

METALLIS RESOURCES INC.

Management's Discussion and Analysis Three-month periods ended March 31, 2025 and 2024

This Management Discussion and Analysis ("MD&A") is dated May 28, 2025 and should be read in conjunction with Metallis Resources Inc.'s ("Metallis", "the Company", "we", "our") condensed interim consolidated financial statements for the three-month period ended March 31, 2025 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 period ended March 31, 2025 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 "OCVM". 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 properties 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 focussing on precious metals and antimony, and has two distinct properties.

In northwestern British Columbia, it holds a 100% interest in 30 contiguous claims comprising the Kirkham Property ("Kirkham"), covering an area of 10,610 hectares ("ha") within the "Golden Triangle" region. The region is a significant mining area, yielding both base metals and precious metals amidst a rich geological environment that has seen continuous exploration for 150 years. There are currently two operating mines and three more coming online in the next two years. Dozens of other projects are in play, and the region typically attracts 60% of BC's annual mineral exploration dollars. (ResourceWorld 2024). The Company has spent \$15.3 million on exploration work at Kirkham over the past nine years.

The Company also has an interest in a US property through an option agreement (the "Agreement") signed in February 2024, whereby 100% ownership in the Greyhound Property (or "Greyhound"), an Idaho, USA mineral property of approximately 118 hectares, can be earned through staged payments and exploration work over a 10 year period. This opportunity was prompted by market conditions, as investor sentiment in the Golden Triangle has softened in the past few years. Greyhound has road access with services and supplies available in nearby towns. The Agreement has low upfront costs, allowing for efficient use of funds. Subsequent to the Agreement, the Company staked 81 claims surrounding Greyhound for a total property footprint of 673 ha, and followed that with some initial field exploration programs in 2024.

The company is planning to work in 2025 on both the Kirkham the Greyhound Projects. The management and geological team have been interpreting all the previous results and planning work projects for each property. The planned work at Kirkham comprises geological mapping and geochemical surveys. At Greyhound we plan to do geological mapping, soil, magnetic drone survey, IP geophysics, and then expect to drill.

In preparation for field season, the Company announced on May 22, 2025 a proposed private placement of up to \$1.35 million composed of \$0.16 units with each unit consisting of one common share and one non-transferrable share-purchase warrant exercisable at \$0.26 per share for three years. Proceeds from the financing will be allocated for exploration work on both properties and for general working capital.

Corporate Outlook

At Greyhound, our initial assay results confirmed historical grades and showed the presence of antimony. Greyhound was first explored in the late 1800's and has seen at least two 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 nearly 70 years. No modern exploration drilling, surveys,

sampling or assaying had been performed at the time the Agreement was signed in February 2024. Subsequent to the signing of the Agreement, Metallis staked 81 mineral claims surrounding Greyhound. Low upfront costs, ease of access and availability of local workers and services have made the initial exploration work very cost effective. The property remains largely unexplored.

Extensive data compilation, geochemistry and geological work by Metallis has identified multiple high-grade gold/silver/antimony showings hosted within a 3.5 km long shear zone. Several historic mining adits and excavations are known but no drilling has been done. We've identified multiple prospective showings including 3 high-priority drill-ready targets scheduled for drilling this summer.

Capital markets are paying attention to antimony as a strategic mineral. Although it is not a listed "critical" mineral, it is strategic because its needed for technologies, defense applications and renewable energy, and is in short supply.

In BC, Kirkham lies in the Golden Triangle region, a significant mining area highlighted by recent mergers and acquisitions involving world class mining companies. The Company's exploration work at Kirkham over the past seven 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.

Despite precious metals prices having risen to multi-decade or record highs, market sentiment in the junior exploration space has remained sluggish as investors weigh many different investment classes in an uncertain economic environment. Nevertheless, markets continue to demonstrate high sector volatility and overall liquidity is improving in the market. We remain optimistic that we will be able to raise the funds necessary to carry out our work programs.

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.

