XPLORE RESOURCES CORP.

Management's Discussion and Analysis

For the Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the year ended June 30, 2024 contains forward-looking information, including forward-looking information about Xplore Resources Corp.'s (the "Company") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks, and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for the years ended June 30, 2024 and 2023 should be read in conjunction with the audited consolidated financial statements as at June 30, 2024 and 2023 and for the years then ended, which are prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The following information is prepared as at September 26, 2024. The board of directors of the Company has approved the disclosure contained in this MD&A.

Additional information related to the Company is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.xploreresources.com.

OVERVIEW

Xplore Resources Corp. was incorporated on February 24, 2017 pursuant to the *Business Corporations Act* of British Columbia and was classified as a capital pool company, as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. On October 30, 2017, the Company completed its initial public offering and the Company's shares commenced trading on the TSX-V under the symbol XPLR. The Company's principal business activities include the acquisition and exploration of mineral property assets located in Canada and Brazil. The Company's head office and principal business address is 1615 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6. The Company's registered and records office is 2501 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

On October 24, 2023, the Company consolidated it common shares on the basis of one new share for every two and one-half pre-consolidation common shares. For all periods presented, common shares, warrants, stock options and any amounts for those instruments that are stated on a per-unit basis have been adjusted for the 2.5-for-1 share consolidation.

EXPLORATION PROJECTS

Surge Root Project

Surge

On February 18, 2022, the Company entered into an agreement to earn a 100% interest in the Surge property, located in the Patricia Mining District in Ontario. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of $20,000 (paid) and issuance of 160,000 common shares of the Company (issued and valued at $20,000) on signing of the agreement;
- Cash payment of $25,000 on or before February 18, 2023 (paid);
- Cash payment of $5,000 for extending the February 18, 2023 payment date to May 15, 2023 (paid);
- Cash payment of $30,000 on or before February 18, 2024 (paid); and
- Cash payment of $35,000 on or before February 18, 2025.

The Company was also required to incur exploration expenditures of $60,000 on or before February 18, 2023 (incurred).

The vendors retain a 1.5% net smelter return royalty ("NSR") on the property. The Company may purchase one third of the NSR (0.5%) for $800,000.

Surge Extension

On November 30, 2023, the Company entered into an agreement to acquire additional claims for $9,500. The vendor of the additional claims retains a 1.5% NSR on the additional claims. The Company may purchase one third of the NSR (0.5%) for $500,000.

Root Bay North

On December 22, 2023, the Company entered into an agreement to earn a 100% interest in the Root Bay North property. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of $9,000 (paid);
- Issuance of 300,000 common shares of the Company (issued and valued at $42,000) within five business days of TSX-V approval;
- Cash payment of $15,000 on or before December 22, 2024;
- Cash payment of $21,000 on or before December 22, 2025; and
- Cash payment of $30,000 on or before December 22, 2026.

The vendors retain a 1.5% NSR on the property. The Company may purchase one third of the NSR (0.5%) for $500,000.

Root Falls

On December 22, 2023, the Company entered into an agreement to earn a 100% interest in the Root Falls property. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of $12,000 (paid);
- Issuance of 600,000 common shares of the Company (issued and valued at $84,000) within five business days of TSX-V approval;
- Cash payment of $18,000 on or before December 22, 2024;
- Cash payment of $21,000 on or before December 22, 2025; and
- Cash payment of $36,000 on or before December 22, 2026.

The vendors retain a 1.5% NSR on the property. The Company may purchase one third of the NSR (0.5%) for $600,000.

Surge North

On June 5, 2024, the Company entered into an agreement to earn a 100% interest in the Surge North property. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of $75,000 (paid); and
- Issuance of 1,500,000 common shares of the Company (issued and valued at $180,000).

The vendors retain a 2% NSR on the property. The Company may purchase one half of the NSR (1%) for $750,000.

Root Lake South

On May 30, 2024, the Company entered into an assignment agreement to earn a 100% of the rights, titles, benefits and interest in, to and under an option agreement dated December 20, 2022 between optionors and an optionee. Under the terms of the assignment agreement, the Company must make a payment of $200,000 (paid) to the assignor. Under the terms of the option agreement, the Company must make payments to the optionors as follows:

- Cash payment of $29,000 (paid);
- Issuance of 260,000 common shares of the Company (issued and valued at $27,300) within seven calendar days of TSX-V approval; and
- Cash payment of $38,500 and issuance of 530,000 common shares of the Company on or before January 11, 2025.

