# BeMetals Corp.
Management's Discussion and Analysis
of Financial Condition and Results of Operations
December 31, 2024 and 2023

## Management's Discussion and Analysis

The following discussion is management's assessment and analysis of the results and financial condition of BeMetals Corp. ("BeMetals" or the "Company"), and should be read in conjunction with the accompanying audited annual consolidated financial statements and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are reported in Canadian dollars unless otherwise indicated. The effective date of this report is April 24th, 2025.

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## Business Overview

**BeMetals Corp.** (the "Company") is a base and precious metals exploration and development company with a diversified portfolio of high-potential projects. The Company holds an option agreement to acquire a majority interest in the *Pangeni Copper Project* in Zambia and owns a suite of gold exploration assets in Japan known as the *Kazan Gold Projects*.

The **Pangeni Copper Project** is strategically located on the western extension of the prolific Zambian Copperbelt, a region that has recently attracted significant interest from prominent mining companies. BeMetals' late 2023 and early 2024 drilling campaigns at Pangeni have delivered the most encouraging results to date. Highlights include but are not limited to: **18.10 metres grading 0.70% copper, 16.16 metres grading 0.74% copper, 23.20 metres grading 0.54% copper**, **and 17.10 metres grading 0.40% copper** (See "Pangeni Copper Project" section below for details). Additional drilling in 2024 has since identified multiple new copper-bearing zones, supporting the growing potential for a substantial copper discovery.

The **Kazan Gold Projects** consist of five 100%-owned properties in Japan, a country with a rich history of high-grade gold production. These projects were carefully selected for their geological promise and proximity to past-producing gold mines, positioning BeMetals to capitalize on Japan's underexplored gold potential.

B2Gold Corp. became a strategic partner and cornerstone shareholder of BeMetals in 2021 through a $7.5 million equity investment tied to the Kazan Gold Projects acquisition. B2Gold remains an active partner and currently holds ~24.15% of BeMetals' shares, alongside Company Insiders and other experienced retail and institutional investors.

The Company continues to advance its high-quality portfolio of mineral exploration projects through well-managed technical programs with prudent deployment of funding and its ability to raise future funding as appropriately required. In addition, the

Company will continue to evaluate other potential precious and base metal acquisition opportunities utilizing the Company's extensive worldwide network, experience, and track-record in the mining business.

Founding directors of the Company include John Wilton (President and CEO), Clive Johnson, Roger Richer and Tom Garagan. In July 2020, Mark Connelly joined the Board as Non-Executive Chairman and director. The Board is joined by Derek Iwanaka (VP of Investor Relations and Corporate Development), Nick Furber (CFO), and Kristen Reinertson (Corporate Secretary and a director). Dr. Richard Sillitoe, one of the world's foremost economic geological experts on precious and base metal deposits, provides technical input for the Company's current projects and new project assessments as an advisor. Dennis Stansbury, a highly experienced mining engineer, and currently Sr. VP of Engineering and Project Evaluations with B2Gold Corp., also serves as a technical advisor to BeMetals.

The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol 'BMET', and they trade on the OTCQB in the U.S.A. under the symbol 'BMTLF', as well as on the Frankfurt Stock Exchange in Germany under the symbol '1OI.F'.

Since listing on the TSX-V, the Company has, through equity financings, successfully raised a total of approximately $30 million through private placements and the exercise of warrants. The Company entered into a loan agreement with B2Gold for an unsecured loan in the principal amount of US$5 million in August 2022 and in September 2023 and January 2024 B2Gold acquired Convertible Debentures totaling $5.3 million, in aggregate. Most recently, B2Gold made a further equity investment of $2.2 million in July 2024 through the Company's latest private placement financing of $4.8 million in aggregate (see 'Liquidity and Capital Resources' below).

The Company has incurred losses since inception and has no source of recurring revenue. The success of the Company is dependent upon the ability of the Company to obtain necessary financing to continue their exploration and development activities, the confirmation of economically recoverable reserves, and upon establishing future profitable production, or realization of proceeds on disposal. The Company will require additional funding to maintain its activities and operations for the next twelve months. All of the preceding indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

**Pangeni Copper Project**

*Exploration Highlights*

The Pangeni Copper Project ("Pangeni" or the "Pangeni Project") is located on the western extension of the Zambian Copperbelt, within the Lufilian Arc. The project area is underlain by Katangan Supergroup metasediments situated unconformably on basement schists and gneisses, which are covered by a thin veneer of Kalahari sands. The open-pit Sentinel Copper Mine is operated by First Quantum Minerals Ltd. some 130 kilometres to the northeast of the Pangeni Project, and Lumwana Copper Mine operated by Barrick Gold Corporation is also located within the region. A number of major international mining companies have identified this area of the Zambian Copperbelt to be prospective for the discovery of tier one copper mines and are also conducting extensive exploration work in this district. The Japan Organization for Metal and Energy Security Corporation ("JOGMEC") has been co-funding exploration expenses at the Pangeni Project since 2021 and it continues to fund exploration on pro-rata (27.8%) basis in 2025. Exploration activities from 2023 and up to the date of this report are summarized below.

BeMetals completed approximately 4,000 metres of core drilling as well as 5,000 metres of aircore drilling during the 2024 field season. In January 2025, the Company reported the remaining core drilling results from its 2024 exploration field program. The results confirmed a significantly expanded footprint of copper mineralization at the D-Prospect area and its related target zones at the Pangeni Project. In particular, an anomalous core intersection of copper mineralization, strongly motivates follow-up drilling, at hole F4-C3, some 1.3 kilometres southwest and along trend of the D-Prospect's Nkala Zone.

The Company had previously traced copper mineralization from immediately under the sand cover for some 1.7 kilometres. Now the combined trend extent of the D-Prospect, including the new F4-C3 target mineralization, is approximately 3 kilometres. Within the D-Prospect, the higher-grade Nkala Zone has multiple drill intersections with copper grades and mineralized widths that meet or exceed those of certain large-scale copper mines in the Domes Region of the Zambian Copperbelt.

Thus far, drill holes **D24-C1, D22-C2, D11-C3**, and **D22-C1** have intersected the interpreted Ingwe Shoot of the Nkala Zone, and demonstrate similar copper grades and widths of large copper mines and projects in the Domes Region. The Ingwe Shoot has higher-grade copper and associated cobalt mineralization which is interpreted to be structurally controlled and similar in style to the Equinox, Chimiwungo Main and East Shoots at the Lumwana Mine.

Mineralization at the D-Prospect remains open along trend to the southwest and northeast as well as down dip to the southeast, with additional exploration targets in close proximity. To date, the Project continues to deliver compelling results, indicating significant scale to mineralization and the potential to be the next new discovery of a tier one copper deposit beneath the Kalahari sand cover.

