Lion Rock Resources Inc.

MANAGEMENT'S DISCUSSION and ANALYSIS
For the Three Months Ended March 31, 2025

Report date: May 29, 2025

HEAD OFFICE AND REGISTERED OFFICE ADDRESS:
1615 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6

The following Management's Discussion and Analysis ("MD&A") of the financial position and results of operations for Lion Rock Resources Inc. (the "Company" or "Lion Rock") should be read in conjunction with the condensed consolidated interim financial statements as at March 31, 2025 and for the three months then ended, which are prepared using accounting policies consistent with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board.

This discussion provides management's analysis of the Company's historical financial and operating results, and provides estimates of the Company's future financial and operating performance based on information that is currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance. Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars.

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

CORPORATE OVERVIEW

Lion Rock was incorporated pursuant to the *Canada Business Corporations Act* on March 20, 1998. On August 11, 2020, the Company continued from being incorporated under Canadian federal jurisdiction to being incorporated under the *Business Corporations Act* of British Columbia. The Company is listed on the TSX Venture Exchange ("TSX-V") in Canada with the symbol "ROAR". The Company is in the business of acquiring, exploring, developing and evaluating mineral resource properties. The Company changed its name from King's Bay Resources Corp. to Lion Rock Resources Inc. on July 7, 2022.

The head office, principal address, and registered and records office of the Company is Suite 1615 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

KEY DEVELOPMENTS – 2025 TO DATE

On February 6, 2025 and February 15, 2025, the Company closed a non-brokered private placement of 21,850,000 units of the Company at a price of $0.10 per unit for total gross proceeds of $2,185,000 in two tranches. Each unit consists of one common share of the Company and one non-transferable warrant, with each warrant entitling the holder thereof to acquire one additional common share at a price of $0.20 until February 6, 2027. The Company received $185,000 in subscriptions before December 31, 2024.

On March 12, 2025, the Company received TSX-V approval for the option agreement to acquire a 100% interest in the Volney Property (or "Volney Project"). See **Exploration and Evaluation Assets** for terms of the agreement and exploration updates.

KEY DEVELOPMENTS – 2024

On March 11, 2024, the Company closed a non-brokered private placement of 10,000,000 units at a price of $0.10 per unit for gross proceeds of $1,000,000. Each unit consisted of one common share and one warrant, with each warrant exercisable into one additional common share at a price of $0.20 for a period of two years from closing. The Company issued 400,000 common shares and 400,000 warrants with the same terms as the unit warrants as finders' fees.

ANNUAL FINANCIAL INFORMATION

Financial Data

The following table shows selected key financial information for the last three fiscal years:

	Year ended December 31, 2024 $	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Total revenues	Nil	Nil	Nil
Loss for the year before taxes	(2,217,152)	(3,035,942)	(351,993)
Weighted average number of shares outstanding	39,851,199	22,966,493	13,506,932
Loss per share	(0.06)	(0.13)	(0.03)
Total assets	901,347	1,083,770	2,494,060
Non-current liabilities	1,850,000	1,600,000	1,350,000
Cash dividends	Nil	Nil	Nil

The Company has recorded losses in each of its three most recently completed fiscal years and expects to continue to record losses until such time as an economic resource is identified, developed and brought into profitable commercial operation.

OPERATING RESULTS

For the Three Months Ended March 31, 2025

Net loss for the three months ended March 31, 2025 was $1,410,966, compared to a net loss during the three months ended March 31, 2024 of $403,514. The significant differences include:

