

METALLIS RESOURCES INC.

Management's Discussion and Analysis

Years ended December 31, 2023 and 2022

This Management Discussion and Analysis ("MD&A") is dated April 29, 2024 and should be read in conjunction with Metallis Resources Inc.'s ("Metallis", "the Company", "we", "our") annual financial statements for the year ended December 31, 2023 and the related notes thereto. Technical aspects of this MD&A have been reviewed and approved by Metallis Resources' V.P. of Exploration, Mr. David Dupre, P.Geo., designated as a Qualified Person under National Instrument 43-101. This MD&A was written to comply with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations and includes material events and transactions up to the date of this report. The financial data included in this MD&A had been prepared in accordance with International Financial Reporting Standards ("IFRS") and related interpretations. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results presented for the year ended December 31, 2023 are not necessarily indicative of the results that may be expected for any future period.

The Company's common shares are listed on Tier 2 of the TSX Venture Exchange ("TSX-V") under the trading symbol "MTS", on the OTCQB Marketplace under the symbol "MTLFF" and on the Frankfurt Stock Exchange under the symbol "0CVM". The Company is a reporting issuer in British Columbia, Alberta and Ontario, Canada. Further information about the Company and its operations can be obtained from the Company's website at www.metallisresources.com, the Company's office located at Suite #604 - 850 West Hastings St., Vancouver, BC, V6C 1E1, or from Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedarplus.ca.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are "forward-looking" because they are based on current expectations, estimates, assumptions, risks and uncertainties. These forward-looking statements are typically identified by future or conditional verbs or variable nouns such as "outlook", "believe", "anticipate", "estimate", "project", "expand", "expect", "intend", "plan", and terms and expressions of similar import. Such forward-looking statements are subject to a number of risks and uncertainties which include, but are not limited to: impacts from pandemics, cyclical downturn, competitive pressures, dealing with business and political systems in a variety of jurisdictions, repatriation of property in other jurisdictions, payment of taxes in various jurisdictions, exposure to currency movements, inadequate or failed internal processes, people or systems or from external events, safety performance, expansion and acquisition strategy, legal and regulatory risk, extreme weather conditions and the impact of natural or other disasters, specialized skills and cost of labour increases, equipment and parts availability and reputational risk. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on such forward-looking statements.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding the Company's ability to raise additional

financing, execute business and operating strategies, and the Company's ability to develop its mineral properties. Discussions regarding the future exploration of the Company's property presumes the assumption that any necessary financings are successfully completed on reasonable and acceptable terms, whether from equity or debt issuance, joint venture, or the sale of assets. The Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events or for any other reasons, except in accordance with applicable securities laws. Risks that could cause the Company's actual results to materially differ from its current expectations are also discussed in this MD&A.

Description of Business and Recent Highlights

Metallis is a mineral exploration company with its primary focus on gold, copper, nickel, and silver in north-western British Columbia where it holds a 100% interest in 30 contiguous claims comprising the Kirkham Property (the "Property"), covering an area of 10,610 hectares. The Company has spent over \$15 million exploring the Property.

Subsequent to December 31, 2023 the Company entered into an option agreement to acquire a 100% interest in the Greyhound Property, an Idaho, USA mineral property. This new agreement was prompted by market conditions, as we are currently seeing soft investor sentiment in the Golden Triangle region of B.C. The Idaho property has road access and services and supplies are available in nearby towns. The option agreement has low upfront costs, allowing for efficient use of funds. A private placement financing of \$500,000 was announced on March 14, 2024 to conduct the first phase of exploration at Greyhound and provide working capital. The oversubscribed financing was completed on April 17, 2024 in the amount of \$514,195 by the issuance of 7,910,691 common shares at a price of \$0.065 per common share.

Corporate Outlook

The Golden Triangle region in BC remains a significant mining area, highlighted by recent mergers and acquisitions including Newmont Corp.'s acquisition of GT Gold and Newcrest Mining's acquisition of Pretium's Brucejack mine. The Company's exploration work at Kirkham over the past five years has identified multiple targets and mineral deposit types including shear vein gold, epithermal gold-silver, porphyry gold-copper and magmatic nickel-copper. Drilling by the Company in 2022 at the South Cliff area confirmed the extension of mineralization at depth. The Company intends to carry out a work program at Kirkham this summer, possibly including a drilling component.

Management is also excited about its newly optioned Greyhound Property, which was first explored in the late 1800's and has seen a few limited periods of production of gold and silver. Most of the time however, the property has been inactive, and it has been owned by the same family for the past 70 years. No modern exploration drilling, surveys, sampling or assaying has been performed, and the property remains largely unexplored. Subsequent to the signing of the option agreement, Metallis staked 81 mineral claims surrounding Greyhound. Low upfront costs, ease of access and availability of local workers and services will make the initial exploration work very cost effective.

The Company collaborates proactively with its stakeholders and with respect to the Kirkham Property, Metallis maintains a good working relationship and has regular dialogues with representatives of the Tahltan Central Government, its First Nations stakeholder whose ancestral lands include Kirkham.

Prior to the most recent financing noted above, a June 2022 private placement raised \$1.7 million consisting of flow-through and non-flow-through units. It provided funds for the 2022 and 2023 exploration work at Kirkham and working capital over the ensuing 18-month period. Limited work was done in 2023 as the Company reined in spending in the face of lower investor sentiment, with the geological team focussing on a comprehensive re-evaluation of property wide datasets including a reassessment of past exploration activities and mapping (including BCGS maps). Looking forward, our key Kirkham targets include:

1. Cliff Porphyry System with upside in copper-gold grades and size potential;
2. Miles Porphyry System and its shallow high-grade gold and deeper copper-gold potential;
3. Cole Porphyry System and its shallow high-grade gold and deeper copper-gold potential;
4. Mount Dunn and Rhyolite Ridge stratigraphy and potential of VMS mineralization;
5. King East Target with Porphyry, Vein stockwork gold and/or VMS potential;
6. Terwilligan Target with potential for Eskay-Creek style mineralization; and
7. Thunder North Target and its nickel-copper potential.

Description of mineral properties:

Greyhound Property:

On February 27, 2024, the Effective date, the Company entered into an option agreement (the “Agreement”) with Greyhound Mining & Milling, Inc., (the “Optionor”), to acquire a 100% interest in the 124 hectare Greyhound Property (“Greyhound”), located in the mining-friendly state of Idaho, USA. The Agreement specifies staged option payments totalling US\$670,000 and exploration costs of US\$10 million, both over a ten-year period. The vendor received a share purchase warrant for up to 1,000,000 common shares of the Company at a price of \$0.34 per share, for a three-year period. To exercise the property option, a further payment of US\$7.5 million must be paid to the vendor. If the option is exercised, there is no further requirement to incur exploration costs in the event that less than US\$10 million has been incurred at the time of exercise. The property is subject to a 2% Net Smelter Return (“NSR”) royalty of which ½ (ie...1%) of the NSR may be purchased for US\$5 million. Regulatory approval for the acquisition was received on March 19, 2024.