**HIGHLIGHTS OF THE FULL 2024 CORE DRILLING PROGRAMS:**

- **D-Prospect Nkala Zone:**
  - Hole **D24-C1** intersected 16.16 metres grading 0.74% Copper ("Cu") with 533 parts per million "ppm" cobalt ("Co"), including 5.50 metres grading 0.93% Cu with 701ppm Co.
  - Hole **D22-C2** intersected 14.78 metres grading 0.42% Cu, including 4.88 metres grading 0.65% Cu.
  - Hole **D11-C3** intersected 23.20 metres grading 0.54% Cu with 263ppm Co, including 7.90 metres 0.92% Cu with 453ppm Co.
  - Hole **D12-C1** intersected 21.52 metres grading 0.30% Cu, including 7.70 metres grading 0.35% Cu and including 6.96 metres grading 0.34% Cu.
  - Hole **D2-C3** intersected 15.71 metres (m) grading 0.31% copper (Cu), including 8.08 metres grading 0.37% Cu
  - Hole **D14-C2** intersected 31.50 m grading 0.33% Cu, including 17.10m grading 0.40% Cu
- **Nkala Zone Extension Target**: Some 1.3 kilometres along trend to the southwest from the main Nkala Zone, Hole **F4-C3** intersected a zone of 9.10 metres grading 0.11% Cu with associated kyanite and scapolite alteration similar to the D-Prospect's Nkala Zone.
- **Central Target**: Hole **CT4** intersected 31.50 metres grading 0.10% Cu with additional anomalous zones above and below this intersection.

In January 2024, the Company reported an intersection of 18.10 metres grading 0.70% Cu in Hole **D22-C1**. This was the first Company drilled hole to have intersected copper grades that exceed that of **certain operating, large-scale, copper mines in the Domes Region**[(1) (2)] **and its width is similar to mineralized units in these deposits**[(3)]**.**

The mineralized zone is characterized by consistent copper sulphide mineralization, comprising disseminated and veinlet chalcopyrite and subordinate bornite. This mineralization is generally hosted within a scapolite and kyanite bearing schist unit, and it has been named the Nkala Zone. The Nkala Zone is interpreted to have increased widths and copper grades in a lens or shoot currently termed the Ingwe Shoot.

Project exploration carried out in 2023 included drilling on the D-Prospect area, which comprised 2,032 metres of shallow air core drilling to test for bedrock copper anomalies below the Kalahari sand cover, and 787 metres of follow-up core drilling in three holes (D22-C1, D14-C1, and D11-C1).

**HIGHLIGHTS FROM THE 2023 DRILLING PROGRAM AT THE D-PROSPECT INCLUDED THE FOLLOWING:**

- Hole **D22-C1** intersected 18.10 metres grading 0.70% Cu along with other intervals of copper mineralization.
  - This intersection is open along strike to the southwest and west, and both up and down dip beneath the Kalahari sand cover
- Hole **D14-C1**: Returned multiple zones of copper mineralization from a shallow, approximately 70 metres, vertical depth

   - D14-C1: Interval 1: 69.41 metres grading 0.25 % Cu, including: 12.91 metres grading 0.37% Cu, and Interval 2: including 12.64 metres grading 0.32% Cu with 7.64 metres grading 0.39% Cu
- The mineralization, and associated alteration discovered at the D-Prospect shows many of the hallmarks of large-scale copper deposits mined in the Domes Region of the Zambian Copperbelt

*(1) First Quantum Minerals Ltd. website, Mineral Reserves - as at December 31, 2022, and reported based on a long-term $3.00/lb Cu price. The current depleted in-pit Mineral Reserve as at December 31, 2022 for Sentinel.*

*(2) Barrick Gold Corporation website, Mineral Reserves – December 31, 2013, Technical Report on the Lumwana Mine, North-Western Province, Republic of Zambia, Barrick Gold Corporation, Report for NI 43-101, March 27, 2014*.

*(3) Bernau, R., Roberts, S., Richards, M., Nisbet, B., Boyce, A., Nowecki, J. (2013) The geology and geochemistry of the Lumwana Cu (± Co ± U) deposits, NW Zambia. Mineralium Deposita, 48:137–153.*

*About the Pangeni Copper Project*

The Pangeni Licence is geologically prospective for the following deposit types; Basement-hosted Cu (analogues: the Lumwana Deposit, Nyungu Prospect), Sediment-hosted stratiform Cu-Co (analogues: Nchanga, Konkola, Nkana, and Mufulira Deposits), other Domes Region Deposits e.g. Sentinel, and Kansanshi and DRC Copperbelt Deposits e.g. Lonshi, Frontier, Kamoa-Kakula).

In March 2021, BeMetals entered into a Joint Exploration and Option Agreement with JOGMEC that provided an initial investment of US$1.5 million for money-in-the-ground exploration at the Pangeni Copper Project with additional ongoing pro-rata contributions. This ongoing investment from JOGMEC is helping to accelerate exploration at the property. Further information on this agreement with JOGMEC is detailed below.

An independent technical report for the Pangeni Copper Project, prior to the drilling campaigns from 2019 to present, has been completed by African Mining Consultants Limited, effective April 10, 2018, and is available on the Company's website and under the Company's profile on SEDAR+ at www.sedarplus.ca.

*Terms of the Pangeni Option Agreement*

In February 2018, further to a November 2017 letter agreement, the Company confirmed the agreement (the "Pangeni Agreement") with Copper Cross Zambia Limited (the "Pangeni Vendor") for the right to acquire up to a 72% interest in the Pangeni Copper Project. This agreement and the transactions pursuant thereto (the "Pangeni Transaction") was approved by the TSX-V in July 2018 in connection with the Company's completion of its qualifying transaction. Subsequently, the Company has made certain amendments to the Pangeni Agreement as announced in January 2020 and June 2023.

Pursuant to the Pangeni Agreement, and including the January 2020 and June 2023 amendments, the Company can acquire an initial 67.5% interest in the Pangeni Copper Project by:

(a) making cash payments of US$250,000 and issuing a total of 780,500 common shares by February 2020 (completed);
(b) spending US$2,500,000 in exploration work by December 31, 2020 (completed);
(c) making a cash payment of US$100,000 by mid-June 2023 (completed);
(d) making a cash payment of US$350,000, of which up to US$225,000, at the Company's option, may be satisfied by the issuance of the Company's common shares by mid-June 2024, which was subsequently extended to September 24, 2024 (completed by making cash payments of US$125,000 ($176,759) and issuing 3,088,600 common shares valued at US$225,000 ($308,858);
(e) completing a Preliminary Economic Assessment ("PEA") by (i) mid-June 2025 or (ii) any future date thereafter provided that the Company incur or fund not less than US$2,000,000 of expenditures on the Pangeni Copper Project annually, by mid-June of each year, until the completion of the PEA; and
(f) making a payment of US$700,000 as an advanced royalty reduction payment.

