the NSR for \$750,000 and may purchase the remaining 2% of the NSR for an additional \$1,000,000.

Pursuant to the option agreement, the Company is required to complete the following:

- (1) to acquire a 51% interest in the Property, the Company shall pay \$10,000 to the vendor upon the effective date of the Option Agreement (paid);
- (2) to acquire an additional 49% interest in the Property, the Company shall: (a) pay a total of \$85,000 to the vendor; (b) issue a total of 1,100,000 common shares; and (c) spend a total of \$500,000 on exploration expenditures on the Property as set out below:
  - (a) the Company shall pay the cash portion as follows:
    - (i) \$10,000 upon the Listing Date (paid);
    - (ii) \$10,000 on or before the first anniversary of the Listing Date;
    - (iii) \$5,000 on or before the second anniversary of the Listing Date; and
    - (iv) \$60,000 on or before the third anniversary of the Listing Date,
  - (b) the Company shall issue the common shares as follows:
    - (i) 1,000,000 common shares upon the date listed on a Canadian exchange ("Listing Date") (issued);
    - (ii) 50,000 common shares within the first anniversary of the Listing Date;
    - (iii) 25,000 common shares within the second anniversary of the Listing Date; and
    - (iv) 25,000 common shares within third anniversary of the Listing Date,
  - (c) the Company shall make the exploration expenditures on the Property according to the following schedule:
    - (i) \$80,000 on or before the first anniversary of the Listing Date (incurred);
    - (ii) \$100,000 on or before the second anniversary of the Listing Date; and
    - (iii) \$320,000 on or before the third anniversary of the Listing Date.

The road is accessible, 1168-hectare North Island Copper Property lies south of Port Hardy on northern Vancouver Island, an area of active exploration for porphyry copper mineralization focused on locating additional mineralization similar to the past producing Island Copper Mine. Due to its proximity to the Island Copper Mine, the North Island Copper property has a long exploration history, including soil geochemistry, ground and airborne magnetometer surveys, prospecting and geological mapping and limited diamond drilling and trenching.

While a significant portion of the historic exploration was actually focused on skarn mineralization associated with several lenses of Quatsino limestone in the area, the key target remains porphyry copper. Historic soil sampling, mapping and rock sampling, and preliminary induced polarization (IP) surveying led to the identification of an interesting chargeability anomaly, the Marisa Target, that was subsequently followed up by a five-hole, 376.43-metre diamond drilling program in 1992. Two of the five holes hit interesting copper values including downhole intervals of 0.078 per cent copper over 56.39 meters in DDH92-01 and 0.041 per cent copper over 70.71 meters in DDH92-03 in an altered quartz diorite. Copper grades were increasing with depth in DDH92-03. These values were never followed up.

In February 2024, independent qualified person Warrern Robb P. Geo. visited the property with Company Directors to define the next stage of the exploration program. Mr. Robb reviewed the November 2021 Questcorp exploration program as well as the historical exploration data and concluded Questcorp should concentrate on the Marisa Target.

**North Island Copper Exploration Completed During the Three Months Ended October 31, 2024**

Mr. Robb made recommendations and subsequently completed an August 2024 program of mapping and rock and soil sampling focused on the Marisa Target. His report and assay results are outstanding as of the date of this MDA.

**North Island Copper Exploration Completed Subsequent to the Three Months Ended October 31, 2024**

Mr. Robb's report and assay results remain outstanding as of the date of this MDA.

**SELECTED ANNUAL INFORMATION**

The following table summarizes selected financial data reported by Questcorp for the years ended July 31, 2024, 2023 and 2022. The information set forth should be read in conjunction with the audited annual financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), and the related notes thereon.