The Agreement was structured to reward both parties as the project advances through the stages of exploration and development, as follows:

Date	Option payment (US)	Minimum exploration expenditures (US)
On the Effective Date	\$20,000	-
1 st anniversary	\$35,000	-
2 nd anniversary	\$55,000	\$90,000
3 rd anniversary	\$75,000	\$200,000
4 th anniversary	\$85,000	\$400,000
5 th anniversary	\$100,000	\$900,000
6 th anniversary	\$60,000	\$1,610,000
7 th anniversary	\$70,000	\$1,700,000

8 th anniversary	\$80,000	\$1,700,000
9 th anniversary	\$90,000	\$1,700,000
10 th anniversary	-	\$1,700,000
Total	\$670,000	\$10,000,000

The 124 hectare Greyhound Property encompasses two past producing silver/gold mines (Greyhound and Bulldog) in central Idaho. The claims outlined in the Agreement comprise 12 patented mining claims and 3 patented mill site claims with 1 patent pending mining claim and 8 patented pending mill site claims. The Property is road accessible via paved and gravel road and is located 41 km from Stanley and 225 km from Boise, the state capital. Greyhound is underlain by the Idaho batholith and contains a 3.6 km long mineralized shear zone highlighted by two past producing mines as well as multiple historic surface workings. This shear zone, measuring up to 12 m across, contains multiple quartz-sulphide veins. Other parallel mineralized shears have been identified on Greyhound which require further evaluation.

Subsequent to the Agreement, Metallis staked 81 additional mining claims surrounding Greyhound for a total property size of 677 hectares. This extended package of lode claims now covers all historic mineralization at the past producing Greyhound and Bulldog silver/gold mines, as well as encompassing prospective geology in underexplored terrain parallel and along strike northward of the mineralized Greyhound Shear. The new claims include a recently identified, important basin-like circular structure in the northwestern area of the Property, along with outcrops of intermediate to felsic intrusive rocks thought to be Laramide in age. A geological hypothesis is being explored that this circular feature is related to a mineralized porphyritic stock belonging to the Great Falls Tectonic Zone as seen in other major nearby deposits. Recent exploration successes in the region have demonstrated that silver dominated vein deposits can be spatially related to large copper porphyry systems. With this in mind, the team has identified a number of elevated historic copper grades from the northwesterly end of the property. This geological concept would not have been understood when the majority of the historical work took place and is something the Metallis technical team will continue to investigate with further data compilation and future boots on the ground exploration.

The team has also taken note of elevated antimony grades identified in historic assays from the Greyhound area. Multiple historic samples taken from the Greyhound Mine have returned 1 - 4% antimony and suggest there may be potential for this unique strategic battery metal as countries seek to expand their sources of critical minerals and develop local supply chains. Just 36 km northwest, along strike from the Greyhound property, resides Perpetua Resources' Stibnite Mine, with mineral reserves of 5 million ounces of gold and significant antimony. Perpetua has recently been the recipient of multiple US government grants totaling over US\$40 million to develop and secure the antimony resource from their project. Antimony ingots have been quoted at between US\$10 to US\$14 per kg for the past 12 months, a rise of about 100% since 2020. China, Russia and Tajikistan produce about 90% of the world's antimony.

Greyhound History

Initial exploration in the late 1800's led to multiple claims being staked along the Greyhound shear as prospectors and miners discovered the high-grade silver mineralization at surface on Greyhound Ridge. Five adits were driven into the mountain from 1896 to 1910 as local miners commenced

small scale mining at the Greyhound and the Bulldog with multiple other pits and shafts being sunk across the Republican, the Buckhorn and the Idaho prospects. These prospects, along with the Greyhound and the Bulldog, provided high grade silver/gold/lead mineralization to a smelter built on site, until mining ceased with the decline of metal prices in 1910.

Since then, the property has been privately owned with patented mining claims dating back to 1921. It has seen little activity except for a period of minor production on a trial basis in 1979 when the Lower Rufus Adit, part of the Greyhound Mine, was driven 309 m along the mineralized shear zone. It was further extended to 458 m in 1991. Several minor underground and surface sampling programs have been completed, although the Property has never been explored by any modern techniques. Good quality concentrates are reported to have been produced from the Greyhound mine.

Kirkham:

The Kirkham Property comprises 30 mineral claims, 100% owned by the Company and centered at 56°29' N latitude and 130°40' W longitude in the north-central part of B.C.'s "Golden Triangle" situated in the Skeena Mining Division, British Columbia, a significant North American exploration region that hosts numerous mineral deposits, operating mines, and former mines. Twenty of the thirty mineral claims are subject to third-party NSR royalties of 2%. The Company is entitled to purchase each 1% increment of the NSR royalty for \$500,000. The Company's long-term goal is to identify a sufficient economic resource to attract suitors to buy the project or the Company.

The Property is near several mines and advanced exploration projects, including Garibaldi Resources' nickel-copper discovery, which is to the north, Eskay Mining Corp.'s volcanogenic massive sulphide ("VMS") discovery to the east, Skeena Resources' past-producing Eskay Creek Mine, which is 15 km to the northeast, the Snip mine (1991-1999) located 28 km to the northwest, and Newcrest Mining's Brucejack gold mine which is 30 km to the southeast. As well, Seabridge's KSM and Iron Cap deposits lie 25 km to the east.

The Company has incurred total cumulative exploration costs at Kirkham over the past 7 years of \$15 million, before tax credits and other expense recoveries. A total of 21,768 meters ("m") have been drilled by the Company on the Property, including 1,961m in 2022 and 4,785m in 2021. Difficult financial markets in 2023 led management to defer a drilling program.

Exploration Summary

The 2022 drill program consisted of four long holes and was designed to test mineralization at depth and extend prior high-gold drill results in the South Cliff area of the Cliff-Miles porphyry corridor. Drilling results announced on November 22, 2022 and February 22, 2023 confirmed the depth extension of mineralization, meeting a key objective of the program.

In late 2022, two fossiliferous limestone samples were collected to determine the stratigraphic setting of the geology surrounding the Hawilson Porphyry at the Kirkham Property. The Geological Survey of Canada confirmed a Toarcian age fossil and, as such, established the likelihood of unique Eskay Creek aged rocks occurring on the Kirkham Property. The geological team has since conducted a comprehensive re-evaluation of historic datasets including past operators work as well as BC Geological Survey mapping to define a number of high-quality targets that warrant further in-field assessment. Results from Eskay Mining's diligent work being carried out to the east of our property border has demonstrated significant potential for similar Eskay style mineralization and

the team now recognizes that some of the favorable horizons trace along strike to the Kirkham Property. Very minor reconnaissance exploration has been carried out over these targets in the past.

Terwilligan Target:

The highest priority exploration area for potential Eskay Creek stratigraphy on the Property occurs on the northwestern corner of the Terwilligan Creek headwaters at a location that had been previously mapped by the BCGS. Age dating confirmed a number of Toarcian and Upper Pleisbakian aged fossils on, and just off of the property, further confirming the location as being prospective. Interpretation of this area using ZTEM data, along with structural measurements, confirm major synclines that could reveal potential Eskay Creek host rock at this location. Also at this prospect, minor historic work has been completed and rock samples taken in 1990 revealed elevated gold and gold pathfinder elements with assays up to 1 g/t Au. This, when combined with the geological mapping, provides a compelling reason to do further work in the area. Historic assays cannot be verified by Metallis, although there is no reason to believe they are inaccurate.

Willow:

A band of the Willow Creek Formation has been traced westward from the South Unuk – Harrymel Creek fault onto the Kirkham Property. This is significant because it proves that the Eskay Creek Horizon has not been eroded. Much of the favourable stratigraphy has been covered by glaciers but rapid retreat has exposed gossans. Spectrographic potassium anomalies are also identified in this area.