Following acquisition of the initial 67.5% interest (Subject to the JOGMEC agreement below) the Company can acquire an additional 4.5% interest by completing a Feasibility Study and making a further cash payment of US$750,000 (a portion of which may be paid in common shares of BeMetals at the option of the Company).

At the commencement of the mine development phase, and following a feasibility study, a one-off milestone payment is payable, based upon total proven and probable mineral reserves, as follows: US$2,000,000 if less than 500 kilotonnes ("kt") contained copper, US$3,000,000 if the contained copper is between 500 kt and 1,000kt, and US$6,000,000 if greater than 1,000kt contained copper. Upon commencement of production, Pangeni Mineral Resources Limited ("Pangeni Mineral") is entitled to a 3% Net Smelter Royalty (which may be reduced to 2.5% following the US$700,000 royalty reduction payment above and further reduced to 1% following an additional royalty reduction payment by the Company, determined by an internationally recognised valuator, which is not to exceed US$3,300,000).

*Terms of JOGMEC Agreement*

Under the terms of the JOGMEC Agreement, by March 31, 2021 JOGMEC funded US$1,000,000 for exploration expenditures by way of payment to BeMetals for exploration activities completed in the 2020 field program. This payment was received in March 2021. During 2021, JOGMEC also funded an additional US$ 500,000 in exploration expenditures (completed in August 2021), after which JOGMEC has been deemed to have earned a 27.8% interest in BeMetals' option to acquire up to a 72% interest in the Pangeni Project. Upon earning its interest in the BeMetals option, for the remainder of the agreed future exploration programs, JOGMEC funds exploration expenditures pro-rata in accordance with its 27.8% interest. In total therefore, JOGMEC has solely funded US$ 1,500,000 of exploration expenditures, and thereafter is funding exploration expenditures pro-rata in accordance with its proportionate interest in the BeMetals option for the property. The above investments will provide JOGMEC with rights to an approximately 20% stake in the Pangeni Project assuming the full exercise of all applicable underlying parties and optionees and BeMetals will retain rights to approximately 52%. BeMetals retains overall management control through the project's technical committee and its majority option position in the Pangeni Project.

*Off-take Option Rights*

Provided JOGMEC maintains its 27.8% interest in the BeMetals option through pro-rata funding of its proportionate share of exploration expenditures until December, 31, 2024, it will have earned a First Off-take Option, whereby, through annual Right of First Offer ("ROFO") and Right of First Refusal ("ROFR") provisions, JOGMEC will have the right to purchase up to 30% of the off-take from any mining operation on the property. JOGMEC would be entitled to exercise such ROFO/ROFR rights beginning on December 31, 2024 until the 10-year anniversary of the commencement of commercial production (with any purchases of off-take to begin on the commencement of commercial production).

Furthermore, should JOGMEC maintain at least a 10% interest in the Pangeni Project at the time a production decision is made for the Pangeni Project, it will be entitled to an additional Second Off-take Option, whereby, through an annual ROFR right, JOGMEC will have the right to purchase up to an additional 20% of the off-take from any mining operation on the property (for an aggregate 50% purchase right). JOGMEC would be entitled to exercise such Second Off-take ROFR rights beginning on the date a production decision is made until the end of the life of mine on the property (with any purchases of off-take pursuant to the Second Off-take Option to begin on the commencement of commercial production). If this Second Off-take Option is earned by JOGMEC, the term of the Off-take Option will also be extended, such that it will continue until the end of the life of mine. The remaining 70% or 50%, as applicable, of production from any mining operation remains unencumbered by JOGMEC's rights.

*Summary of Exploration Expenses*

The following table summarizes the exploration costs associated with the Company's Pangeni Copper Project as at December 31, 2024 and December 31, 2023:

**Pangeni Copper Project**

| | Balance December 31, 2023 | **Expenditure in 2024** | Balance December 31, 2024 |
|---|---|---|---|
| Direct exploration expenditures | | | |
| Application of prior prepaid amounts | $ 3,313,750 | **$ -** | $ 3,313,750 |
| Consulting & wages | 556,454 | **307,221** | 863,675 |
| Drilling | 4,864,726 | **3,212,144** | 8,076,870 |
| Professional fees | 100,481 | **-** | 100,481 |
| Site logistics | 982,444 | **551,767** | 1,534,211 |
| Total direct exploration expenditures | 9,817,855 | **4,071,132** | 13,888,987 |
| Other expenditures | | | |
| Proceeds from JOGMEC | (3,594,045) | **(1,275,737)** | (4,869,782) |
| Milestone value payments | 692,602 | **484,627** | 1,177,229 |
| Share based compensation | 117,191 | **-** | 117,191 |
| **Total** | **$ 7,033,603** | **$ 3,280,022** | **$ 10,313,625** |

**Kazan Gold Projects**

The Company acquired the Kazan Gold Projects in April 2021. The Kazan Gold Projects are an expertly selected portfolio of five wholly owned gold properties in Japan, including the more advanced exploration-stage Kato Project in Hokkaido. Kazan assembled this land position covering extensions and similar geological terrains known to have hosted numerous historical high-grade mines including, but not limited to, the currently operating Hishikari Gold Mine on Kyushu, which produced 7.9 million ounces of gold from 1985-2020 at an average grade of 30-40 grams per tonne gold.

Kazan has the rights to explore a total of five project areas in Japan. In addition to the Kato Project, these properties include the Todoroki and Konomai projects also on Hokkaido, as well as the Tashiro and Hokusatsu projects on Kyushu. A number of these project areas were subject to, or have adjacent, historical high-grade gold mining operations.

**The Kato Gold Project**

("Kato" or the "Kato Project") is currently the most advanced exploration project and covers close to 2,000 hectares in central Hokkaido.

*Exploration Results*

In July 2023, BeMetals announced assay results for an initial six holes from its 2023 drilling program at Kato. The 2023 drilling campaign at Kato, focused on extending the gold mineralization found along the south-easterly trending Seta and Kamitake veins, where a total of nine holes for approximately 2,725 metres were completed during the 2023 phase of exploration drilling. The results from the Kato holes returned multiple zones of epithermal gold mineralization related to the Seta, Kamitake and other new vein zones intersected southwest of the Seta and Kamitake veins. Based on the results to date, there appears to be a wide corridor of gold vein mineralization on the Kato Project with dimensions of at least 200 metres wide and 1.3 kilometres in strike extent. The results from the remaining three holes at Kato were released in January 2024 and returned lower grade intersections than the initial holes, however the additional data from all the 2023 phase of drilling will be used to update the geological model of the Kato mineralization and assist in defining additional targets for future drilling at the Kato corridor as well as for other untested targets on the Kato Project.