- Accounting and audit fees of $24,175 (2024 - $20,695) increased due to additional accounting services utilized and increased chief financial officer fees;
- Consulting fees of $245,200 (2024 - $170,500) increased due to additional consultants engaged in 2025;
- Exploration and evaluation expenditures of $253,667 (2024 - $97,778) increased due to exploration expenditures on the Volney Property;
- Legal fees of $37,806 (2024 - $42,424) were lower due to less legal work on the Volney Property acquisition;
- Office and general of $14,834 (2024 - $8,441) increased due to an increase in software expenditures compared to the prior period;
- Public company costs of $30,214 (2024 - $25,810) increased due to higher corporate activity compared to the prior period;
- Rent of $22,227 (2024 - $12,000) increased due to additional rent for office space and accommodations in South Dakota;
- Share-based payments of $710,313 (2024 - $nil) increased as a result of options granted during the current period;
- Shareholder communications and investor relations expenses of $45,670 (2024 - $5,502) increased due to marketing materials and website costs; and
- Travel and meals of $22,293 (2024 - $20,364) were comparable to the prior period.

SUMMARY OF QUARTERLY RESULTS

	March 31, 2025 $	December 31, 2024 $	September 30, 2024 $	June 30, 2024 $
Revenues	Nil	Nil	Nil	Nil
Loss from continuing operations	(1,410,966)	(1,170,646)	(322,685)	(320,307)
Net loss	(1,410,966)	(1,170,646)	(322,685)	(320,307)
Basic and diluted loss per share	(0.03)	(0.03)	(0.01)	(0.01)
Total assets	3,234,322	901,347	1,253,834	1,418,191
Non-current liabilities	1,850,000	1,850,000	1,600,000	1,600,000

	March 31, 2024 $	December 31, 2023 $	September 30, 2023 $	June 30, 2023 $
Revenues	Nil	Nil	Nil	Nil
Loss from continuing operations	(403,514)	(2,538,342)	(238,200)	(149,826)
Net loss	(403,514)	(2,538,342)	(238,200)	(149,826)
Basic and diluted loss per share	(0.01)	(0.08)	(0.01)	(0.01)
Total assets	1,810,009	1,083,770	3,421,866	2,529,869
Non-current liabilities	1,600,000	1,600,000	1,350,000	1,350,000

Over the course of the last two fiscal years, the Company's loss from continuing operations has been fairly consistent with increases for exploration and evaluation asset impairment in Q4 2023 and Q4 2024 along with an increase in exploration and corporate activity in Q1 2025.

Capital Resources

The Company's present cash resources are not sufficient to meet all of its current liabilities and administrative and overhead expenses for the next twelve months. The Company will need to raise additional funds for general working capital requirements.

The Company will continue to require funds to acquire new properties or projects. As a result, the Company may have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

The Company's financial success will be dependent on the economic viability of its future resource properties and the extent to which it can discover and develop new mineral deposits. Such development may take several years to complete and the amount of resulting income, if any, is difficult to determine.

The Company has taken the following measures to address working capital concerns during the 2025 fiscal period, and as of the date of this MD&A:

- On February 6, 2025 and February 14, 2025, the Company closed a non-brokered private placement of 21,850,000 units of the Company at a price of $0.10 per unit for total gross proceeds of $2,185,000 in two tranches;
- During the three months ended March 31, 2025, the Company issued 200,000 common shares upon the exercise of 200,000 warrants for gross proceeds of $40,000; and
- Subsequent to March 31, 2025, the Company issued 1,650,000 common shares upon the exercise of 1,650,000 warrants for gross proceeds of $332,500.

EXPLORATION AND EVALUATION ASSETS

Volney Property

Option Agreement Terms

On January 26, 2024, the Company entered into a non-binding LOI to acquire the Volney lithium property, located in the Black Hills Mining District, South Dakota, USA. The LOI provided for the parties to enter into a formal option agreement under which the Company could acquire the Volney Property. The Company paid US$25,000 upon execution of the LOI. On October 7, 2024, the Company entered into an option agreement to acquire a 100% interest in the Volney Property. On March 12, 2025, the Company received TSX-V approval.