Mount Dunn:

To the west of the Hawilson Monzonite, on a broad bowl-shaped plateau that has seen little historic work, Metallis crews identified fossil specimens that were analysed as Toarcian in age (174-182 Ma). This provides a third area of prospective ground for Eskay style mineralization as Metallis field geologists have also identified rhyolites in the area, a key stratigraphic marker at the Eskay Creek Deposit. This assessment work enabled the Company to define a number of high-quality targets that warrant further in-field assessment.

The 2022 program included the following:

1. *Core Relogging:* Two drill holes were relogged and five holes reviewed from the South Cliff target area to bring further conformity to the project's drilling database, evaluate the current geologic model, and to reassess the use of applying a geochemical signature towards locating concentrations of mineralization vectors and improving the geologic model.
2. *Diamond Drilling:* The objective in 2022 was to discover high grade mineralization below and along strike from the excellent intersections in the south Cliff area. Drilling commenced on August 29th and was completed on September 7th, 2022.

The targeted program was designed to test for high-grade extensions of copper and gold mineralization beneath well mineralized drill intersections (e.g., drill holes KH17-08 cut 145.8m grading 0.34 g/t Au and 0.22% Cu (0.71 g/t AuEq*) and KH18-16 cut 141.3m grading 0.40 g/t Au and 0.23% Cu (0.75 g/t AuEq)*. The Company undercut these previous holes as, typically, alkaline porphyry copper/gold systems in the Golden Triangle exhibit a small surface footprint and display increasing grade downward that can continue for more than 1,000m.

Accordingly, the 2022 drill program comprised four holes totaling 1,961m that were drilled from a single drill pad, with two angle holes (-45° and -67°) at an azimuth of 265° and two at an azimuth of 315°. The four drill holes successfully confirmed the extension of the mineralizing system to at least 500m below surface, with each hole intersecting copper and gold mineralization below where the highest grades were previously encountered along the Cliff-Miles target areas. Each drillhole also encountered massive pyrite/pyrrhotite veining and pervasive silicification that can be attributed to a later-stage overprinting gold event. Significant mineralized intercepts encountered in the holes are given in the following table:

Hole ID	Composite	AuEq	Length	From	To	CuEq	Au/t	Cu_%
KH22-46	0.34 g/t AuEq over 320.1m	0.34	320.10	15.90	336.00	0.28	0.24	0.06
Incl.	0.43 g/t AuEq over 205.1m	0.43	205.10	130.90	336.00	0.35	0.30	0.08
Incl.	0.54 g/t AuEq over 106.9m	0.54	106.90	130.90	237.80	0.44	0.34	0.13
Incl.	0.85 g/t AuEq over 37.7m	0.85	37.70	200.10	237.80	0.70	0.59	0.17
Incl.	0.56 g/t AuEq over 39.6m	0.56	39.60	296.40	336.00	0.46	0.49	0.03
KH22-47	0.28 g/t AuEq over 194.55 m	0.28	194.55	207.45	402.00	0.23	0.21	0.03
Incl.	0.44 g/t AuEq over 41.6 m	0.44	41.60	236.10	277.70	0.37	0.33	0.07
Incl.	0.5 g/t AuEq over 28.04 m	0.50	28.04	236.10	264.14	0.41	0.37	0.08
And	0.31 g/t AuEq over 90.84 m	0.31	90.84	311.16	402.00	0.25	0.25	0.03
Incl.	0.68 g/t AuEq over 20.03 m	0.68	20.03	381.97	402.00	0.56	0.62	0.03
KH22-48	0.26 g/t AuEq over 366.81 m	0.26	366.81	10.19	377.00	0.22	0.19	0.04
Incl.	0.31 g/t AuEq over 172.99 m	0.31	172.99	200.01	373.00	0.25	0.21	0.06
Incl.	0.36 g/t AuEq over 108.19 m	0.36	108.19	200.01	308.20	0.30	0.23	0.10
Incl.	0.62 g/t AuEq over 28.91 m	0.62	28.91	251.59	280.50	0.51	0.36	0.19
And	0.33 g/t AuEq over 30.00 m	0.33	30.00	343.00	373.00	0.27	0.25	0.01
Incl.	0.79 g/t AuEq over 9 m	0.79	9.00	343.00	352.00	0.65	0.59	0.02
KH22-49	0.25 g/t AuEq over 190.77 m	0.25	190.77	284.82	475.59	0.21	0.22	0.02
Incl.	0.31 g/t AuEq over 101.19 m	0.31	101.19	374.40	475.59	0.26	0.29	0.01
Incl.	0.34 g/t AuEq over 79.59 m	0.34	79.59	396.00	475.59	0.28	0.31	0.01
Incl.	0.53 g/t AuEq over 21.16 m	0.53	21.16	400.43	421.59	0.44	0.51	0.01

**Gold Equivalent Formula: Au g/t+(Cu%*1.27) Metal Prices Used: Gold – US\$ 1470/oz / Copper – US\$ 2.75/lb .*

All four holes of the 2022 exploration program successfully intersected mineralization 300m below the best copper and gold grades encountered by the Company’s previous drilling. The 2022 program indicates that the Cliff-Miles Block of porphyry-style Copper-Gold mineralization has a 400m strike length, is 100 – 200m thick and extends to at least 500m depth.

The mineralized Hawilson Porphyry Complex (“HPC), with its commonly overprinting late gold event, continues northward for 2.7 km from the South Cliff area drilled in 2022, across a series of fault blocks which are in close association with the North-South trending and variably easterly-dipping Adam Fault. While the HPC is mineralized throughout the trend, Metallis has identified several target areas along the trend that are characterized by intense

silicification/stockwork, and/or anomalous ferric iron oxide spectral signatures.

3. *Soil geochemistry*: The Company undertook first-pass soil sampling and prospecting of several ZTEM features resembling the Cliff-Miles Half-Graben, as well as select additional targets on the property.
4. *Differential GPS Survey*: A Differential GPS survey of most of the drill collars was carried out. This accurate geospatial system is required for any resource calculations and resolved some of the geological correlation discrepancies.

Community relations

Community goodwill is earned through local stakeholder engagement which enhances sustainability and increases asset values. The mining sector in particular requires thorough engagement of key stakeholders in order to earn its social licenses. Community relations are guided by the Company's environmental, social and governance ("ESG") policies. ESG in general has become a key corporate priority over the past 20 years and especially in the past 5 years as climate change and carbon issues have raised significant public concerns.

The Company has had a Communications Agreement (the "Agreement") in place with the Tahltan Central Government ("TCG") since 2018 and which is renewed annually. The TCG is the administrative body of the Tahltan Nation, located in northwest British Columbia, whose traditional territory encompasses the Property. The TCG protects Tahltan Aboriginal rights and title, the ecosystems, and natural resources of the Tahltan traditional territory by managing sustainable economic development and supporting the cultural wellness of the Tahltan community. The agreement establishes a solid framework and collaborative working arrangement between the parties, based on open dialogue, transparent communications, and cooperation with regards to the company's exploration activities on the Property. The Agreement also encourages support for Tahltan cultural, economic, and educational initiatives. We have continued to hire Tahltans as part of our exploration crews each season.

The Company also maintains an Opportunity Sharing Agreement ("OSA") with the TCG, to provide further commercial opportunities for Tahltans and their businesses, deepening the Company's supply lines for exploration services, materials, and transportation. The Company also supports certain Tahltan community events, youth causes, exploration symposiums and job fairs in local communities situated near the Company's mineral properties.