HIGHLIGHTS OF THE 2023 DRILLING RESULTS AT KATO INCLUDED:

- **KT23-19**: ***Interval 1***: 6.40 metres ("m") grading 1.74 g/t grams per tonne ("g/t") gold ("Au") and 5.4 g/t silver ("Ag")
  - *Including*: 1.70 m grading 5.58 g/t Au and 11.5 g/t Ag
- ***Interval 2***: 5.60 m grading 3.29 g/t Au and 7.9 g/t Ag
  - *Including*: 1.00 m grading 9.46 g/t Au and 17.6 g/t Ag
  - *Also including*: 0.43 m grading 9.65 g/t Au and 8.7 g/t Ag
- **KT23-20**: ***Interval 3***: 13.55 m grading 1.19 g/t Au and 18.32 g/t Ag
  - *Including*: 1.95 m grading 3.55 g/t Au and 21.66 g/t Ag
- **KT23-18**: ***Interval 2***: 10.54 m grading 1.28 g/t Au and 17.4 g/t Ag
  - *Including*: 1.37 m grading 4.48 g/t Au and 75.5 g/t Ag
- ***Interval 5***: 6.70 m grading 2.48 g/t Au and 36.1 g/t Ag
  - *Including*: 1.90 m grading 7.50 g/t Au and 91.7 g/t Ag
- **KT23-17: *Interval 3***: 3.60 m grading 2.12 g/t Au and 14.9 Ag
  - *Including*: 1.00 m grading 6.31 g/t Au and 17.8 g/t Ag
- ***Interval 6***: 3.15 m grading 1.18 g/t Au and 7.7 Ag
  - *Including*: 0.75 m grading 3.32 g/t Au and 13.0 g/t Ag

In December 2022 BeMetals completed its initial 2,000 metre drilling campaign at Kato and in January 2023, the Company announced the remaining assay results from its 2022 program including, holes KT22-13 and KT22-15 which extended the Seta and Kamitake veins to the southeast. The relatively lower gold grade of the KT22-13 & KT22-15 intersections compared to KT22-11 and KT22-12 are related to the former intersections being in the shallow, steam heated area of the epithermal system. These intersections likely represent the upper zone of the veins.

HIGHLIGHTS OF THE 2022 DRILLING RESULTS AT KATO INCLUDED:

- **KT22-11: Seta Vein**: 11.50 metres ("m") grading 6.42 g/t grams per tonne ("g/t") gold ("Au")
  - Including: 8.70 m grading 7.80 g/t Au
  - Including: 4.52 m grading 11.88 g/t Au

- **KT22-12: Seta Vein**: 26.10 m grading 3.06 g/t Au
  - Including: 10.20 m grading 4.88 g/t Au
  - Including: 5.05 m grading 5.76 g/t Au

- **KT22-13: Seta Vein**: 30.00 m grading 0.47 g/t Au
  - Including: 5.25 m grading 1.25 g/t Au

- **KT22-15: Seta Vein**: 17.50 m grading 0.29 g/t Au, Extends Seta Vein 400 m from KT22-11

- **KT22-15: Kamitake Vein**: 3.67 m grading 0.86 g/t Au

Historically, the property was drilled by the Japanese government's Metal Mining Agency of Japan ("MMAJ") in the 1990s and during that time intervals of high-grade gold including 17.5 metres grading 8.15 grams per tonne ("g/t") gold ("Au") in hole 5MAHB-2, and 18.65 metres grading 5.01 g/t Au in hole 7MAHB-1 were returned. Little work was conducted on the property since the 1990s until the Japanese Ministry of Economy Trade and Industry ("METI") granted the prospecting rights to Kazan Resources, Japan in December 2017. Kazan Resources was acquired by BeMetals in 2021.

For more details on Kato, prior to the 2022 and 2023 drilling campaigns, see the technical report entitled, "Kato Gold Project, Japan NI 43-101 Technical Report" with an effective date of July 13, 2021 filed on SEDAR or on the Company website.

*Summary of Exploration Expenses*

The following table summarizes the exploration costs associated with the Company's Kato Gold Project as at December 31, 2024 and December 31, 2023:

**Kato Gold Project**

| | Balance December 31, 2023 | **Expenditure in 2024** | Balance December 31, 2024 |
|---|---|---|---|
| Direct exploration expenditures | | | |
| Consulting & wages | $ 1,754,725 | **$ 53,152** | $ 1,807,877 |
| Drilling | 4,279,167 | **30,537** | 4,309,704 |
| Equipment | 72,950 | **-** | 72,950 |
| Land fees /Lease payments | 45,348 | **23,134** | 68,482 |
| Site logistics | 1,460,122 | **44,962** | 1,505,084 |
| Total direct exploration expenditures | 7,612,312 | **151,785** | 7,764,097 |
| Other expenditures | | | |
| Property acquisition costs | 3,821,236 | **-** | 3,821,236 |
| Share based compensation | 82,946 | **-** | 82,946 |
| Total | $ 11,516,494 | **$ 151,785** | $ 11,668,279 |

**Other Kazan Gold Projects**

**The Todoroki Gold-Silver Project** ("Todoroki" or the "Todoroki Project") is located on the southwestern region of Hokkaido and targets high-grade epithermal gold-silver mineralization encompassed within some 590 hectares of prospecting rights which include the historical Todoroki Mine discovered in 1896 – the oldest gold-and-silver mine in Hokkaido. Recorded production at the Todoroki Mine from 1925 until 1943 was approximately 200,000 ounces of Au, and 7.4 million ounces of Ag. Mining was temporarily halted in 1943 but resumed operation after WWII. Mining continued intermittently until the 1980s but production information for this period is uncertain.

Detailed geological studies by a Japanese group in the early 1970s concluded that in addition to the 13 known vein occurrences at Todoroki, there were numerous other undeveloped veins and alteration halos surrounding potential vein zones that required investigation. The veins are distributed over a 4.5km (East-West) by 1.5km (North-South) area and range in length between 500 and 1,500 metres, with documented widths ranging from 1 to more than 10 metres.

In 2021, a reconnaissance surface sampling program, completed by the Company, yielded several high-grade results, associated with outcrops near to historical mining, including 9.43 g/t Au and 442.5 g/t Ag over 2.1 metres and 9.29 g/t Au and 656.5 g/t over 2.5 metres. This confirms the significant high-grade silver component to the mineralization. In 2023, a phase of scout drilling comprised of 449 metres in 2 drill holes was completed at the Todoroki Gold-Silver Project. The drilling encountered quartz vein units with low tenor gold mineralization. Future drill targets will be designed to intersect deeper levels within the interpreted extensions of the historical Todoroki Mine vein system where higher-grade mineralization can be interpreted to be developed.