Under the terms of the agreement, the Company is required to make cash payments and issue common shares of the Company as follows:

- Issue common shares of the Company equal to 9.9% of the issued and outstanding common shares of the Company on an undiluted, post-transaction basis within five business days of TSX-V approval (issued 7,001,000 common shares of the Company and value at $1,400,200);
- Pay US$400,000 by September 12, 2025;
- Issue common shares of the Company within 10 business days of March 12, 2026, equal to the greater of:
  - The number of shares required for the vendors to maintain their shareholdings at an amount equal to 9.9% of the then issued and outstanding common shares of the Company on an undiluted basis; and
  - the amount equal to a value of US$500,000;
- Pay US$1,050,000 by September 12, 2026;
- Issue common shares of the Company within 10 business days of March 12, 2027, equal to the greater of:
  - The number of shares required for the vendors to maintain their shareholdings at an amount equal to 9.9% of the then issued and outstanding common shares of the Company on an undiluted basis; and
  - the amount equal to a value of US$750,000; and
- Pay US$1,950,000 by September 12, 2027.

Also under the terms of the agreement, the Company will be required to incur exploration expenditures as follows:

- Incur US$1,000,000 of exploration expenditures on the property on or before March 12, 2026; and
- Incur US$1,500,000 of exploration expenditures on the property on or before March 12, 2027

Volney Project Exploration

The Volney Project, located 20 kilometres southwest of Spearfish, is a past-producing, multi-commodity asset situated on 142 hectares of privately held land with both surface and mineral rights enabling rapid permitting and efficient execution of exploration activities.

On May 1, 2025, the Company announced the commencement of its 2025 exploration program at the Volney Project. The program includes a high-resolution magnetic survey and a detailed mapping and sampling initiative targeting high-grade lithium, gold and tin mineralization. A permit application has been submitted for an extensive drill program.

On May 13, 2025, the Company announced lithium assay results from a surface sampling program. An initial surface sampling campaign at the Volney Project successfully returned strong lithium values, with 69 out of 100 samples assaying above 1.0% lithium oxide ("Li_2O"). The program included sampling of mill waste, stockpiles and pegmatite outcrops, targeting both historically known and newly mapped pegmatites. Outcrop sampling covered more than twenty previously unsampled pegmatite and confirmed anomalous lithium mineralization across a broad area measuring approximately 1,000 metres ("m") by 500 m. The highest lithium value from outcrop was **3.7% Li_2O**, returned from a previously untested pegmatite located over 600 m from the historic Giant Volney pegmatite.

The lithium-bearing pegmatites observed were composed of quartz-oligoclase and typically hosted visible accessory minerals, including spodumene, amblygonite, cassiterite and tantalite. Exposed pegmatite outcrops ranged in width from 10 to 30 m.

Stockpile sampling also produced encouraging results, with grades up to 5.3% Li_2O. A total of 26 stockpile samples collected from the historic Giant Volney pit area averaged 3.8% Li_2O, supporting the presence of high-grade lithium in historically mined material. Several stockpile and mill waste samples also returned significant tin values, indicating potential for multi-commodity recovery. Further work is warranted to locate the bedrock source of the tin anomalies.

In addition, tin mill tailings contained notable lithium values up to 0.8% Li_2O, while three samples from a remaining ore bin at the historical tin mine returned between 1.2% and 1.6% Li_2O. These results confirm that the historically mined Rough & Ready pegmatite units were also lithium-bearing.

Complete assay results for outcrop samples exceeding 1.0% Li_2O and stockpile samples over 3.0% Li_2O are included in the Company's May 13, 2025 news release.

On May 22, 2025, the Company announced completion of the high-resolution magnetic survey. Results of the survey are pending.

On May 28, 2025, the Company announced gold assay results from a surface sampling program. The results include 189.5 g/t Au from float material and 14.0 g/t Au from bedrock, confirming the presence of multiple distinct gold target zones and strong potential for further discoveries across underexplored areas of the property. A total of 20 bedrock samples returned values over 0.5 g/t Au, associated with quartz veining or sheared greenstone units. Grab samples from float material returned 41 samples >1.0 g/t Au, including 7 samples >10.0 g/t Au. See the Company's May 28, 2025 news release for tables of sample highlights.