Information sharing is enhanced by annual exploration reports that are sent to the TCG. As part of the terms of the OSA, representatives of the TCG visited the Property on August 18, 2022. No visits occurred in 2023. For more information about the TCG, visit www.tahltan.org.

Reclamation

The Company upholds high standards with respect to its environmental interactions. It remediates and reclaims its work sites including the drilling and helicopter landing pads once the exploration results have been thoroughly reviewed. The Company has historically used 33 different sites on the Property of which 30 have been reclaimed, with 3 being retained for future use.

The Company's 5-year exploration permit was renewed on August 5, 2022. The terms and conditions of the permit are very similar to those of the previous permit.

QAQC and Analytical Procedures

Metallis has implemented a rigorous quality assurance / quality control (QA/QC) program to ensure best practices in sampling and analysis of diamond drill core and surface rocks and soils. The 2022 drilling samples comprising 1-3m intervals of HQ and NQ drill core were delivered to ALS Global prep facilities in Terrace and North Vancouver, BC, where the samples were crushed to 70% pass 2mm fraction, and then a 250g split was pulverized to better than 85% passed a 75-microns screen. The geochemical analyses were performed by ALS Global in Vancouver using multi-element 4-Acid digest ICP-MS package (ME-MS61). Gold was analyzed by fire assay technique Au-ICP21. Gold grades ≥ 10 g/t were analyzed by fire assay and gravimetric finish. In addition to the internal QAQC program by ALS, Metallis inserted 10% lab certified standards, field blanks and duplicates into the overall sampling stream. ALS is a global testing, inspection and certification business and is an ISO/IEC 17025:2005 accredited laboratory independent of the Company.

Selected Annual Financial Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Annual Financial Statements.

	Year Ended December 31, 2023	Year Ended December 31, 2022 (*Revised)	Year Ended December 31, 2021 (*Revised)
Total assets	\$ 109,570	\$ 825,034	\$ 1,068,967
Total liabilities	(195,503)	(258,825)	(68,232)
Shareholders' equity (deficiency)	(85,933)	566,209	1,000,735
Major operating expense items:			
Communications	5,095	23,782	568,114
Consulting fees	323,000	377,800	533,594
Exploration and evaluation expenses	123,118	1,484,735	3,852,714
Investor relations	15,000	56,000	87,500
Regulatory and transfer agent fees	40,163	39,059	47,665
Professional fees	54,779	61,981	49,510
Share-based compensation	8,689	259,429	647,580
Net loss	\$ (660,831)	\$(2,221,082)	\$(5,500,460)
Basic and diluted loss per share	\$ (0.01)	\$ (0.04)	\$ (0.11)

*As at December 31, 2023, the Company changed its accounting policy from capitalizing exploration and evaluation costs to expensing such costs as they are incurred. The change has been applied on a retrospective basis and accordingly the comparative figures have been revised.

The following table details annual exploration and evaluation expenditures:

<i>Exploration and evaluation expenses:</i>	Years ended December 31,		
	2023	2022	2021
Accommodations and camp	\$ -	\$ 180,481	\$ 673,268
Assays and lab analysis	2,275	82,065	157,127
Community relations	-	40,500	40,000
Drilling	-	450,962	1,279,820
Field expenses and core shack	-	11,136	19,293
Geological and geophysical	105,854	261,910	626,373
Helicopters and aircraft support	-	437,973	1,148,736
Licenses, claim fees and permits	44,041	31,211	27,014
Recovery of expenses	(29,052)	(11,503)	(118,917)
	<u>\$ 123,118</u>	<u>\$ 1,484,735</u>	<u>\$ 3,852,714</u>

Analysis of annual operations for 2023 compared to 2022:

The Company had a net loss of \$660,831 (2022 - \$2,221,082) for the year, composed of operating costs of \$668,407 (2022 - \$2,409,438) and other income of \$7,576 (2022 - \$188,356). Operating costs declined \$1,741,031 in 2023 compared to 2022, mainly due to exploration costs which declined \$1,361,617 and share-based compensation which declined \$250,740, with those two items comprising 93% of the reduction of total operating costs. Other income was \$180,780 higher in the comparative year as it included interest income that was \$16,169 higher than the current year, and other income on settlement of flow-through share premium liability which was \$163,558 higher than the current year. Both components of other income were higher in 2022 due to interest income on the \$1.7mm private placement completed in 2022, and the incurrence of sufficient qualifying exploration costs to fully meet the spending obligations which arose as a result of issuing flow-through shares under that private placement. Qualifying exploration expenses are those exploration expenses incurred subsequent to the flow-through financing, which “flow” to the flow-through subscribers as a deduction on their personal income tax returns.

Key operating costs include consulting fees of \$323,000 (2022 - \$377,800), exploration and evaluation costs of \$123,118 (2022 - \$1,484,735) and share-based compensation of \$8,689 (2022 - \$259,429), together comprising 68% (2022 – 88%) of total operating expenses. All other operating expenses totalled \$213,600 (2022- \$287,474), consisting of communications, investor relations, depreciation, office, regulatory and transfer agent fees, rent and travel. Together, these items declined \$73,874, of which IR fees declined \$41,000 and communication declined \$18,687.

The large decline in exploration expenditures in 2023 reflects the 2022 drilling program, and the lack of such a program in 2023. The technical team used 2023 to recompile and analyze historical data sets, with the goal of refining potential targets of interest and future drilling targets.

The Company’s IR provider was engaged from 2018 up to May 31, 2023. Nicosia Capital Corp. ("Nicosia") provided communication services and market awareness but did not provide market-making services. Nicosia and its employee Frank Lagiglia oversaw the marketing and branding activities undertaken by the Company. Nicosia also communicated with investors and shareholders,

addressed investor inquires and held regular meetings with management. The decline in IR fees in 2023 reflects both a reduction of monthly IR fees compared to 2022 and the termination of the Nicosia consulting agreement on May 31, 2023. Facing soft investor sentiment and in the interests of cash management, the Company decided to terminate the agreement. Since that time, the CEO has managed shareholder and investor communications.

Communication costs consist of phone/cell/website costs and advertising and marketing costs. These costs declined following the Company's decision not to engage or re-engage with third party e-marketing campaigns or pay for banner advertising or other website marketing proposals, also in the interests of cash flow management.

Consulting fees consist of fees paid to related parties and third parties. Related party fees remained the same over 2022 and 2023 at \$228,000 while third party consulting fees declined \$54,800 in 2023 (from \$149,800 to \$95,000). As prior MD&A's have disclosed, much of these third-party fees cover office administration and corporate development activities which focus on public relations and community engagement. We reduced some of these fees in 2023 concurrently with reductions in investor relations and communications expenses.

Share-based compensation in 2023 was \$8,689 while in 2022 it was \$259,429. A 2022 grant of 1,800,000 stock options to consultants, officers and directors at \$0.20 per share for 5 years was valued using the Black-Scholes pricing model. The IR provider Nicosia received 150,000 of those options but unlike the immediate vesting of the other stock options, the IR options vested over a one year period. The 2023 share-based compensation of \$8,689 represents the final portion of vesting of those IR options. No stock options were granted in 2023.

With regard to key cash flows, during the year the Company spent \$0.6 million (2022 - \$2.0 million) on operations, received \$119,313 (2022 - \$93,646) from investments, spent \$40,500 on lease payments in both 2022 and 2023, and in 2022 raised net \$1,690,685 from a private placement. Included in operations are exploration and evaluation costs of \$123,118 (2022 - \$1,484,735). During the year, the Company received BC Mineral Exploration tax credits of \$29,052 (2022 - \$79,817). The credits are included under Recoveries, a line item within exploration and evaluation costs.