**The Tashiro Gold Project** ("Tashiro" or the "Tashiro Project") is located in northeastern Kyushu. The Tashiro Project is situated within the regional scale Hohi Graben, a major geological structure in this district that is associated with numerous historical gold mines and prospects known collectively as the Northern Kyushu epithermal gold province. In early 2023, BeMetals completed an airborne drone magnetic survey at Tashiro. This survey information was integrated with the historical drilling results to generate several compelling drilling targets for the property.

The high-grade quartz-gold veins of the Noya and Noya SW prospects within the Tashiro Project do not crop out. The area was initially explored for its geothermal energy potential with a single drill hole completed in 1952, and subsequently three more holes were completed in 1977. The existence of epithermal quartz-gold veins in the original drill core, with associated intense alteration, was first recognised by Morishita & Takeno and reported in 1989. Motivated by these results, in the early 1990s, MMAJ conducted drilling on the property as part of their search for the next Hishikari Gold Mine. A combination of mapping, soil sampling, geophysics, and drilling were undertaken and identified mineralized vein zones at the Noya and Noya SW Prospects, where numerous highly anomalous gold intervals were intersected. Some highlighted historical intersections of note on the Tashiro Project were included at;

**Noya Prospect**

- 4MAKC-1: 63.90 grams per tonne ("g/t") gold ("Au") & 16.70 g/t silver ("Ag") over 0.47m*
- 4MAKC-4: 28.60 g/t Au & 12.90 g/t Ag over 1.08m*
- 7MAKN-4: 41.60 g/t Au & 28.40 g/t Ag over 0.30m*

**Noya SW Prospect**

- 9MAKN-7: 1.67 g/t Au & 1.70 g/t Ag over 27.10m, *Including:* 3.38 g/t Au over 8.95m
- 9MAKN-8: 13.80 g/t Au & 16.70 g/t Ag over 1.30m*

**The Konomai Project** is located in northeastern Hokkaido. This land package is in the northern tip of a prolific zone of gold mining operations that were active in pre-World War II times. Most of the historical gold mines were shut down during the war years and were never reopened aside from Sumitomo Metal Mining's Konomai Mine, the largest in Hokkaido, which produced 3.1 million ounces of gold, and some other more modest producing mining operations. The Company has completed orientation and reconnaissance rock chip and soil sampling at this property.

**The Hokusatsu Gold Project** is located in southwestern Kyushu. This property is of interest due to its close proximity to two important gold occurrences on and adjacent to the property near the former mines of; Fuke (historical production of 125,000 ounces at 10.5 g/t Au) and Ohkuchi (historical production of 783,000 ounces at 13.1 g/t Au) mines. In addition, the high-grade Hishikari Gold Mine is located approximately 16 kilometres to the southeast of the Hokusatsu property. The Company has completed reconnaissance rock chip sampling in this project area, and is also compiling historical information from the Ohkuchi Mine with an aim to generating potential drill targets based upon the possible extension of un-mined areas of this mineralization within the property. The Company also intends to complete and compile with other geological data stream sediment sampling at the Hokusatsu property.

*Summary of Exploration Expenses*

The following table summarizes the exploration costs associated with the Company's Other Kazan Gold Projects as at December 31, 2024 and December 31, 2023:

**Other Kazan Gold Projects**

| | Balance December 31, 2023 | **Expenditure in 2024** | Balance December 31, 2024 |
|---|---|---|---|
| Direct exploration expenditures | | | |
| Consulting & wages | $ 953,333 | **$ 141,809** | $ 1,095,142 |
| Drilling | 168,257 | **61,110** | 229,367 |
| Land fees /Lease payments | 38,212 | **26,790** | 65,002 |
| Site logistics | 363,636 | **117,798** | 481,435 |
| Total direct exploration expenditures | 1,523,438 | **347,507** | 1,870,945 |
| Other expenditures | | | |
| Property acquisition costs | 8,916,216 | **-** | 8,916,216 |
| Share based compensation | 39,298 | **-** | 39,298 |
| Total | $ 10,478,952 | **$ 347,507** | $ 10,826,459 |

## Outlook

BeMetals is focused on advancing the exploration and development of the Pangeni Copper Project in Zambia, while continuing to advance its portfolio of gold projects in Japan. The Company is also constantly reviewing other potential high-value gold and base metal projects for possible new additions to its current portfolio.

BeMetals has significantly expanded the copper mineralization footprint at its *Pangeni Copper Project* through its 2024 core and aircore drilling programs. The Company has confirmed a 3-kilometre copper trend at the D-Prospect, anchored by the higher-grade **Nkala Zone**, with drill results comparable to those of large-scale copper mines in the Zambian Copperbelt, such as the Lumwana Mine's Chimiwungo Deposit.

**Notable drill results from 2024 at the D-Prospect and nearby targets include:**

- **D24-C1:** 16.16m @ 0.74% Cu with 533 ppm Co
- **D11-C3:** 23.20m @ 0.54% Cu with 263 ppm Co
- **D2-C3:** 15.71m @ 0.31% Cu, including 8.08 metres grading 0.37% Cu
- **D14-C2** 31.50m @ 0.33% Cu, including 17.10m grading 0.40% Cu
- **F4-C3:** 9.10m @ 0.11% Cu, extending mineralization 1.3 km southwest of Nkala Zone
- **CT4:** 31.50m @ 0.10% Cu at the Central Target, 8 km southeast of D-Prospect

Aircore drilling has further outlined multiple compelling satellite targets including at **Nkala Northwest, CT Southwest, and the R Target**, increasing the overall mineralized footprint and enhancing the project's scale potential.

BeMetals has launched a **fully funded follow-up core drilling program in Q1 2025** to further define the size, continuity, and potential economic viability of the copper system at D-Prospect and surrounding targets. The mineralization remains open along trend and at depth, supporting the potential for a **tier-one copper discovery** beneath the Kalahari sand cover.

In parallel, BeMetals continues advancing its **Kazan Gold Project** portfolio in Japan by integrating field mapping and sampling with historical drill data to generate and refine high-quality drill targets.

Backed by a seasoned team with a proven track record in mine discovery and development, BeMetals is strategically positioned to become a **leading base and precious metals exploration and development company** through organic growth and strategic project acquisitions.

## Review of Financial Results

Total assets increased to $36,235,471 at December 31, 2024, from $30,346,749 at December 31, 2023. The most significant assets at December 31, 2024, were cash of $2,710,057 (December 31, 2023: $562,355), investments of $377,711 (December 31, 2023: $138,872) and exploration and evaluation assets of $32,808,363 (December 31, 2023: $29,029,049).