In light of the Company's ongoing exploration plans and its historic ability to successfully execute private placement financings to finance those plans, it has entered into a new three-year lease agreement in the same premises, starting July 1, 2025 and at the same price as the current lease, rising \$1/sq. ft. for the 3rd year.

Exploration and evaluation expenditures:

Exploration and evaluation costs incurred during the periods ended March 31, 2025 and 2024 were \$66,088 and \$110,507 respectively. For Greyhound, the comparative period includes the initial acquisition and staking costs, and the USD\$20,000 option payment, while the current period includes the 1st year anniversary option payment of USD\$35,000. The work done at Kirkham and Greyhound during the periods is comprised of geological interpretations, report writing and permitting. The following table summarizes the Company's exploration and evaluation expenses incurred during the periods ended March 31, 2025 and 2024:

Three months ended March 31,						
	2025			2024		
	<u>Kirkham</u>	<u>Greyhound</u>	<u>Total</u>	<u>Kirkham</u>	<u>Greyhound</u>	<u>Total</u>
Acquisition costs*	\$ -	\$ 50,225	\$ 50,225	\$ -	\$ 90,092	\$ 90,092
Accommodations and camp costs		710	710	-	-	-
Geological and geophysical	4,156	10,997	15,153	15,062	-	15,062
Licenses, claim fees and permits	-	-	-	5,353	-	5,353
	\$ 4,156	\$ 61,932	\$ 66,088	\$ 20,415	\$ 90,092	\$ 110,507

* The following table details the Greyhound property acquisition costs incurred by the Company during the periods ended March 31, 2025 and 2024:

<i>Greyhound acquisition costs:</i>	2025	2024
Option payment	\$ 50,225	\$ 27,100
Staking fees	-	31,073
Helicopter	-	15,262
Fair value of 1mm warrants issued to vendor	-	16,657
	\$ 50,225	\$ 90,092

Results from exploration- Greyhound:

The initial 2024 Greyhound field program was in July 2024. A key objective was to test the validity of data acquired from the historic showings, as they are expected to offer immediate drill targets. Commodities of interest include antimony, silver, gold, lead and zinc. These targets are known as the Lower Rufus, Upper Rufus, Birdie, General Grant, Bulldog, and the Buckhorn. The program outlined high-grade mineralized zones at several historic showings along the 3.6 km Greyhound shear zone. Work included detailed geological mapping, XRF survey, soil sampling and rock sampling, all of which has helped confirm historic assays and provides a solid platform for further exploration. A total of 559 soil samples and 133 rock samples were collected along with geological mapping and structural data. Results were disseminated on September 4th, 2024 (antimony results), September 17th, 2024 (gold/silver/antimony results) and December 12th, 2024 (over-limit assay results).

The assay results have confirmed that the Greyhound shear hosts highly anomalous antimony (“Sb”) with 12% of the rocks returning >1% Sb. The most elevated antimony assay was returned from a rock sample taken at the Bulldog Showing that delivered a significant 4.54% Sb from semi-massive sulfide containing galena, sphalerite, arsenopyrite and stibnite. Three contiguous rock samples taken as ‘continuous chips’ near the Bulldog returned 0.61% Sb over a 3 m length, further validating the strong mineralization at surface. Although consistent antimony mineralization was identified along the entire length of the Greyhound shear, the best antimony results occur in the northwestern portion of the property at showings that include Bulldog, Republican, and Idaho, none of which have ever been drilled.

A subsequent field program was carried out in October 2024. This program included 129 soil samples, 61 geological mapping points and 44 rock samples, returning multiple high-grade silver, gold and antimony assays which further refines the mineralized zones. These results helped the

Company to optimize the scheduled drilling planned for 2025. The grab and chip samples returned values up to 4,590 g/t Ag and averaged 504 g/t Ag across all samples. Rock grab sampling around the newly discovered Akita showing also highlights a new zone 200m to the north of the Greyhound shear.