Analysis of annual operations for 2022 compared to 2021:

The Company had a net loss of \$2,221,082 (2021 - \$5,500,460) for the year, comprised of operating costs of \$2,409,438 (2021 - \$5,888,123) and other income of \$188,356 (2021 - \$387,663). Operating costs declined \$3,478,685 in 2022 compared to 2021. This decline was mainly due to reductions of exploration and evaluation costs of \$2,367,979, communications of \$544,332 and share-based compensation of \$388,151, together accounting for 95% of the reduction of operating expenses. These key expense reductions have different causes: the exploration work in 2022 included a drilling program of 1,961m but in 2021 we had drilled 4,785m; communications costs declined significantly as the Company had engaged in several online digital marketing and advertising campaigns during COVID with most of these costs incurred in late 2020 through 2021; and share-based compensation in 2021 was much higher as more stock options were granted that year, and they were granted at higher average prices resulting in higher values yielded from the application of the Black-Scholes option pricing model.

Key operating costs for the year were communications of \$23,782 (2021 - \$568,114), consulting fees of \$377,800 (2021 - \$533,594), exploration and evaluation costs of \$1,484,735, (2021 - \$3,852,714) and share-based compensation of \$259,429 (2021 - \$647,580), which together

comprise 89% (2021 - 95%) of all operating expenses. The remaining operations expenses are \$263,692 (2021 - \$286,121) and includes depreciation, investor relations, office and general, professional fees, regulatory fees, rent and travel. Period to period changes are expected for these remaining expenses, and the aggregate decline of these other expenses in 2022 of 8% compared to 2021 is reasonable.

The Company's communications expenses declined 96% in 2022. The comparative period reflected the Company's aggressive marketing strategy as a response to the investor and capital markets which had transitioned to online platforms during the dark days of the pandemic. With the onset of COVID, new communication tools and channels were needed to introduce the Company to new investors, to re-engage investors with news flow as it was disclosed, and to maintain public awareness about the Company and its progress on exploration work. In response, the Company engaged with several digital marketing agencies starting in mid-2020 and continuing to late 2021, the largest of which was TD Media LLC, a US-based digital marketing agency focussed on branding and awareness campaigns, involving the setup of digital landing pages, banner ad campaigns to drive traffic to the information landers, and follow-up retargeting programs for future press releases. In late 2021, these marketing contracts either matured within renewal or were terminated, as business activities began returning to normal after 18 months of pandemic restrictions.

Consulting fees include fees paid to related parties and third parties. Related party fees declined \$10,000 in 2022 (from \$238,000 to \$228,000) and third party fees declined \$145,794 in 2022 (from \$295,594 to \$149,800), a decline of 49%. As prior MD&A's have disclosed, consulting fees to independent contractors in 2021 included two Germany-based agencies that were engaged to help the Company navigate the European capital markets and facilitate institutional and resource fund introductions. Late in 2021 as the pandemic risks began receding and business began returning to normal, these contracts were allowed to lapse. Of the \$149,800 of third party consulting fees in 2022, 80% was for the continuing roles within the Company of office administration, website management, and corporate development, focussed on public relations and community engagement.

The \$2.4 million decline in exploration and evaluation expenses compared to 2021 is primarily a result of drilling 59% less meters than was drilled in 2021. Less drilling also means less helicopter time and less sub-contracted camp accommodations. In addition, the 2021 season saw the use of multiple drill pads while 2022 saw all 4 drill holes collared from one pad. The three cost factors of drilling, helicopters and camp accommodations comprised \$1,069,416 or 72% of total exploration costs in 2022, compared to \$3,101,824 or 81% of total exploration costs in 2021. Total exploration and evaluation costs declined 61% in 2022 compared to 2021, almost the same decline as the total meters drilled.

Share-based compensation in 2022 totalled \$259,429 (2021 - \$647,580), as determined by the Black-Scholes option model. In 2022, the Company granted 1,800,000 stock options to consultants, officers and directors including 150,000 stock options to its investor relations provider Nicosia. The stock options are all exercisable at \$0.20 per share for a five year period. However, in 2021, the Company granted stock options to consultants, officers and directors on three separate occasions: 550,000 at \$0.50 per share for five years, 120,000 at \$0.45 per share for two years and 1,900,000 at \$0.39 per share for five years, with the grants having Black-Scholes fair values of \$194,735, \$27,545 and \$403,682 respectively.

Other income and expenses totalled \$188,356 (2021 - \$387,663), as noted above. Most of this was comprised of other income on settlement of flow-through share premium liability of \$163,558

(2021 - \$344,861) which was recorded as a reduction of flow-through share premium liability in proportion to the amount of qualifying exploration expenses incurred in the year relative to the total flow-through funds raised in the flow-through private placement.

With regard to key cash flows, during the year the Company spent \$1.4 million (2021 - \$4.1 million) on exploration, net of recoveries, and \$0.7 million (2021 - \$1.3 million) on other corporate operations. Private placement proceeds were \$1.7 million (2021 - \$3.8 million) and BC tax credit receipts were \$79,817 (2021 - \$114,809). Overall, cash declined in 2022 by \$0.2 million, compared to a decline of \$1.5 million in 2021.

Quarterly Information

	Three Months Ended December 31, 2023	Three Months Ended September 30, 2023	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023
		(*Revised)	(*Revised)	(*Revised)
Total assets*	\$ 109,570	\$ 177,921	\$ 308,298	\$ 518,934
Total liabilities	(195,503)	(110,983)	(117,096)	(127,486)
Shareholders' equity (deficiency)*	(85,933)	66,938	191,202	391,448
<i>Select operating expenses:</i>				
Communications	1,978	(9,526)	11,088	1,555
Consulting fees	71,250	79,250	89,250	83,250
Exploration and evaluation expenses*	19,570	20,556	37,154	45,838
Professional fees	34,601	5,480	10,898	3,800
Regulatory and transfer agent	5,577	4,261	26,203	8,774
Share-based compensation	-	931	2,638	5,120
Net income (loss)*	(152,871)	(125,195)	(202,884)	(179,881)
Earnings (loss) per share- basic	(0.00)	(0.00)	(0.00)	(0.00)
	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022
	(*Revised)	(*Revised)	(*Revised)	(*Revised)
Total assets*	\$ 825,034	\$ 1,423,330	\$ 2,214,596	\$ 778,647
Total liabilities	(258,825)	(540,110)	(240,252)	(51,306)
Shareholders' equity*	566,209	883,220	1,974,344	727,341
<i>Select operating expenses:</i>				
Communications	6,603	3,365	10,735	3,079
Consulting fees	77,250	89,250	129,000	82,300
Exploration and evaluation expenses*	178,414	1,102,958	73,829	129,535
Professional fees	45,714	4,171	9,596	2,500
Regulatory and transfer agent	1,755	5,659	23,429	8,216
Share-based compensation	9,775	249,654	-	-
Net income (loss)*	(326,786)	(1,337,690)	(283,212)	(273,395)
Earnings (loss) per share- basic	(0.01)	(0.02)	(0.01)	(0.01)

*As at December 31, 2023, the Company changed its accounting policy from capitalizing exploration and evaluation costs to expensing such costs as they are incurred. The change has been applied on a retrospective basis and accordingly the comparative figures have been revised.