Maybrun Property

The Maybrun Property is a past-producing mine (Maybrun gold-copper deposit) that was placed on care and maintenance in 1974 for several years prior to an exploration program conducted by Opawica Explorations Inc. in 2005. The Maybrun Property is located in the Atikwa Lake area of the Kenora Mining Division, approximately 80 kilometres southeast of the town of Kenora, in northwestern Ontario.

On July 7, 2022, the Company closed its acquisition of a 100% interest in the Maybrun Property, through the acquisition of Lion Rock Exploration Inc. ("LRE"). The Company acquired all of the issued and outstanding common shares of LRE in exchange for the issuance of 2,000,000 common shares to the shareholders of LRE and the issuance of 80,000 common shares to the former vendors of the Maybrun Property.

LRE acquired a 100% interest in the Maybrun Property, encompassed by 20 patented mining claims, in early 2020, and subsequently carried out an initial work program. Access to the property is via paved highways and 28 kilometres of logging roads.

The Company estimated the fair value of the asset retirement obligation for the Maybrun Property to be $1,850,000 at December 31, 2024 (2023 - $1,850,000). The fair value of the liability was determined to be equal to the estimated remediation costs. The Company is still in the early stages of developing a remediation plan, which will then require approval from the relevant governmental authorities. Due to the early stages of the remediation plan, the Company is unable to predict with any precision the timing of the cash flow related to the reclamation activities. The Company anticipates the reclamation activities and related costs to occur over a significant period of time, with the majority of the expenditures expected to occur from 2026 onwards.

The Company has no further exploration plans for the Maybrun Property. Accordingly, at December 31, 2023, the Maybrun Property was deemed to be impaired and written down to $1.

Revell Property

On June 8, 2023, and as amended on June 21, 2024 and September 30, 2024, the Company entered into an option agreement to acquire a 100% interest in the Revell Property, located 25 kilometres east of Ignace, Ontario, consisting of 112 claims covering 2,350 hectares. The project lies on trend of the Raleigh Lake pegmatite field, which hosts the Raleigh Lake lithium-rubidium deposit. Under the terms of the agreement, the Company is required to make cash payments and issue common shares of the Company as follows:

- Issue 1,600,000 common shares of the Company within five days of approval by the TSX-V, which was received on June 21, 2023 (issued and valued at $192,000);
- Pay $150,000 on or before December 21, 2023 (paid);
- Pay $100,000 on or before October 1, 2024 (paid); and
- Issue 2,000,000 common shares of the Company on or before June 1, 2025 (issued subsequent to March 31, 2025).

The claims are subject to a 2% NSR royalty, of which one-half (1%) can be purchased by the Company for $500,000.

Fleuron Property

On June 13, 2023, and as amended on July 19, 2024 and September 30, 2024, the Company entered into an option agreement to acquire the Fleuron Property, located 35 kilometres south of Val d'Or, Québec, consisting of 205 claims spanning 11,380 hectares. The project lies within a highly prospective region with limited lithium exploration history. The property is host to over 150 documented pegmatite outcrops. Under the terms of the agreement, the Company is required to make cash payments and issue common shares of the Company as follows:

- Issue 1,500,000 common shares of the Company within five days of approval by the TSX-V, which was received on July 19, 2023 (issued and valued at $180,000);
- Pay $100,000 on or before January 19, 2024 (paid);
- Pay $150,000 on or before October 1, 2024 (paid);
- Issue 2,000,000 common shares of the Company on or before June 1, 2025 (issued subsequent to March 31, 2025); and
- Pay $150,000 (paid) and issue 2,000,000 common shares of the Company on or before July 19, 2025 (issued subsequent to March 31, 2025).

The claims are subject to a 2% NSR royalty, of which one-half (1%) can be purchased by the Company for $500,000.

At December 31, 2024, the Company recorded impairment on the property of $464,000, as the Company plans to let certain claims lapse and focus on a portion of the Fleuron Property.