The highest-grade Sb (Antimony) assays were from the Bulldog target and the 1350' zone, confirming the extent and quality of mineralization as well as highlighting its potential as a rich source of antimony. Combining these results with the promising historic concentrate results and other exploration opportunities at zones like Akita and Ridge Cut, this initial work supports advancing these targets to drill testing and unlocking this property's full potential.

Soil sampling defined several large multi-element soil anomalies that envelope all of the promising prospects. The soil and rock sampling and mapping have prioritized the Birdie, the Bulldog and the 1350' zone as the initial focus for drill targeting.

Description of mineral properties:

Greyhound Property:

On February 26, 2024, the Company entered into the Agreement with Greyhound Mining & Milling, Inc., (the “Optionor”), to acquire a 100% interest in the 124 hectare Greyhound Property in Idaho, USA. Regulatory approval for the acquisition was received on March 19, 2024.

The Agreement specifies staged option payments totalling US\$670,000 and exploration costs of US\$10 million, both over a ten-year period as follows:

Date	Option payment (US)	Minimum exploration expenditures (US)
Effective date (February 27, 2024)	\$20,000 (paid)	-
1 st anniversary	\$35,000 (paid)	-
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
10th anniversary	-	\$1,700,000
Total	\$670,000	\$10,000,000

The vendor also 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 conduct exploration in the event that less than US\$10 million has been incurred at the time of exercise, but the unpaid balance of the US\$670,000 must be paid to the vendor.

The property is subject to a 2% Net Smelter Return (“NSR”) royalty of which ½ of the NSR may be purchased for US\$5 million.

The Greyhound Property encompasses two past-producing silver/gold mines: Greyhound and Bulldog. The claims outlined in the Agreement comprise 12 patented mining claims and 3 patented mill site claims and 1 patent pending mining claim and 8 patent 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 signing the Agreement, Metallis staked 81 additional mining claims surrounding Greyhound for a total property size of 677 ha. 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 technical team has 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 metal, with the US government strongly supporting domestic sources of strategic and critical minerals and associated supply chains. Antimony is used for hardening metals, military purposes, night vision and imaging, renewable energies and other high-tech applications. 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 several US government grants and loan guarantees to permit, develop and secure the antimony resources from their project. Antimony ingots have recently been quoted over US\$30/kg after more than doubling in the past 12 months. China, Russia and Tajikistan produce about 90% of the global supply of 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.

Greyhound has seen little activity since 1910 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. Historical underground and surface sampling programs were completed, but the Property has never been explored by any modern techniques. Continued examination of historic geological reports has determined that the mineralized shoots encountered in the Lower Rufus Adit are controlled by dilatational zones in the left lateral Greyhound shear. These zones occur as flexures or intersections of the shear with northeast striking cross faults that likely predate the mineralization. This provides the framework for the vertically oriented mineralized shoots encountered to date. Good quality concentrates are reported to have been produced from the Greyhound mine.

Kirkham Property:

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, 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, Newcrest Mining's Brucejack gold mine which is 30 km to the southeast, and Seabridge's KSM and Iron Cap deposits lie 25 km to the east.

The Company has drilled a total of 21,768 meters ("m") on the Property, the most recent being 1,961m in 2022 and 4,785m in 2021. Difficult financial markets in 2023 and 2024 led management to defer a drilling program, and to focus primarily on data compilation and interpretation. The 5-year exploration permit was renewed on August 5, 2022 to allow for continued work on the project.

Summary of Metallis' prior exploration

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 here. 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 work 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.

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. The drill program ran for 10 days in 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.

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.

2. *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.
3. *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 and demonstrating sustainable business practices and actions which benefits all parties. 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 with the greatest focus currently on the environmental aspects of ESG, as climate change and carbon issues have raised significant public concerns.

With regard to the Kirkham Property, the Company has had a Communications Agreement (the “Agreement”) in place with the Tahltan Central Government (“TCG”) since 2018 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.

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. We have made best efforts each field season to hire Tahltans as part of our exploration crews.