Results of Operations:

Three months ended December 31, 2023 compared to three months ended December 31, 2022:

The Company had a net loss of \$152,871 (Q4 2022 - \$326,786) during the period. Operating costs were \$152,937 (Q4 2022 - \$355,670) and other income totalled \$66 (Q4 2022 - \$28,884). The components of other income are detailed on the statements of loss and comprehensive loss. The total other income in 2022 is composed of two amounts: the Company had sufficient cash to earn interest of \$11,274, and \$18,772 was recognized as other income on settlement of flow-through share premium liability, due to exploration spending from funds that were raised by issuing flow-through shares. In the current period, cash balances were much lower, and no flow-through premium liability existed, and as a result total other income netted to just \$66.

Operating costs are mainly comprised of consulting fees of \$71,250 (Q4 2022 - \$77,250), exploration and evaluation costs of \$19,570 (Q4 2022 - \$178,414) and professional fees of \$34,601 (Q4 2022 - \$45,714) which together comprise \$125,421 or 82% (2022 - \$301,378 or 85%) of all operating expenses. The remaining operating costs include depreciation, communications, investor relations, office, regulatory and transfer agent fees, rent, share-based compensation and travel, which all totalled \$27,516 (Q4 2022 - \$54,292).

Consulting fees include related party fees of \$57,000 (Q4 2022 - \$57,000) and other consulting fees of \$14,250 (Q4 2022 - \$20,250). While related party fees remained the same, the reduction of other consulting fees was a consequence of less work required during the current period.

Exploration and evaluation costs were much lower in the current period, with data analysis and compilation continuing at the head office. The comparative period recorded total exploration costs of \$178,414 including core assay expenses of \$60,354 from the 2022 drilling program at Kirkham, as well as more geologists working to review assess the results and compile the season's data.

Professional fees in both periods include a \$30,000 audit accrual, representing 70% (Q4 2022 - 66%) of all professional fees, with the balance being tax consulting and legal fees.

Other operating expenses declined in aggregate \$26,776 or 49% compared to Q4 2022. The key expenditures accounting for 87% of this decline were investor relations, dropping \$9,000 to Nil, communications dropping \$4,625, and share-based compensation dropped \$9,775 to Nil. A brief explanation follows: The investor relations agreement was terminated on May 31, 2023 follow weakening investor sentiment and in line with that, weakening exploration-stage market liquidity. Nicosia and its employee Frank Lagiglia had overseen the marketing and branding activities undertaken by the Company and communicated with investors and shareholders, duties which have been moved to the existing management team. Finally, the change in share-based compensation reflects the vesting of investor relations stock options in Q4 2022, which were fully vested before the current period.

Management has not revised its expected quarterly operating costs going forward. We continue to expect quarterly operating costs of \$150,000, including the costs of operating our newly incorporated US subsidiary to hold our interests in the Greyhound property. This includes \$130,000 of overhead costs per quarter (down from \$150,000 in Q2 2023) and geologists' fees earmarked at \$20,000 per quarter.

Three months ended December 31, 2023 compared to three months ended September 30, 2023:

The Company had a net loss during the quarter of \$152,871 (Q3 2023 - \$125,194), composed of operating costs of \$152,937 (Q3 2023 - \$126,344) and other income totalling \$66 (Q3 2023 - \$1,150). The other income is comprised of interest income, finance income from premises sublease and amortization of discount. Operating costs increased \$26,593 compared to Q3 2023, within which the key change was a \$29,121 increase in professional fees, due to the current period recognition of a \$30,000 audit accrual. Other notable difference were third party consulting fees (declined \$8,000), office expenses (declined \$5,907) and communications expenses (rose \$11,504). Consulting fees declined because certain fees were reduced as the work requirements declined. Communications expenses were \$1,978 and (\$9,526) in the prior quarter, for a total difference of \$11,504. The \$9,526 credit in Q3 2023 arose from the cancellation of a previously recorded website profile and advertising contract, so with the exception of that credit, communications costs were \$474 in Q3 2023.

In the current period, we did not engage with online marketing and advertising nor enter into additional consulting arrangements, as market sentiment remained weak.

The key operating costs were consulting fees of \$71,250 (Q3 2023 - \$79,250), communications of \$1,978 (Q3 2023 - (\$9,526)), office and administration of \$10,899 (Q3 2023 - \$16,806), exploration and evaluation costs of \$19,570 (Q3 2023 - \$20,555) and professional fees of \$34,601 (Q3 2023 - \$5,480), which together account for 90% (Q3 2023 - 89%) of all operating expenses. Of note were similar amounts incurred for exploration and evaluation, as most work done in both periods was by our in-house geologists and their fees were consistent over the periods. The discussions above explain the reasons for the changes in communications and professional expenses.

Office and general expenses include corporate and liability insurance premiums, supplies, website hosting and IT fees, printing costs and dues, fees and subscriptions, varying from period to period. The remaining operating costs not discussed above comprise amortization, rent, share-based compensation and travel, all of which totalled \$14,639 (Q3 2023 - \$13,779). These expenses are similar, as expected, from period to period, except for share-based compensation which is based on the granting of equity compensation arrangements.

Change in accounting policy

During the year ended December 31, 2023, the Company changed its accounting policy from capitalizing exploration and evaluation costs to expensing these costs in the period incurred. The cost of acquiring interests in mineral properties and conducting exploration and evaluation activities is now expensed as incurred, until such time as both commercial feasibility has been established and the Company has decided to proceed with development. After that time, all subsequent development expenses and remaining acquisition payments are capitalized as Mines under Development.

The Company believes this policy change will provide more relevant information to the users of the financial statements, particularly as such exploration expenses are now considered operating expenses, offering the reader a profit and loss statement that encompasses all of the Company's operations. Also, estimating the fair value of previously capitalized mineral property interests in the absence of a ready market and with low liquidity requires judgements and estimates that introduce additional error bias, making such valuations very difficult. Without a fair value, determining an

impairment to be recognized at each period end would be subjective, difficult to confirm and less meaningful for the users and readers of these financial statements.

Liquidity and capital management

The Company endeavors to maintain appropriate levels of capital and liquidity. Sufficient liquidity is required to meet liabilities and obligations as they become due. The Company has no commercial operations or source of revenue, and no externally imposed capital requirements other than those specified under continuous listing requirements. The Company's capital is therefore its issued share capital. The capital required for operations and property exploration is expected to continue to come from the issuance of common shares or units for the foreseeable future.

The Company's objectives of capital and liquidity management are to fund critical exploration work, meet on-going liabilities, maintain creditworthiness, minimize shareholder dilution and to ultimately maximize returns for shareholders over the long term. The Company continually assesses its operational, exploration and financial risks and their potential impacts on liquidity and capital management. This approach has allowed the Company to maintain sufficient capital balances over recent years to mitigate unexpected cash flow shortfalls.

At the date of this report, the Company has total working capital of \$172,000 as follows:

<u>Working capital at the date of this report:</u>		(\$000's)
Cash and cash equivalents	\$	395
Receivables		7
Prepaid expenses and retainers		12
Due from related party		3
Accounts payable and accrued liabilities		(58)
Due to related parties		(48)
Loan payable		(102)
Short term lease liability		<u>(37)</u>
Total net working capital	\$	<u>172</u>

Outstanding share information

There are 68,455,003 common shares outstanding as of the date of this report, an increase of 7,910,691 shares since December 31, 2023 due to the completion of the private placement in April. There are currently 4,250,000 stock options and 3,852,217 warrants outstanding for a total of 76,557,220 fully diluted shares outstanding.