	<b>For the year ended or as at July 31, 2024</b>	<b>For the year ended or as at July 31, 2023</b>	<b>For the year ended or as at July 31, 2022</b>
Project operator fees	Nil	Nil	Nil
Interest and other income	\$212	\$-	\$-
Loss	\$556,683	\$193,196	\$52,975
Basic and diluted loss per common share	\$(0.06)	\$(0.02)	\$(0.01)
Total assets	\$525,862	\$229,896	\$149,752
Shareholders' equity (deficiency)	\$390,739	\$155,405	\$118,101
Share capital	\$1,167,991	\$402,750	\$120,250
Contributed surplus	\$39,626	\$-	\$-
Deficit	\$804,028	\$247,345	\$54,149
Cash dividends declared per common share	Nil	Nil	Nil

**RESULTS OF OPERATIONS**

As at October 31, 2024 exploration and evaluation assets totaled \$306,736 (October 31, 2023 - \$132,904). For details of the cost break-down, please refer to Note 3 of the condensed interim financial statements for the three months ended October 31, 2024.

**For the three months ended October 31, 2024 and 2023**

Net loss before income taxes for the three months ended October 31, 2024 was \$202,927 or (\$0.01) per common share (October 31, 2023 – \$56,068 or (\$0.01) per common share). The variance from the prior year was primarily due to the following items:

- Investor relations expenses increased by \$77,095 in comparison to Q1-2024 as the Company undertook more marketing and other promotional activities during the period.
- Management and consulting fees increased by \$20,000 in comparison to Q1-2024 due to an increase of services provided by related parties during the period.
- Professional fees increased by \$19,338 in comparison to Q1-2024. It is comprised of audit fees, accounting fees and legal fees.
- Listing and filing fees increased by \$33,177 in comparison to Q1-2024 due to DTC advisory fees .

## SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected quarterly financial data reported by the Company.

	Oct 31, 2024	Jul 31, 2024	Apr 30, 2024	Jan 31, 2024	Oct 31, 2023	Jul 31, 2023	Apr 30, 2023	Jan 31, 2023
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest and other income (expense)	Nil	Nil	40	172	Nil	Nil	Nil	Nil
Net loss	202,927	211,037	148,126	130,053	56,068	108,920	44,596	32,564
Basic and diluted loss per common share	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	377,376	525,862	355,331	488,116	205,192	229,896	264,325	341,958
Shareholders' equity	200,662	390,739	272,018	420,144	99,337	155,405	264,325	244,770
Share capital	1,167,991	1,167,991	828,855	828,855	402,750	402,750	402,750	402,750
Contributed surplus	39,626	39,626	36,154	36,154	Nil	Nil	Nil	Nil
Deficit	1,006,955	804,028	592,991	444,865	303,413	247,345	138,425	93,829
Cash dividends declared per common share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2024, Questcorp had a negative working capital of \$106,074 (July 31, 2024 – positive working capital of \$135,369). Questcorp has sufficient cash to fund its current operating and administration costs for the next twelve months.

At October 31, 2024, Questcorp had a cash balance of \$37,001 (July 31, 2024 - \$178,901) to settle accounts payable and accrued liabilities of \$176,714 (July 31, 2024 - \$135,123). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to conventional trade terms.

The net change in cash as at October 31, 2024 was an decrease in cash of \$141,900 (July 31, 2024 – increase in cash of \$114,576) due to the following activities:

### **Cash used in operating activities**

Net cash used in operating activities during the three months ended October 31, 2024 was \$103,384 (October 31, 2023- \$28,063). Cash was mostly spent on exploration and development work, consulting, and general and administrative costs.

### **Cash provided by investing activities**

Total cash used by investing activities during the three months ended October 31, 2024 was \$51,366 (October 31, 2023 – \$Nil), resulting from exploration and evaluation assets.

### **Cash generated by financing activities**

Total net cash generated by financing activities during the three months ended October 31, 2024 was \$12,850 (October 31, 2023 - \$Nil), resulting from subscription received related to a private placement closed during the year ended July 31, 2024.