The most significant changes in assets value at December 31, 2024 compared to December 31, 2023 were attributed to:

- Cash increased by $2,147,702 to $2,710,057 on December 31, 2024 compared to $562,355 on December 31, 2023. The movement is primarily the net effect of expenditures of approximately $4.6 million and cash raised of $6.8 million of which $4.8 million came from the unit private placement and $2.0 million from the issuance of the convertible debenture. The most significant cash expenditures were on the Company's exploration and evaluation assets where approximately $4.9 million in cash was invested.

- Amounts receivable decreased by $289,156 to $37,807 on December 31, 2024 compared to $326,963 on December 31, 2023 as a result of the refund of approximately $300,000 of sales tax payments made in 2023 being received.

- Exploration and evaluation assets increased by $3,779,314 to $32,808,363 on December 31, 2024 compared to $29,029,049 on December 31, 2023. The increase related to net expenditures of $3.3 million on the Pangeni Copper Project and $0.5 million on the Japanese Projects.

Total liabilities increased to $12,340,574 at December 31, 2024, from $9,561,861 at December 31, 2023. The most significant liabilities as at December 31, 2024, were trade and other payables of $85,409 (December 31, 2023: $211,587), loan of $8,037,003 (December 31, 2023: $7,055,784) and convertible debenture of $4,193,392 (December 31, 2023: $2,285,830).

The most significant changes in liabilities value at December 31, 2024 compared to December 31, 2023 were attributed to:

- Loan increased by $981,219 to $8,037,003 on December 31, 2024 from $7,055,784 on December 31, 2023. The Company entered into the US$5 million loan with B2Gold in August 2022, and the Loan bears interest at 4.7%. The increase in the loan is attributed to accrued interest of $343,951 accumulated during the year ended December 31, 2024 and a foreign exchange loss of $637,628 on the translation of the loan and accrued interest from US dollars into Canadian dollars, arising due to the weakening of the Canadian dollar as compared to the US dollar in the period. Since the loan matures on August 4, 2025 it has been included as a current liability on December 31, 2024 as compared to a long term liability on December 31, 2023.

- Convertible debenture increased by $1,907,928 to $4,193,758 on December 31, 2024 compared to $2,285,830 on December 31, 2023. $1.3 million of the increase is the liability component of the $2 million convertible debenture that was issued in January 2024 and $0.6 million relates to accrued interest and accretion on the debentures for the year ended December 31, 2024.

***Three months ended December 31, 2024 and 2023***

Comprehensive loss for the three months ended December 31, 2024, was $686,104 an increase of $10,871 compared to the comprehensive loss of $675,233 for the three months ended December 31, 2023. The decrease in comprehensive loss is largely due to the net effect of:

- A $466,505 positive change in the unrealized gain (loss) on investments. During the three months ended December 31, 2024 the Company recognized an unrealized gain on FVOCI investments of $235,972 compared to a loss of $230,533 during the three months ended December 31, 2023. These FVOCI gains and losses resulted from changes in the market price of the 2,500,000 common shares the Company owns in Thunder Mountain Gold.
- A $289,897 increase in the foreign exchange loss. During the three months ended December 31, 2024 the Company recognized a foreign exchange loss of $389,605 compared to a foreign exchange loss of $102,708 for the three months ended December 31, 2023.
- Increase in convertible debt finance expense of $68,589 to $158,254 for the three months ended December 31, 2024 compared to $89,665 for the three months ended December 31, 2023. The increase is the result of the interest accrued on the B2Gold convertible debt notes which were issued in September, 2023 and January, 2024.

***Year ended December 31, 2024 and 2023***

Comprehensive loss for the year ended December 31, 2024, was $2,579,146, an increase of $444,534 compared to the comprehensive loss of $2,134,613 for the year ended December 31, 2023. The increase in comprehensive loss is largely due to the net effect of:

- A $657,582 increase in the foreign exchange loss. During the year ended December 31, 2024 the Company recognized a foreign exchange loss of $521,082 compared to a foreign exchange gain of $136,500 for the year ended December 31, 2023.

- A $377,619 positive change in the unrealized gain (loss) on investments. During the year ended December 31, 2024 the Company recognized an unrealized gain on FVOCI investments of $238,839 compared to a loss of $138,780 during the year ended December 31, 2023. These FVOCI gains and losses resulted from changes in the market price of the 2,500,000 common shares the Company owns in Thunder Mountain Gold.
- Marketing expense decreased by $113,413 primarily due to less marketing activity. During the year ended December 31, 2024 marketing expense was $88,615 compared to $202,028 during the year ended December 31, 2023.
- Stock based compensation decreased by $147,545. During the year ended December 31, 2024 stock based compensation was $nil compared to $147,545 during the year ended December 31, 2023.
- Increase in convertible debt finance expense of $474,283 to $585,389 for the year ended December 31, 2024 compared to $111,106 for the year ended December 31, 2023. The increase is the result of the interest accrued on the B2Gold convertible debt notes which were issued in September, 2023 and January, 2024.

**Liquidity and Capital Resources**

During the year ended December 31, 2024 the Company raised $6.84 million in aggregate of which $4.84 million was from the July 2024 non-brokered private placement and $2 million from the January 2024 convertible debenture issuance. During the same period the Company spent cash of approximately $4.6 million, the majority of which was spent on exploration and evaluation expenses on the Company's exploration properties. Cash held by the Company increased by $2,147,702 to $2,710,057 on December 31, 2024 compared to $562,355 on December 31, 2023.

On December 31, 2024, the Company had a working capital deficit of $5,284,806 (December 31, 2023: working capital of $772,137). The decrease in the Company's working capital position on December 31, 2024, even though there has been a substantial increase in cash, is due to the B2Gold Loan being recognized as a current liability as of December 31, 2024 since it matures on August 4, 2025, less than one year from the period end. The Company has incurred negative cash flows from operations of $1,035,643 and recorded a loss of $2,817,985 for the year ended December 31, 2024 (December 31, 2023: negative cash flows from operations of $1,731,165 and loss of $1,995,833, respectively), and has an accumulated deficit of $28,010,836 as at December 31, 2024 (December 31, 2023: $25,192,851).

On July 31, 2024, the Company closed a non-brokered private placement by issuing 48,406,000 units (the "Units") at $0.10 per Unit for gross proceeds of $4,840,600 (the "Private Placement"). Each Unit from the Private Placement consists of one common share in the capital of the Company (a "Share") and one-half Share purchase warrant. Each whole Share purchase warrant (a "Warrant") entitles the holder thereof to purchase one additional Share at an exercise price of $0.18 per Share until July 31, 2025. The securities issued pursuant to the Private Placement are subject to a hold period under applicable Canadian securities laws expiring on December 1, 2024. In connection with the Private Placement, the Company paid cash finder's fees totaling $95,280, in respect of certain sales under the Private Placement. B2Gold, a related party of the Company, subscribed for 22,000,000 Units for gross proceeds of $2.2 million as part of the Private Placement. Other related parties of the Company, including directors, officers and other insiders, subscribed for an aggregate of 8,125,000 Units for gross proceeds of $812,500 in the Private Placement.