Stock options

During the year ended December 31, 2023, the Company recorded share-based compensation of \$8,689 in respect of the final vesting of 150,000 stock options granted to the Company's IR consultant in 2022 which vested over a one-year period. The options were exercisable at \$0.20 per share for a five-year period, but were terminated subsequent to the May 31, 2023 termination of the investor relations agreement with Nicosia.

During 2023, no stock options were granted. Recent changes in stock options are as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance- December 31, 2022	5,545,000	\$ 0.50
Options expired	(1,045,000)	1.24
Options terminated	(250,000)	0.28
Balance- December 31, 2023 and the date of this MD&A	4,250,000	0.33

The outstanding stock options at the date of this report are as follows:

Expiry Date	Number of Options	Vested and exercisable	Exercise Price
October 6, 2025	350,000	350,000	\$ 0.40
April 12, 2026	450,000	450,000	0.50
September 27, 2026	1,800,000	1,800,000	0.39
August 31, 2027	1,650,000	1,650,000	0.20
Total outstanding options	4,250,000	4,250,000	

Warrants

As at the date of this report, there are 3,852,217 share purchase warrants outstanding as follows:

	Number of Warrants outstanding	Weighted average exercise price
Balance at December 31, 2022	15,640,371	\$ 0.57
Warrants expired	(11,788,154)	0.65
Balance, December 31, 2023 and the date of this report	3,852,217	\$ 0.32

Outstanding warrants at the date of this report:

No. of warrants Outstanding	Exercise Price	Expiry Date
663,750	0.30	June 10, 2025
2,640,750	0.33	June 10, 2025
462,500	0.30	June 23, 2025
85,217	0.33	June 23, 2025
3,852,217		

Directors, Officers, and Related Parties

The directors of the Company are Fiore Aliperti, Jon Lever, Michael Sikich and Dr. David Webb. The officers are Mr. Aliperti (CEO), Mr. Lever (CFO) and Mr. Dave Dupre (Vice-President of Exploration).

During the year ended December 31, 2023, there were no changes to management or the Board of Directors. The following related parties include directors and key management personnel, being officers and directors of the Company including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

- a) Avanti Consulting Inc., a company controlled by the current Chief Executive Officer and director, provides consulting services to the Company;
- b) Lever Capital Corp., a company controlled by the Chief Financial Officer and director, provides consulting services to the Company;
- c) D. G. Dupre and Associates Inc., a company controlled by the Vice-President of exploration, provides geological consulting services to the Company, the amounts of which are expensed as geological costs under exploration and evaluation costs;
- d) DRW Geological Consultants Ltd., a company controlled by a director of the Company, provides occasional geological consulting services to the Company, the amounts of which are expensed under exploration and evaluation costs;
- e) Magma Geosciences Inc. is a company controlled by the former Vice-President of Geoscience Services, who resigned on March 1, 2022. Magma provided geological consulting services to the Company up to the date of resignation, the amounts of which were expensed as geological costs under exploration and evaluation costs; and
- f) Etruscus Resources Corp. (“ETR”) is a public company related through two common directors and a common officer. ETR subleased ½ of the office space from the Company under a three-year sublease that commenced July 1, 2022. ETR accordingly shares certain administrative expenses with the Company and has shared the exploration camp in northwest BC with the Company. Accordingly, day-to-day operations occasionally have receivables from or to ETR.

The aggregate value of fee-based transactions and outstanding balances relating to the above noted related parties are as follows:

		Transactions for the year ended December 31, 2023	Transactions for the year ended December 31, 2022	Balance payable as at December 31, 2023	Balance payable as at December 31, 2022
Avanti Consulting Inc.	(a)	\$ 144,000	\$ 144,000	\$ 40,950	\$ -
Lever Capital Corp.	(b)	84,000	84,000	22,050	-
D.G. Dupre and Associates Inc.	(c)	53,750	60,000	26,250	-
DRW Geological Consultants Ltd.	(d)	-	-	-	1,540
Magma Geosciences Inc.	(e)	-	22,000	-	-
Total		\$ 281,750	\$ 310,000	\$ 89,250	\$ 1,540

There was no share-based compensation to directors or officers recognized during the year ended December 31, 2023.

Schedule of intercompany transactions with ETR:

	Due from ETR, December 31, 2022	Additions	Amounts received	Due from ETR, December 31, 2023
Rent	\$ 113	\$ 38,196	\$ 35,127	\$ 3,182
Office expenses, net	2,937	1,855	4,046	746
Exploration costs	48,675	-	48,675	-
Total	\$ 51,725	\$ 40,051	\$ 87,848	\$ 3,928

Advisory Board

The Company's Technical Advisory Board includes Dr. Michelle Campbell (appointed April 2021), Mr. Charlie Greig (April 2021), Lawrence Roulston (April 2014), Stephen Wetherup (April 2017), Dr. Farhad Bouzari and Mr. Andrew McIntosh (both appointed April 2020).

Off Balance Sheet Arrangements

As of the date of this report, the Company does not have any long-term commitments or off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Risk Factors

Mineral exploration involves a high degree of risk. The recoverability of the amounts expended on exploration by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete its exploration programs, the development of its mineral properties and upon future profitable production, or the proceeds from the disposition of its properties. The Company has not yet determined whether any of its mineral properties contain economically recoverable reserves. To date, the Company has not earned any revenues and is in the exploration stage.

Investing in common shares of the Company has risks. Prospective investors should carefully consider the risks described below, together with all of the other information included in this

MD&A before making an investment decision. If any of the following risks materialize or occur, the business, financial condition, or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline, and prospective investors may lose part or all of their investment.

Health issues

As the COVID-19 pandemic has transitioned to an endemic disease, new variants are still emerging and there remain risks to the health of global populations from this and other pathogens. Future operating disruptions and volatile supply chain disruptions may continue to occur as a result of new disease outbreaks, beyond those related to COVID-19. Government regulations may change at any time, impacting operating procedures, including possible economic closures.

The Company's top priority remains the health and safety of its workers. The Company is registered with Worksafe BC, carries exploration and health insurance and has a Health, Safety, Environment and Social Responsibility Committee.

Climate Change

The extent of climate change and its impact on the Company's future operations cannot be determined. Climate change may create environmental conditions that affect the Company's ability to execute its exploration programs or access its properties due to physical or regulatory barriers. The effects of climate change may result in impactful changes to regulatory, government, health and safety policies. Future mine development would include estimates of carbon impacts and outline decarbonization strategies.

Global Environmental, Social and Governance ("ESG") reporting standards are continuing to evolve as policy makers consider the scope of disclosure, who discloses what, and what set of standards to use. Global reporting standards have evolved into specified disclosure standards, effective for years beginning in 2024, but are not yet mandatory in Canada. These standards include IFRS S1 (guiding disclosures on sustainability) and IFRS S2 (guiding disclosures on the management of risks and opportunities from climate change). These standards are being integrated by regulatory bodies including the SEC, the International Sustainability Standards Board and the Canadian Standards Association. The Company has not yet adopted any climate reporting framework.