The vendors retain a 2% NSR on the property. The Company may purchase one half of the NSR (1%) for $1,000,000.

Exploration – Surge Property

The Surge property (3,416 hectares ("ha")) is located in the Slate Falls area, Patricia Mining District, Ontario. The property is road accessible.

The Surge property lies within the Pakwash – Lake St. Joseph rare element pegmatite field, an east-west trending, 20-kilometre wide, 100-kilometre long trend containing multiple peraluminous (aluminum rich) granitic intrusions, rare earth pegmatites and lithium-bearing pegmatites. The property is 12 kilometres east of the Root Lake pegmatite group, which hosts the McCombe lithium deposit (historic mineral resource of 2.3 million tonnes averaging 1.3% lithium oxide ("Li2O") – (Mulligan R. Geological Survey of Canada, 1965). Ardiden (2015) reported 5.0 metres averaging 2.1% Li2O from continuous channel samples collected in 2016, approximately 5 kilometres west of the property boundary. Historical mapping (1963) identified seven distinct pegmatites, scattered peripheral to a central, east-west trending peraluminous granite that transects the Surge property claims. The Company considers the Surge property to be prospective for lithium-caesium-tantalum ("LCT") type pegmatites.

In June 2022, the Company contracted Prospectair Geosurveys to complete a high-resolution, heliborne magnetic ("MAG") survey of the Surge property. A total of 758-line kilometres were completed. Traverse lines were spaced 50 metres apart with control lines spaced every 500 metres. Flight lines were oriented N179°. Sensor height was 21 metres above ground.

In fiscal Q4 2022, the Company completed an initial reconnaissance program evaluating access and exposure at Surge to assist in planning 2023 exploration. The contract geological team commissioned to complete this field evaluation was asked to locate, describe and, if warranted, sample any outcrops of interest noted during the survey, particularly outcrops of pegmatite. The survey confirmed excellent road access to and from the Surge property and extensive logging has produced excellent exposure throughout the claim block. Eight distinct pegmatite bodies were identified and four were sampled and submitted for multi-element geochemical analysis with the objective of determining if the property offers prospectivity for LCT pegmatite development. Sample results indicate anomalous lithium grades, but none of the sampled outcrops returned lithium grades of economic interest.

A series of outcrops associated with the Lake St. Joseph fault system were noted to contain disseminated to massive sulphide mineralization along an approximate 1,500 metre strike length. Anomalous gold (up to 48 parts per billion), copper (up to 141 parts per million ("ppm")) and zinc (up to 393 ppm) were returned from sawn channel samples collected along this sulphide trend.

The Company proposes an exploration drill program at the Surge property to evaluate the potential for a stacked lithium-bearing pegmatite system similar to the Root Bay and Root Bay East discoveries. On May 15, 2024, the Company announced the receipt of an Early Exploration Permit for drilling at the Surge property.

Perrigo Lake Property

On August 13, 2021, the Company entered into an agreement to earn a 100% interest in the Perrigo Lake Property, located in the Red Lake Mining Division in Ontario. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of $18,000 on signing of the agreement (paid);
- Issuance of 48,000 common shares of the Company (issued and valued at $9,000) within five days of TSX-V approval;
- Cash payment of $20,000 (paid) and issuance of 48,000 common shares of the Company (issued and valued at $6,000) on or before September 9, 2022;
- Cash payment of $28,000 (paid) on or before September 9, 2023; and
- Cash payment of $30,000 on or before September 9, 2024 (paid subsequent to June 30, 2024).

The vendors retain a 1.75% NSR on the property. The Company may purchase a portion of the NSR (0.5% of the 1.75%) for $600,000. The remaining 1.25% NSR is subject to a pre-existing agreement with an arm's length third party.

During the year ended Juen 30, 2024, the Company staked 12 additional claims for the Perrigo Lake property.

Exploration – Perrigo Lake Property

The Perrigo Lake property (3,370 ha) is located in the McNaughton Township, Red Lake Mining Division, Ontario. The property is road accessible. The Perrigo Lake claims lies five kilometres due west of the Allison Lake batholith, a focal point for lithium exploration in northwest Ontario. The Company believes that Perrigo offers potential for LCT type pegmatites.