On January 8, 2024 the Company entered into a further convertible debenture agreement with B2Gold with respect to a non-brokered private placement to B2Gold of an unsecured convertible debenture (the "Second Debenture") in the principal amount of C$2,000,000. The Second Debenture matures on January 8, 2029 and bears an interest rate of 7% per annum calculated and compounded annually in arrears on each anniversary date, being January 8 of each year. The principal amount of the Second Debenture is convertible into common shares of BeMetals at the option of the holder at any time on or before the maturity date at a price of $0.25 per common share. Accrued interest on the Second Debenture is convertible into common shares at the option of the holder on the maturity date at a price per common share that is the greater of $0.25 and market price at the time of conversion (subject to prior approval by the TSX Venture Exchange).

On September 8, 2023 the Company entered into a convertible debenture agreement with B2Gold Corp. ("B2Gold"), a related party, with respect to a non-brokered private placement to B2Gold of an unsecured convertible debenture (the "First Debenture") in the principal amount of C$3,300,000. The First Debenture matures on September 8, 2028 and bears an interest rate of 7% per annum calculated and compounded annually in arrears on each anniversary date, being September

8 of each year. The principal amount of the First Debenture is convertible into common shares of BeMetals at the option of the holder at any time on or before the maturity date at a price of $0.25 per common share. Accrued interest on the Debenture is convertible into common shares at the option of the holder on the maturity date at a price per common share that is the greater of $0.25 and market price at the time of conversion (subject to prior approval by the TSX Venture Exchange).

The financial statements for the year ended December 31, 2024 are prepared on a going concern basis that 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 Company has incurred losses since inception and has no source of recurring revenue. The success of the Company is dependent upon the ability of the Company to obtain necessary financing to continue their exploration and development activities, the confirmation of economically recoverable reserves, and upon establishing future profitable production, or realization of proceeds on disposal. The Company will require additional funding to maintain its activities and operations for the next twelve months. All of the preceding indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements for the year ended December 31, 2024 do not give effect to the adjustments that would be necessary to the carrying value and classification of assets and liabilities should the Company be unable to continue as a going concern.

## Selected Annual Information

| | **Year ended December 31, 2024** | Year ended December 31, 2023 | Year ended December 31, 2022 |
|---|---|---|---|
| Total assets | **$ 36,235,471** | $ 30,346,749 | $ 28,948,989 |
| Loss | **$ (2,817,985)** | $ (1,995,833) | $ (14,738,051) |
| Comprehensive loss | **$ (2,579,146)** | $ (2,134,613) | $ (14,919,977) |
| Basic and diluted loss per share | **$ (0.01)** | $ (0.01) | $ (0.08) |

## Summary of Quarterly Results

| | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 |
|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - |
| Loss | (922,076) | (520,346) | (657,517) | (718,046) |
| Comprehensive loss | (686,104) | (477,837) | (710,724) | (704,481) |
| Basic and diluted loss per share | (0.01) | (0.00) | (0.00) | (0.00) |
| | **Q4 2023** | **Q3 2023** | **Q2 2023** | **Q1 2023** |
| Revenue | $ - | $ - | $ - | $ - |
| Loss | (628,206) | (277,825) | (512,038) | (547,766) |
| Comprehensive loss | (675,233) | (290,525) | (631,464) | (507,393) |
| Basic and diluted loss per share | (0.00) | (0.00) | (0.00) | (0.00) |

## Outstanding Share Data

### *Issued and fully paid common shares*

During the year ended December 31, 2024, the Company issued 48,406,000 shares as part of the non-brokered private placement whereby the Company issued 48,406,000 units at $0.10 per Unit for gross proceeds of $4,840,600 on July 31, 2024. Each Unit from the Private Placement consists of one common share in the capital of the Company and one-half Share purchase warrant (a "Warrant").

In September 2024, the Company issued 3,088,600 common shares pursuant to the Pangeni Agreement.

As at December 31, 2024 and the date of this report there were 228,847,145 shares outstanding.

### *Warrants*

During the year ended December 31, 2024 the Company issued 24,203,000 Warrants as part of the non-brokered private placement. Each Warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.18 per Share until July 31, 2025.

As at December 31, 2024 and the date of this report there were 24,203,000 warrants outstanding.

### *Share options*

During the year ended December 31, 2024, no share options were exercised, issued or cancelled by the Company.

As at December 31, 2024 and the date of this report, there were 16,995,000 options outstanding.

## Related Party Transactions

Included within fees and salaries are amounts paid to key management personnel, which are those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the year ended December 31, 2024, key management personnel compensation, including directors and officers, was comprised of $698,059 (2023 - $783,386), of which $nil related to share-based compensation, $661,163 related to fees and salaries and $36,896 was capitalized to Exploration and evaluation assets (2023 - $91,781, $523,479 and $168,126 respectively).

During the year ended December 31, 2024, the Company paid or accrued fees of $nil (2023 - $215,611) to B2Gold that were capitalized to Exploration and evaluation assets. On July 31, 2024, B2Gold subscribed for 22,000,000 Units for gross proceeds of $2,200,000 as part of the Private Placement (Note 8). Additionally, other related parties of the Company, including directors, officers and other insiders, subscribed for an aggregate of 8,125,000 Units for gross proceeds of $812,500 in the Private Placement. On January 8, 2024 the Company issued a $2,000,000 convertible debenture to B2Gold (Note 7). On July 31, 2023 the Company reached an agreement with B2Gold for an unsecured $1,750,000 Bridge Loan (Note 6) that was subsequently applied as partial subscription towards a $3,300,000 Debenture which was entered into on September 8, 2023.

As at December 31, 2024 amounts included in accounts payable and accrued liabilities due to related parties was $nil (2023: $31,627).

## Critical Accounting Policies and Estimates

The Company has prepared the accompanying financial statements in accordance with IFRS. Material accounting policies are described in Note 3 of the Company's financial statements as at and for the year ended December 31, 2024, except for newly adopted accounting policies as noted below, if any.

The preparation of financial statements in conformity 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 expenses during the reporting period. Actual outcomes could differ from these estimates.

## Financial Instruments and Financial Risk Management

### *Financial Instruments*

Cash, term deposit, amounts receivable, exploration advances, trade and other payables, loan and convertible debentures are carried at amortized cost which approximates fair value due to the short-term nature or market interest rate of these instruments. Common shares of publicly traded companies included in investments are classified as FVOCI. The derivative liability is classified as FVTPL.