EVENTS SUBSEQUENT TO MARCH 31, 2025

See **Capital Resources** above.

Subsequent to March 31, 2025, the Company issued 2,000,000 common shares for the Revell Property and 4,000,000 common shares for the Fleuron Property.

Subsequent to March 31, 2025, the Company granted 1,000,000 stock options to certain directors and officers with an exercise price of $0.31 and a term to expiry of 3 years.

Subsequent to March 31, 2024, 150,000 stock options expired unexercised.

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the condensed consolidated interim statements of operations and comprehensive loss for the three months ended March 31, 2025 and 2024:

		2025		2024
Short-term compensation				
Accounting fees	$	15,000	$	13,000
Consulting fees		45,000		50,000
Exploration and evaluation expenditures (geological)		-		15,000
		60,000		78,000
Share-based payments		168,232		-
	$	228,232	$	78,000

During the three months ended March 31, 2025, the Company incurred $12,000 (2024 - $12,000) in rent to companies with a common officer. As at March 31, 2025, $nil (December 31, 2024 - $8,400) was payable to a company with a common officer for rent.

As at March 31, 2025, the Company has outstanding amounts payable to officers of the Company of $28,875 (December 31, 2024 - $158,110).

At March 31, 2025, the Company has an amount payable of $14,945 (December 31, 2024 - $14,945) to a private company in which an officer and director is a director.

These transactions are in the normal course of operations and have been valued in these condensed consolidated interim financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due are unsecured, non-interest-bearing and have no specific terms of repayment.

DISCLOSURE OF OUSTANDING SHARE DATA

The following is a breakdown of the share capital of the Company on an annual basis and at the date of this report:

	May 29, 2025	March 31, 2025	December 31, 2024
Common shares	78,569,685	70,919,685	41,868,685
Warrants	44,100,000	45,750,000	24,100,000
Stock options	6,550,000	5,700,000	-
Fully diluted shares	129,219,685	122,369,685	65,968,685

For additional details of outstanding share capital, refer to Notes 9 and 10 of the condensed consolidated interim financial statements for the three months ended March 31, 2025.

FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The board of directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balance. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada.

(b) 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 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.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has a cash balance and is not exposed to any significant interest rate risk.

(d) Capital management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at March 31, 2025, the Company's shareholders' equity was $957,867 (December 31, 2024 – deficit of $1,765,697). 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 future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity (deficit). 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.

(e) Fair value

The fair values of the Company's financial assets and liabilities measured at amortized cost approximate their carrying amounts.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The level in the fair value hierarchy within which the financial asset is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

Cash is grouped into Level 1 as at March 31, 2025 and December 31, 2024.

Financial instruments that are not measured at fair value on the condensed consolidated interim statement of financial position are represented by accounts payable and accrued liabilities and loans payable. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

(f) Currency exchange risk

Currency exchange risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and the USA and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the US dollar will have an impact upon the results of the Company. The Company does not use any techniques to mitigate currency risk.

RISKS AND UNCERTAINTIES

Going Concern

The Company has not generated any revenues and has incurred a net loss of $1,410,966 during the three months ended March 31, 2025 (2024 - $403,514) and accumulated deficit of $27,871,854 (December 31, 2024 - $26,460,888) since inception. As at March 31, 2025, the Company has a working capital of $789,019 (December 31, 2024 - deficit of $507,720). These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its diamond and fluorspar mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. Therefore this casts significant doubt, primarily as a result of the conditions described above, as to the appropriateness of the use of the going concern assumption.

The Company is not expected to be profitable during the ensuing twelve months, and therefore, must rely on securing additional funds from either debt or equity financings for cash consideration. While the Company is expanding its best efforts to achieve the continued financing, there is no assurance that any such activity will generate sufficient funds for future operations.