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(Expressed in Canadian Dollars)

At October 31, 2024, Questcorp's investment in exploration and evaluation assets, aggregated \$306,736 (July 31, 2024 - \$255,370), made up of the following:

		North Island, BC, Canada		Total
<b>ACQUISITION</b>				
<b>Balance July 31, 2022, and 2023</b>	\$	<b>10,000</b>	\$	<b>10,000</b>
Acquisition costs		120,500		120,500
<b>Balance July 31, 2024 and October 31, 2024</b>	\$	<b>130,500</b>	\$	<b>130,500</b>
<b>EXPLORATION</b>				
<b>Balance July 31, 2023</b>	\$	<b>122,904</b>	\$	<b>122,904</b>
Field and camp costs		5,196		5,196
Cost recoveries		(3,230)		(3,230)
<b>Balance July 31, 2024</b>	\$	<b>124,870</b>	\$	<b>124,870</b>
Assaying		23,793		23,793
Field and camp costs		27,573		27,573
<b>Balance October 31, 2024</b>	\$	<b>176,236</b>		<b>176,236</b>
<b>CARRYING VALUE</b>				
July 31, 2024	\$	255,370	\$	255,370
<b>July 31, 2024</b>	\$	<b>306,736</b>	\$	<b>306,736</b>

## Risks and Uncertainties

### *Uncertainty of Funding*

The Company has no history and has not begun any operating activity. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in securing the required funding to start operation. The Company plans to obtain financing upon the completion of its plan of arrangement through debt financing, equity financing, or other means. There is no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favorable.

### *Price Volatility*

In recent years securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's securities will be subject to market trends generally and the value of the Company's securities may be affected by such volatility. In addition, as the Company's securities are not currently listed on a stock exchange, this may further impact the market for, and value of, the Company's securities.

### *Economic Conditions*

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

### *Dependence on Management*

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

**Potential Conflicts of Interest**

The Company's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

**Dividends**

Questcorp has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of Questcorp and will depend on Questcorp's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of Questcorp deem relevant.

**OFF BALANCE SHEET ARRANGEMENTS**

Questcorp does not utilize off balance sheet arrangements.

**TRANSACTIONS WITH RELATED PARTIES**

**Key management compensation**

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

The aggregate value of compensation with key management for the three months ended October 31, 2024 was \$37,500 (2023 - \$22,500) and was comprised of the following:

		Three months ended October 31, 2024		Three months ended October 31, 2023
Management and consulting fees	\$	37,500	\$	22,500

The amounts charged to Questcorp for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements.

Related party transactions and balances not disclosed elsewhere in these financial statements are as follows:

**Other related party transactions**

During the three months ended October 31, 2024, Questcorp incurred a total of \$3,000 (2023 - \$3,000) in rent from a company owned by the CEO.

**Due to/from related parties**

As at October 31, 2024, the Company owed \$65,861 (2023 - \$17,850) to related parties. The amount is included in



accounts payable and accrued liabilities. Amounts due to related parties are unsecured, have no fixed repayments and are non-interest bearing.

## **PROPOSED TRANSACTIONS**

There are no proposed transactions that should be disclosed.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

### **Categories of financial assets and liabilities**

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include capital management, liquidity risk, credit risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

#### ***Capital management***

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at October 31, 2024, the Company is not subject to externally imposed capital requirements.

#### ***Credit risk***

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and GST recoverable.

The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian based financial institution. The carrying amount of financial assets represents the maximum credit exposure.

#### ***Liquidity risk***

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At October 31, 2024, Questcorp had a cash balance of \$37,001 (July 31, 2024 - \$178,901) to settle accounts payable and accrued liabilities of \$176,714 (July 31, 2024 - \$135,123).

#### ***Market risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company is not exposed to interest rate risk.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

## DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the following common shares and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and outstanding common shares	14,999,999		
Warrants	250,000	\$0.20	December 12, 2025
	2,500,000	\$0.10	November 5, 2026
	4,999,999	\$0.10	June 28, 2026
Fully Diluted at December 06, 2024	22,749,998		

**NOTE:** On May 22, 2024, all issued and outstanding common shares of the Company were consolidated on a 2:1 basis. The outstanding warrants & options were also adjusted on this basis.

## APPROVAL

The Board of Directors of Questcorp Mining Inc. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

## ADDITIONAL INFORMATION

Additional information can be obtained on SEDAR [www.sedarplus.ca](http://www.sedarplus.ca) or by contacting:

**Questcorp Mining Inc.**

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**QUESTCORP MINING INC.**

/s/ "Saf Dhillon"  
Satvir 'Saf' Dhillon  
Chief Executive Officer

**QUESTCORP MINING INC.**

/s/ "Scott Davis"  
Scott Davis  
Chief Financial Officer