In August 2021, the Company contracted Prospectair Geosurveys to complete a high-resolution, MAG survey of the Perrigo Lake property. A total of 740-line kilometres were completed. Traverse lines were spaced 50 metres apart with control lines spaced every 500 metres. Flight lines were oriented N088°. Sensor height was 22 metres above ground.

Analysis of the airborne dataset identified numerous anomalies within the claim group that warrant follow-up evaluation. Anomalies of interest include:

a) Target A – a magnetic high response in the centre of the claims interpreted to be associated with ultramafic rocks. The contact area between the ultramafics and the metasedimentary rocks to the east may be prospective for gold mineralization;
b) Targets B and C – strong, linear magnetic response coincident with felsic volcanics trending north-northeast along the western boundary of the claims; and
c) Target D – a second, strong, linear magnetic response interpreted to be parallel to the contact between the mafic to intermediate volcanic sequence and the metasedimentary rocks that define the eastern boundary of the property.

The Company considers all the identified targets as potentially prospective for gold, but notes that the Perrigo block lies approximately three kilometres west of the Allison Lake batholith, a primary target of ongoing lithium exploration in the region. The Company believes that Perrigo Lake may offer exploration opportunity for the discovery of lithium-bearing pegmatites given its preferential location relative to the Allison Lake batholith.

Valk Property

On March 31, 2019, the Company finalized an asset purchase agreement to acquire a 100% interest in the Valk property, located in the Nanaimo Mining Division in British Columbia. The agreement was amended on February 7, 2020 and subsequently on November 2, 2020.

The Company acquired a 100% interest in the property by making the following cash payments and share issuances:

- Cash payment of $50,000 (paid in September 2019);
- Cash payment of $100,000 (paid in November 2020);
- Issuance of 600,000 common shares of the Company (issued September in 2019); and

(All amounts expressed in Canadian dollars, unless otherwise stated)

- Issuance of 400,000 common shares of the Company (issued in November 2020).

The Company entered into a finder's fee agreement on February 13, 2019, which was further amended on October 26, 2020 (the "Finder's Agreement"). Pursuant to this Finder's Agreement, the Company made a payment of $5,000 cash, issued 60,000 common shares (issued in September 2019) and made a final payment of $5,000 cash (paid in November 2020).

The Company has granted a 2% NSR, which is effective on all future production from the Valk Property. The Company may repurchase one half of the NSR (1%) for $1,500,000.

During the year ended June 30, 2024, the Company recorded impairment of $553,216 on the property.

Brazil Properties

Acquisition of Baru Exploração Mineral Ltda. ("Baru")

On July 28, 2023, the Company completed the acquisition of 100% of the share capital of Baru, a Brazilian-based exploration company, for US$10,000 ($13,663) and the issuance of 200,000 common shares of the Company (issued during the year ended June 30, 2022 and valued at $30,000).

Management has concluded that the transaction will be accounted for as an asset acquisition and not as a business combination, as based on the stage of the properties, it does not meet the definition of a business pursuant to IFRS 3 *Business Combinations*.

The provisional fair values of identifiable assets acquired and liabilities assumed of Baru as at the date of acquisition were:

Consideration		
Cash	$	13,663
Equity (200,000 common shares)		30,000
		43,663

		Fair value
Recognized amounts of identifiable assets acquired and liabilities assumed		
Financial assets	$	-
Financial liabilities		-
		-
Exploration and evaluation assets on acquisition		43,663
	$	43,663

Exploration costs of $45,385 incurred in fiscal 2023 relating to the Brazil properties were expensed to pre-exploration and evaluation costs.

On May 31, 2024, the subsidiary was wound up and the Company recorded impairment of $99,102 on the property during the year ended June 30, 2024.

Raggy Creek, Aerial Lake and Cathy Creek Properties

On December 22, 2023, the Company entered into an agreement to earn a 100% interest in the Raggy Creek, Aerial Lake and Cathy Creek properties. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of $30,000 (paid);
- Issuance of 900,000 common shares of the Company (issued and valued at $126,000) within five business days of TSX-V approval;

(All amounts expressed in Canadian dollars, unless otherwise stated)

- Cash payment of $36,000 on or before December 22, 2024;
- Cash payment of $54,000 on or before December 22, 2025; and
- Cash payment of $84,000 on or before December 22, 2026.

The vendors retain a 1.5% NSR on the property. The Company may purchase one third of the NSR (0.5%) for $500,000.