Financing

The Company may not be successful at raising future financing and if it expends all of its cash on hand, it could become insolvent or face bankruptcy proceedings. Without sufficient funds, it may not be able to continue operations, and it may not be able to continue to explore or even maintain its exploration and evaluation assets. If the only alternative is to sell the Company's assets, any funds received may not be sufficient to allow the Company to continue as a going concern.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Company where the Company has failed to submit documents to the Exchange in the time periods required or has otherwise failed to meet minimum standards. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing a consolidated interim cease trade order against the Company. In addition, delisting of the common

shares will result in the cancellation of all currently issued and outstanding common shares of the Company held by insiders. Trading in the common shares of the Company may be halted at other times for other reasons also.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, or to raise exploration funds and working capital, shareholders could suffer dilution of their investment and unusually large financings could result in a change of control of the Company.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify, acquire and develop strategic assets of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers and from the results of exploration. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Title to Mineral Resource Properties

Although the Company conducts title reviews of its properties in accordance with industry practice, title to mineral exploration permits and mineral claims cannot be guaranteed and may be subject to regulatory changes and possible expropriation or cancellation. To the extent financing is not available, resource property fees and claim payments, work commitments, rental payments, and option payments, if any, may not be completed and could result in a loss of property ownership or earning opportunities for the Company.

Industry and Mineral Exploration Risks

Mineral exploration is highly speculative in nature, involves many risks and is frequently non-productive. There is no assurance that the Company's exploration efforts will be successful. At present, the Company's properties do not contain any proven or probable reserves. Success in establishing reserves is a result of several factors, including the quality of the projects. Substantial expenditures are required to establish reserves or resources through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Due to these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves. Furthermore, the Company may be subject to industry risks which could not be reasonably predicted in advance, such as labour disputes, natural disasters, or estimation errors.

Community Relations

Increased public scrutiny of mining projects and a general global increase in environmental concerns has been addressed by the mining industry by including both the local and broader communities along with all key stakeholders in the planning and development processes, being transparent through communications, dialogue, and education, and providing additional social governance and environmental sustainability reporting. Garnering community and public support for continued exploration, future mine development and construction includes public engagement and involvement of all key community stakeholders throughout the exploration and development processes. In recent years, the mining industry has begun to make much progress globally in ESG (environmental, social, governance) reporting, bringing more stakeholders and their concerns into

the exploration, development, and operating phases of mining. Eventually, communities, investors and stakeholders will be able to gauge an entity's actions within a reliable framework of standardized reporting.

The Company's Kirkham property lies within the traditional territory of the Tahltan Nation, a key stakeholder with which the Company has maintained Communication and Opportunity Sharing Agreements since 2018. Joint areas of fundamental concern are environmental stewardship and the sharing or transfer of economic benefits. The Company regularly updates the Tahltans to keep them aware of corporate changes and the progress of exploration, while the Tahltans keep their industry partners apprised of their community activities and health and safety measures. The lack of a social license to operate could impair the value of the Company's resource properties or delay or prevent exploration, development, or construction activities.

Critical judgements and estimates

In preparing these annual financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty for the year ended December 31, 2023 are the same as those described in the annual financial statements for the year ended December 31, 2022.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from the assumptions made. Key judgements and estimations follow:

- a) The Company takes steps to verify title to exploration and evaluation assets in which it has an interest, but these procedures do not guarantee the Company's title. Properties may be subject to prior agreements or transfers and title may be affected by undetected defects;
- b) Significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made;
- c) The Company uses the Black-Scholes pricing model to determine the fair value of stock option grants and certain warrants issued under private placements. The inputs used in the model require estimates of the fair value of the shares, expected life of

stock options, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. These estimates impact share-based compensation expense in the profit or loss and share capital and shareholder's equity on statements of financial position;

- d) The Company raises financing by issuing equity comprised of flow-through shares and/or non-flow-through shares. When flow-through shares are issued, a flow-through share premium liability is recognized, and that recognition requires estimations of the fair value of the non-flow-through and flow-through shares;
- e) The values of right-of-use assets and lease liabilities requires judgements to determine the lease term, the likelihood of an extension option being exercised and the incremental borrowing rate. Such judgements, estimates and assumptions affect the present value of the lease liabilities, the value of the right-of-use assets, the value of the net investment in sublease and the amounts recognized in profit or loss, including depreciation, rent expense, finance expense and finance income; and
- f) The assumption that the Company is a going concern and will continue operating for the foreseeable future is a judgement.

Financial Risks

The Company's financial risk exposures and their impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is normally exposed to credit risk through its cash and cash equivalents, receivables, due from related parties and net investment in sublease. The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables primarily consist of recoverable Canadian sales and payroll taxes, Canadian mineral exploration tax credits and accrued interest, for which management assesses the collectability of these amounts to be assured. Due from related party and net investment in sublease is related to sublease receivables from ETR and other shared intercompany transactions, and the risks are managed through Metallis' significant influence over ETR. As at December 31, 2023, the Company's maximum credit risk is equal to \$74,531.

The Company shares an office with ETR and is expected to have amounts due from or to ETR at each period end. These amounts are considered at low risk of default, due to their relatively short term repayment period, the influence of management, and the early stage of ETR's exploration cycle. Accordingly, collection of amounts due from related party is also believed to be assured.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's operations do not currently generate positive cash flows, and historically the Company has relied on equity financings, and to a lesser extent non-core asset sales, for its capital requirements. As at December 31, 2023, the Company had a working capital deficiency of \$123,381 (December 31, 2022 - working capital of \$530,182). However, subsequent to December 31, 2023, the Company

completed a private placement financing of \$514,195 to finance the initial exploration program at Greyhound and provide working capital through most of 2024. Additional financing will be needed to be undertaken in 2024 to cover further exploration work and provide working capital into 2025.

For sources of financing, the Company will continue to depend upon equity capital as necessary and may also consider convertible debentures, earn-in arrangements, joint ventures, or the sale of certain property interests. However, there can be no assurance the Company will be able to complete future financings on acceptable terms. The ability of the Company to continue this course will depend, in part, on the prevailing market conditions and the market interest in financing the Company's mineral property exploration programs.

The following are the contractual maturities of financial liabilities as at December 31, 2023:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
Accounts payable and accrued liabilities	\$ 48,360	\$ 48,360	\$ 48,360	\$ -	\$ -
Lease liabilities	57,893	62,100	41,175	20,925	-
Due to related parties	89,250	89,250	89,250	-	-
Total	\$ 195,503	\$ 199,710	\$ 178,785	\$ 20,925	\$ -

Interest Rate Risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has no long-term debt other than a lease liability and accordingly has not needed to enter into any interest rate swaps or other financial arrangements to mitigate exposure to interest rate fluctuations. The Company believes it is not subject to material risks should interest rates rise further.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar and nominal amounts are in other currencies. To date, the Company has had no exposure to any foreign currency through its cash, receivables, payables, or equity transactions. Management therefore believes the foreign exchange risk derived from currency conversions is immaterial.

Management's Responsibility for the Annual Financial Statements

Information provided in this report, and the Company's annual financial statements for the year ended December 31, 2023, are the responsibility of management. In the preparation of these reports, judgements, and estimates, previously discussed in this MD&A, are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such judgements and estimates have been carefully exercised and are accurately reflected in the annual financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Corporation's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Corporate Governance

The Company's Board of Directors and its committees follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to the shareholders. The current Board of four individuals is comprised of two independent members and two executive officers. The Audit Committee consists of three members comprised of two independent directors and the chief executive officer. The Compensation Committee consists of three members, of which two are independent, and the Health, Safety, Environment and Social Responsibility Committee consists of two members.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.