Raising Capital Funding and Dilution

The profitability of the Company is affected by business risks, including the price of gold, the normal risks associated with open pit and underground mining, which affects production rates and costs, and the exchange rate between the Canadian dollar and United States dollar. Once the Company commences production, outside financing will be required. While the Company has been successful in the past, there is no assurance that funding will be available under terms that are satisfactory to management. The ability of the Company to achieve its operational objectives is dependent in large measure on the results of the exploration activities and the ability to raise capital funding for continued exploration. The Company frequently issues common shares to finance its operations and for working capital purposes. It is possible that the Company will enter into more agreements to issue common shares, warrants and options to purchase common shares. The impact of the issuance of a significant amount of common shares, along with warrant and option exercises, could place downward pressure on the market price of the common shares, and, at a minimum, such issuances will dilute the existing shareholders' interests in the Company.

Dependence on Management

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company. The Company does not maintain any key man insurance on any of its employees.

Conflicts of Interest

Certain of the directors and officers of the Company are also directors and/or officers of other companies, and may be shareholders of those companies. Such associations or relationships may give rise to conflicts of interest from time to time. The Company's directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict must disclose his/her interest and abstain from voting on such matters in accordance with applicable corporate laws, and may be required to resign as a director of one of the companies.

Payment Obligations

The Company is, or may in the future become, a party to certain contractual agreements pursuant to which the Company is or may become subject to payments and be required to comply with other obligations. If such obligations are not complied with when due, in addition to any other remedies that may be available to the other parties, this could result in dilution or forfeiture of interests held by the Company. The Company may not have, or be able to obtain, financing for all such obligations as they arise.

Future Capital Requirements

The Company may encounter significant unanticipated liabilities or expenses. The Company's ability to continue its planned exploration activities depends in part on its ability to obtain additional financing in the future to fund exploration and development activities or acquisitions of additional projects. Since incorporation on March 20, 1998, the Company has raised capital primarily through equity financing, and in the future may raise capital through equity or debt financing, joint ventures or other means. There can be no assurance that the Company will be able to obtain the necessary financing in a timely manner, on acceptable terms or at all.

Dividends

No dividends on the common shares have been paid to date. The Company does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Company's board of directors, after taking into account many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

Judgments, Estimates and Assumptions Employed in the Preparation of Financial Statements

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Asset Retirement Obligation

The calculations for asset retirement obligation require significant estimates and assumptions, including estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, and the effectiveness of maintenance and restoration measures. Changes to these variables could impact the amounts actually paid by the Company. Additionally, 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.

Management Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's condensed consolidated interim financial statements are as follows:

- The assessment of the Company's ability to continue as a going concern requires significant judgment. The condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern.
- The application of the Company's accounting policy for exploration and evaluation assets and impairment of the capitalized costs requires judgment in determining whether there are indicators of impairment under IFRS 6 *Exploration for and Evaluation of Mineral Resources*.
- The determination of the asset retirement obligation on the Maybrun Property requires management judgment on the timing and amount of remediation costs.

Geopolitical Events

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, tariffs, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges, such as the risk of higher inflation and the energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

OFF-BALANCE SHEET ARRANGEMENTS

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

FUTURE ACCOUNTING STANDARDS

Refer to Note 5 of the Company's condensed consolidated interim financial statements for the three months ended March 31, 2025 for new accounting standards adopted and new accounting pronouncements, if any.

FORWARD LOOKING STATEMENT

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond these parties' control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, and the ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise, and, as such, undue reliance should not be placed on forward-looking statements. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive there from. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE GOVERNANCE

The board of directors is currently comprised of the five individuals as appointed, elected or re-elected, and as noted below. The Company's bylaws provide that each director is elected to serve until the next annual and special meeting of shareholders, or until a successor is elected or appointed. The board of directors has established two committees: the Audit Committee and the Compensation Committee. Directors, officers and committee members are identified as follows:

- Dale Ginn* – Director, President, Chief Executive Officer
- Navjit Dhaliwal – Director and Executive Chair
- Richard Boulay* – Director
- Laurence Farmer – Director
- Dominic Verdejo* – Director

* member of the Audit Committee