SELECTED ANNUAL INFORMATION

The following table presents selected financial information for each of the most recent three fiscal years:

	June 30, 2024 $	June 30, 2023 $	June 30, 2022 $
Revenue	-	-	-
Net loss	(1,836,150)	(457,329)	(196,670)
Basic and diluted loss per common share	(0.07)	(0.03)	(0.01)
Total assets	3,137,820	945,879	1,403,406
Long-term debt	-	-	-
Dividends	-	-	-

SELECTED QUARTERLY INFORMATION

The following table presents selected financial information for each of the most recent eight quarters:

For the periods ending	June 30, 2024 $	March 31, 2024 $	December 31, 2023 $	September 30, 2023 $
Revenue	-	-	-	-
Net loss	(1,097,291)	(478,234)	(243,064)	(17,561)
Basic and diluted loss per common share	(0.03)	(0.02)	(0.01)	(0.00)
Total assets	3,137,820	1,927,163	1,666,796	931,183
Non-current financial liabilities	-	-	-	-

For the periods ending	June 30, 2023 $	March 31, 2023 $	December 31, 2022 $	September 30, 2022 $
Revenue	-	-	-	-
Net loss	(40,677)	(316,067)	(54,876)	(45,709)
Basic and diluted loss per common share	(0.00)	(0.02)	(0.00)	(0.00)
Total assets	945,879	963,972	1,263,274	1,349,007
Non-current financial liabilities	-	-	-	-

All of the Company's mineral property assets are in the exploration and evaluation stage, and as such, the Company does not generate any revenues from operations. To date, the Company has been dependent on attaining working capital from the sale of its common shares.

During the quarter ended June 30, 2024, the Company completed a private placement for gross proceeds of $2,105,000. The Company prepaid exploration expenses for upcoming exploration work and the Company completed its required $75,000 and $229,000 cash payments for the Surge North and Root South properties, respectively.

During the quarter ended March 31, 2024, the Company completed the second tranche of a private placement for gross proceeds of $425,000. The Company repaid its bridge loan of $40,621. The Company completed its required $30,000, $9,000, $12,000 and $30,000 cash payments for the Surge, Root Bay North, Root Falls and Raggy Creek/Aerial Lake/Cathy Creek properties, respectively.

During the quarter ended December 31, 2023, the Company received bridge loan advances of $40,000 and issued 320,000 bonus warrants associated with loan. The Company completed its required $9,500 cash payment for the Surge Extension. The Company incurred exploration and evaluation asset expenditures of $60,000 on the Surge property and $5,037 on the Brazil properties.

During the quarter ended September 30, 2023, the Company completed its required $28,000 cash payment for the Perrigo Lake property. The Company's acquisition of Baru closed on July 28, 2023 resulting in the recognition of Brazil properties' acquisition costs of $43,663.

During the quarter ended June 30, 2023, the Company invested $50,789 in its exploration properties, including investments in the exploration of properties in Brazil.

During the quarter ended March 31, 2023, the Company invested $39,520 in its various properties. The Company announced the termination of the option agreement for the Upper Red Lake and Pringle Lake properties to allow the Company to focus on its portfolio of lithium properties in Ontario and Brazil, as well as the 100% owned Valk copper property in British Columbia. Consequently, the Upper Red Lake and Pringle Lake property assets have been written down to $nil to reflect the termination of the respective option agreements.

During the quarter ended December 31, 2022, the Company invested $45,172 in its various properties.

During the quarter ended September 30, 2022, the Company completed its required $20,000 cash payment and its 48,000 common share issuance for the Perrigo Lake property. The Company has incurred $8,446 in expenses related to the pre-exploration of properties in Brazil.

RESULTS OF OPERATIONS

<u>Three Months Ended June 30, 2024</u>

During the three months ended June 30, 2024, the Company reported a loss of $1,097,291 (2023 - $40,677). Significant components of the loss were:

- Consulting fees of $254,550 (2023 - $11,000) were higher due to new consultants engaged in the current period;
- General and administrative expenses of $36,233 (2023 - $983) increased as a result of an increase in shared office costs;
- Impairment of exploration and evaluation assets of $652,318 (2023 - $nil) increased, as the impairment in the current period related to a write-down in the Valk property and the wind-up of the Baru and the Brazil properties;
- Occupancy cost of $12,000 (2023 - $nil) increased as a result of shared office costs during the current period;
- Pre-exploration and evaluation expenses of $nil (2023 - $34,757) decreased, as the Company acquired Baru and the costs related to Brazil properties were capitalized during fiscal 2024;
- Professional fees of $65,327 (2023 – recovery of $10,102) increased as a result of increased legal fees during the period and compensation paid to the current chief financial officer ("CFO");
- Shareholder communication and promotion of $71,751 (2023 - $1,400) increased as a result of website and news release costs; and
- Transfer agent and filing fees of $5,112 (2023 - $2,639) increased due to an increase in corporate activity.