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 last visited the Property on August 18, 2022. No visits occurred in 2023 as we did not conduct field work, nor in 2024 when our program was short and conducted under poor weather. For more information about the TCG, visit www.tahltan.org.

At Greyhound, the Company expects to engage with the community and local stakeholders as the project develops, and will engage with any affected first nations groups transparently as well as proactively, at the appropriate time.

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. At Greyhound, to date there have been no disturbances to the land or water as a result of the Company's 2024 initial exploration work.

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-micron 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.

New accounting standards

Beginning January 1, 2025, IAS 21 *The effects of changes in foreign exchange rates* was amended with respect to the exchangeability of a foreign currency. As the Company's foreign currency transactions are mainly in USD, and occasionally in Euros, this amendment is not expected to have any impact on the Company's financial statements.

IFRS 18, "Presentation and Disclosure in Financial Statements", effective for annual reporting periods beginning on or after January 1, 2027, updates the requirements for presenting and disclosing information in financial statements, primarily focusing on the statement of profit or loss. It introduces three new categories for income and expense items: operating, financing, and investing, along with specified subtotals like "Operating profit or loss". IFRS 18 also enhances disaggregation guidance and requires companies to disclose management-defined performance measures. Due to the nature of the Company's business, this new standard is not expected to materially impact the results from operations or presentation of the Company's financial statements.

Quarterly Information

	Three Months Ended March 31, 2025	Three Months Ended December 31, 2024	Three Months Ended September 30, 2024	Three Months Ended June 30, 2024
Total assets	\$ 375,533	\$ 557,973	\$ 92,273	\$ 283,328
Total liabilities	(81,230)	(91,287)	(269,632)	(248,633)
Shareholders' equity (deficiency)	294,303	466,686	(177,359)	34,695
<i>Select operating expenses:</i>				
Communications	4,842	2,899	2,001	8,346
Consulting fees	75,250	103,750	71,250	96,250
Exploration and evaluation expenses	66,088	65,429	106,777	16,419
Professional fees	-	42,161	3,661	13,965
Regulatory and transfer agent	11,242	(1,808)	7,223	27,698
Share-based compensation	-	-	-	192,399
Net income (loss)	(172,383)	(226,431)	(211,450)	(373,398)
Earnings (loss) per share- basic	(0.00)	(0.00)	(0.00)	(0.01)
	Three Months Ended March 31, 2024	Three Months Ended December 31, 2023	Three Months Ended September 30, 2023	Three Months Ended June 30, 2023
Total assets	\$ 125,596	\$ 109,570	\$ 177,921	\$ 308,298
Total liabilities	(345,322)	(195,503)	(110,983)	(117,096)
Shareholders' equity	(219,726)	(85,933)	66,938	191,202
<i>Select operating expenses:</i>				
Communications	679	1,978	(9,526)	11,088
Consulting fees	71,250	71,250	79,250	89,250
Exploration and evaluation expenses	110,507	19,570	20,556	37,154
Professional fees	6,769	34,601	5,480	10,898
Regulatory and transfer agent	19,393	5,577	4,261	26,203
Share-based compensation	-	-	931	2,638
Net income (loss)	(229,865)	(152,871)	(125,195)	(202,884)
Earnings (loss) per share- basic	(0.00)	(0.00)	(0.00)	(0.00)

Results of Operations:

Three months ended March 31, 2025 compared to three months ended March 31, 2024:

The Company had a net loss of \$172,383 (Q1 2024 - \$229,865) during the current period. Operating costs were \$178,050 (Q1 2024 - \$228,381) and other income(loss) totalled \$5,667 (Q1 2024 - (\$1,484)). The components of other income(loss) are detailed on the statements of loss and comprehensive loss, but for the periods presented, the components are either finance income or finance expenses from interest earnings and sublease and lease agreements, other income (which was rental income from a third party), and foreign exchange gain(loss).