### *Financial Risk Management*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of these financial assets.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. 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 attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. As at December 31, 2024, the Company had current liabilities of $8,122,412 and a working capital deficit of $5,284,806 (Note 1). Included within current liabilities and the working capital deficit on December 31, 2024 is $8,037,003 owed to B2Gold for the Loan principal and accrued interest that matures on August 4, 2025.

The Company's Loan with a principal owing of US$5,000,000 matures on August 4, 2025. The Loan bears interest at a rate of 4.7% per annum which can be paid or accrued annually at the discretion of the Company (Note 6). The Company's $3,300,000 Debenture matures on September 8, 2028 and bears interest at a rate of 7.0%. The Company's $2,000,000 Second Debenture matures on January 8, 2029 and bears interest at a rate of 7.0%. The Company also has commitments rising in 2025, and beyond, related to the Pangeni Copper Project (Note 4).

#### Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars and the Japanese Yen. A portion of the Company's exploration and evaluation expenditures are incurred in Zambia, but are predominantly transacted in US dollars. The Company maintains Canadian dollar and US dollar bank accounts in Canada and Japanese Yen ("¥") bank accounts in Japan. The Company is subject to gains and losses from fluctuations in the US dollar and the Yen against the Canadian dollar. The Company held a net monetary liability position of $7,026,551 (US$4.9 million) in US dollars and a net monetary asset position of $82,577 (¥9 million) in Japanese Yen as of December 31, 2024, with the effect on profit or loss before tax of a 10% fluctuation to the CAD dollar being $694,397.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and interest payable on the B2Gold Loan and convertible debenture which are both at a fixed rate. Changes in short-term interest rates will not have a significant effect on the fair value of the Company's cash account.
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**Price risk**

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including copper, zinc, silver, gold, and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations. In addition, the Company's investments which are comprised of publicly traded equity securities are subject to price risk.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk, as the nature of the Company's business is in exploration.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company is exposed to price risk with respect to its investment in Thunder Mountain, which trades on the OTCQB under the symbol 'THMG'.

**Risks and Uncertainties**

The risk factors described below summarize and supplement the risk factors contained in the Company's filing statement dated July 18, 2018, (the "Filing Statement") and available on SEDAR+ at www.sedarplus.ca and should be read in conjunction with the more detailed risk factors outlined in the Filing Statement:

The Company is engaged in the acquisition and exploration of natural resource properties, an inherently risky business, and there is no assurance that economically recoverable resources will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically recoverable resources.

The operation of mineral exploration and development properties requires licenses, permits and rights from various governmental authorities. The Company anticipates that it will be able to obtain and maintain all necessary licenses, permits and rights to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licenses, permits and rights. However, there can be no guarantee that all licenses, permits and rights which the Company may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or rights or extension thereto, challenges to the issuance of such licenses, permits or rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or rights, or a failure to comply with the terms of any such licenses, permits or rights that the Company has obtained, could have a material adverse effect on the Company by delaying, preventing or making more expensive exploration, development and/or production. The Company will endeavour to secure the renewal of all required licenses, permits and rights, where required, through the timely submission of renewal applications and where appropriate new applications which comply with the various exploration and mining regulations in the countries and regions in which it is active. While best efforts are made with such applications to ensure their compliance with all legal and best practices technical standards, in liaison with the relevant authorities in each region, the Company cannot guarantee all such applications will be successful.

Exploration activities require large amounts of capital. There is a risk that during the current difficult economic situation the Company will not be able to raise sufficient funds to finance its projects to a successful development and production stage. While the Company's management and technical team carefully evaluate all potential projects prior to committing the Company's participation and funds, there is a high degree of risk that the Company's exploration efforts will not result in discovering economically recoverable resources. The Company depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

There is no guarantee that the Company will exercise its option pursuant to the Pangeni Agreement. The completion and exercise of this option is affected by the success of the Company's exploration efforts and is contingent upon certain conditions precedent as well as the price of metals which are affected by numerous factors including inflation, investor speculative activities, relative exchange rate of the U.S. dollar to other currencies, global and regional demand and production, global and regional political and economic conditions, and production costs in major producing regions. These factors are beyond the Company's control and are impossible to predict.

## Off-Balance Sheet Arrangements

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

## Proposed Transactions

The Company does not have any proposed transactions as at December 31, 2024 other than as disclosed elsewhere in this document.

## Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification 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.

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

## Qualified Person

The technical information included in this MD&A has been reviewed and approved by John Wilton, CGeol FGS, the Company's CEO and President and a "Qualified Person" as defined by National Instrument 43-101 standards.

## Caution Regarding Forward Looking Information

This Management Discussion and Analysis may contain certain "forward-looking statements" within the meaning of Canadian securities legislation. Forward-looking statements are statements that are not historical facts; they involve predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "aims", "potential", "goal", "objective", "prospective", and similar expressions, or that events or conditions "will", "would", "may", "can", "could" or "should" occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they include a number of known and unknown risks and uncertainties and other factors. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statement:

| Forward looking information | Assumptions | Risk Factors |
|---|---|---|
| The Company's anticipated plans, costs, timing and capital for future development of the Company's mineral exploration properties. | Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff, all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties. | Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff. |
| The Company's ability to carry out anticipated exploration on its mineral exploration properties. | The operating and exploration activities of the Company for the next twelve months and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company. | Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions. |
| Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations. | Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company' the price of precious and base metals will be favourable to the Company; no title disputes exist with respect to the Company's properties. | Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff. |

| Forward looking information | Assumptions | Risk Factors |
|---|---|---|
| Plans, costs and timing of the issuance of licenses, permits and rights. | The Company will be able to obtain and maintain all necessary licenses, permits and rights necessary to carry out its planned activities; the Company will be successful in any required renewal of its licenses, permits and rights through the timely submission of renewal applications and, where appropriate, new applications; the Company's understanding of the various exploration and mining regulations regarding licenses, permits and rights in the countries and regions in which it is active is accurate. | Licenses, permits and rights, or the renewal thereof, which the Company may require for any exploration or development of mining operations may not be obtainable on reasonable terms or in a timely manner, or at all; the terms of any licenses, permits and rights may be adversely changed; any required extensions may not be granted; the issuance of licenses, permits or rights may be challenged by third parties. |
| Management's outlook regarding future trends. | Financing will be available for the Company's exploration and operating activities; the price of precious and base metals will be favourable to the Company; required regulatory approvals for the acquisition of mineral properties will be received. | Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions. |

Inherent in forward looking statements are risks, uncertainties and other factors beyond the control of the Company's ability to predict or control. Please make reference to those risk factors referenced in the "risk factors" section above and as discussed in greater detail in the Company's various filings on SEDAR+ (www.sedarplus.ca) with Canadian Securities Regulators. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and development are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements outlined in this MD&A.

Forward-looking statements include known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by the cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise review any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.