Year Ended June 30, 2024

During the year ended June 30, 2024, the Company reported a loss of $1,836,150 (2023 - $457,329). Significant components of the loss were:

- Consulting fees of $499,150 (2023 - $11,000) were higher due to new consultants engaged in the current year;
- General and administrative expenses of $54,839 (2023 - $15,112) increased as a result of an increase in shared office costs;
- Impairment of exploration and evaluation assets of $652,318 (2023 - $295,972) increased, as the write-off in the current year related to a write-down in the Valk property and the wind-up of the Baru and the Brazil properties, and the comparative year related to the termination of the option agreement on the Upper Red Lake and Pringle properties;
- Interest accretion of $25,644 (2023 - $nil) was higher, as a bridge loan was advanced to the Company during the current period;
- Occupancy cost of $30,000 (2023 - $nil) increased as a result of a change in location of office resulting in shared office expenditures during the current period;
- Pre-exploration and evaluation expenses of $nil (2023 - $45,385) decreased, as the Company acquired Baru and the costs related to Brazil properties were capitalized during the current year;
- Professional fees of $198,472 (2023 - $53,488) increased as a result of increased legal fees during the period and compensation paid to the current CFO;
- Share-based payments of $249,276 (2023 - $nil) increased due to stock options granted during the current period, whereas none were granted during the comparative period;
- Shareholder communication and promotion of $92,039 (2023 - $16,530) increased as a result of website and news release costs; and
- Transfer agent and filing fees of $34,412 (2023 - $19,842) increased due to an increase in corporate activity.

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital position as at June 30, 2024 was $626,540 compared to $70,784 at June 30, 2023.

On December 21, 2023 and January 2, 2024, Company closed a non-brokered private placement in two tranches totalling 11,780,000 units at a price of $0.10 per unit for gross proceeds of $1,178,000. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into one additional common share at a price of $0.15 for a period of two years from closing. The Company incurred share issuance costs of $32,759.

On May 9, 2024, the Company closed a non-brokered private placement of 21,050,000 units at a price of $0.10 per unit for gross proceeds of $2,105,000. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into one additional common share at a price of $0.15 for a period of two years from closing.

As the Company does not currently own any revenue-generating assets, the Company will need to raise sufficient capital to further explore its properties. At this time, the Company will rely on its current working capital and its ability to obtain further equity or debt financing for the foreseeable future. Although the Company has been successful in the past in obtaining financing, there is no guarantee that it will be able to obtain adequate financing in the future or that such terms of financing will be advantageous to the Company.

EVENTS SUBSEQUENT TO JUNE 30, 2024

None.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

(All amounts expressed in Canadian dollars, unless otherwise stated)

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include the directors, chief executive officer ("CEO") and CFO, who have the authority and responsibility for planning, directing and controlling the activities of the Company.

These amounts of key management compensation are included in the amounts shown in profit or loss for the years ended June 30, 2024 and 2023:

	Year Ended June 30, 2024	Year Ended June 30, 2023
Short-term compensation		
Consulting fees	$ 62,500	$ -
Exploration and evaluation asset expenditures	80,000	-
Professional fees	35,000	-
	177,500	
Share-based payments	124,637	
	$ 302,137	$ -

Short-term compensation was paid or accrued as follows:

- $62,500 (2023 - $nil) in consulting fees to a private company controlled by the CEO;
- $22,500 (2023 - $nil) in geological fees to a director of the Company;
- $57,500 (2023 - $nil) in geological fees to a company controlled by a director of the Company; and
- $35,000 (2023 - $nil) in professional fees to a private company controlled by the CFO.

As at June 30, 2024, the Company has outstanding amounts payable to officers and directors of the Company of $2,625 (2023 - $nil).

During the year ended June 30, 2024, the Company paid $30,000 (2023 - $nil) in occupancy cost to companies with a common officer.

During the year ended June 30, 2024, the Company entered into an assignment agreement for the Root Lake South property with a company with a common officer.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements, such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments, or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying values of accounts payable and accrued liabilities and loan payable approximate their fair values due to the short term to maturity.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

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

(All amounts expressed in Canadian dollars, unless otherwise stated)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for assets or liabilities that are not based on observable market data.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

June 30, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 435,621	$ -	$ -	$ 435,621

June 30, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 53,485	$ -	$ -	$ 53,485

There were no changes to the Company's risk exposures during the year ended June 30, 2024. The Company has exposure to the following risks from its use of financial instruments:

a) 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 Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada.

The Company has minimal credit risk. The maximum exposure to credit risk at June 30, 2024 is the carrying value of cash of $435,621 (2023 - $53,485).

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The financial liabilities of the Company as of June 30, 2024 total $134,125 (2023 - $60,114). Accounts payable are due within 30 days of the reporting date.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* – Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no funds held in foreign currencies, and as a result, is not exposed to significant exchange risk on its financial instruments at year-end.

ii) *Interest rate risk* – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest earned on cash is at nominal interest rates. The Company's loan payable has a fixed interest rate. The loan was repaid during the year ended June 30, 2024. The Company does not consider interest rate risk to be significant.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to significant other price risk.

d) Capital management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at June 30, 2024, the Company's shareholders' equity was $3,003,695 (2023 - $885,765). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any revenues and cash flows since its inception, therefore, the Company is dependent on external financing to fund its business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in 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 private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's approach to capital management during the year ended June 30, 2024. The Company is not subject to externally imposed capital requirements.

RISKS AND UNCERTAINTIES

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities.

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

The Company has a limited history of operations, is in the early stage of development and has received no revenues other than insignificant interest revenues following its transition to a mineral exploration and development company. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable. The Company does not anticipate paying any dividends in the near future.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company's interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of Indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks, which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years, as it is affected by numerous factors that are beyond the Company's control, including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore, the economic viability of the Company's interests in the mineral properties, cannot be accurately predicted. Furthermore, changing conditions in the financial markets and Canadian income tax legislation may have a direct impact on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is quite possible that the Company may lose its investments in the Company's mineral property interests.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the year of the change if the change affects that year only, or in the year of the change and future years if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next fiscal year are included in note 5 of the consolidated financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS – CHANGES IN ACCOUNTING POLICIES

New accounting standards adopted during the year ended June 30, 2024 are as follows:

Disclosure of Accounting Policies (Amendments to International Accounting Standard ("IAS") 1 Presentation of Financial Statements *and IFRS Practice Statement 2* Making Materiality Judgments*)*

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on July 1, 2023. These amendments have reduced the disclosure of accounting policies for the Company.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12 Income Taxes*)*

These amendments clarify how companies account for deferred taxes on transactions, such as leases and decommissioning obligations, with a focus on reducing diversity in practice. They narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

(All amounts expressed in Canadian dollars, unless otherwise stated)

These amendments to IAS 12 are effective for years beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on July 1, 2023. These amendments did not have any impact for the Company.

Amendments to IAS 8 Definition of Accounting Estimates

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* was amended in February 2021. The IASB issued "Definition of Accounting Estimates" to help entities distinguish between accounting policies and accounting estimates.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on July 1, 2023. These amendments did not have a material impact on the Company.

For details of the Company's future accounting standards, including accounting standards not yet adopted and accounting standards amended, but not yet effective, please refer to note 4 of the Company's audited consolidated financial statements for the year ended June 30, 2024.

OUTSTANDING SHARE DATA

The Company had the following securities issued and outstanding:

	September 26, 2024	June 30, 2024	June 30, 2023
Common shares	52,071,505	52,071,505	15,681,505
Warrants	33,150,000	33,150,000	3,432,000
Stock options	2,300,000	2,300,000	720,000
Fully diluted shares	87,521,505	87,521,505	19,833,505

DIRECTORS AND OFFICERS

The Company is currently governed by the following members of the board of directors:

Wesley C. Hanson	Director and Executive Chairman
Dominic Verdejo	Director and Chief Executive Officer
Charles Edgeworth	Director
Richard Boulay	Director
Karly Oliver	Director
John Newell	Director