Operating costs are mainly comprised of exploration and evaluation expenses of \$66,088 (Q1 2024 - \$110,507), consulting fees of \$75,250 (Q1 2024 - \$71,250), regulatory and transfer agent fees of \$11,242 (Q1 2024 - \$19,393) and office and general expenses of \$9,287 (Q1 2024 - \$9,834) which together comprise \$161,867 (Q1 2024 - \$204,984) or 91% (Q1 2024 - 90%) of all operating expenses. The remaining operating costs were \$16,183 (Q1 2024 - \$17,397), consisting of depreciation, communications, investor relations, professional fees, rent and travel.

Of the current period exploration costs of \$66,088, only \$4,156 was allocated to Kirkham, with Greyhound recognizing costs of \$61,932. Within the latter total is the annual option fee for Greyhound which was \$50,225 (USD\$35,000) and in the comparative period the Greyhound costs of \$90,092 included the initial option payment of \$27,000 (USD\$20,000). The remaining Greyhound costs in Q1 2024 were for staking fees (\$31,073), helicopter fees (\$15,262) and the fair value of \$16,657 of the 1,000,000 warrants issued to the vendor.

Consulting fees include related party fees of \$57,000 (Q1 2024 - \$57,000) and other consulting fees of \$18,250 (Q1 2024 - \$14,250). While related party fees remained the same, third party consulting fees vary according to the day-to-day and month-to-month variability of work required.

Regulatory and transfer agent fees were higher in the comparative period by \$8,151, substantially due to a fee of \$6,000 related to regulatory approval of the Company's security compensation plan including the new Restricted Share Units Plan, and \$3,700 of filing fees from a private placement which closed in April 2024. The security compensation plan approval fee was only \$1,500 in the current period.

Office and general expenses were \$9,287 (Q1 2024 - \$9,834), and includes amortization, insurance, office supplies, rent, travel, website fees, and dues, fees and subscriptions.

Management continues to expect quarterly average consolidated operating costs, not including exploration programs, to be \$150,000. For the current period, the Company's operating costs, including the fees of the VP Exploration but excluding exploration work, was \$127,050. The \$150,000 estimate leaves room for annualized costs and some advertising if and when deemed appropriate. As an example, the current period doesn't include any accrual for annual audit fees as they are normally accrued in Q4.

The Company currently operates in the geographic segments of Canada and the United States. The segmented operating loss for the periods ended March 31, 2025 and 2024 is as follows:

	Canada		USA		Total	
	Three months ended		Three months ended		Three months ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Exploration and evaluation expenses	\$ 4,156	\$ 20,415	\$ 61,932	\$ 90,092	\$ 66,088	\$ 110,507
Depreciation	4,549	4,649	-	-	4,549	4,649
Other operating costs	107,413	113,225	-	-	107,313	113,225
Loss from operations	\$ 116,118	\$ 138,289	\$ 61,932	\$ 90,092	\$ 178,050	\$ 228,381

During the current quarter, the key cash flows were \$178,966 (Q1 2024 - \$149,256) disbursed on operations, and in Q1 2024, we received a third party loan of \$100,000 and \$80,145 of private placement subscriptions. Overall, during the quarter cash declined \$180,589 (Q1 2024 - increased \$26,463). In February 2024, the Company entered into an unsecured loan agreement for \$100,000 from a third party. Interest was payable at 12% per annum, repayable within one year. There were no loan bonus shares or warrants issued in connection with the loan. The loan and accrued was fully repaid in October 2024.

Three months ended March 31, 2025 compared to three months ended December 31, 2024:

The Company had a net loss during the quarter of \$172,383 (Q4 2024 - \$226,431), composed of operating costs of \$178,050 (Q4 2024 - \$231,465) and other net income(expenses) totalling \$5,667 (Q4 2024 - \$5,034) as detailed on the condensed interim consolidated statements of loss and comprehensive loss. Key expenses include exploration and evaluation expenses of \$66,088 (Q4 2024 - \$65,429), consulting fees of \$75,250 (Q4 2024 - \$103,750) and professional fees of \$Nil (Q4 2024 - \$42,161), together comprising 79% (Q4 2024 - 91%) of all operating expenses.

Property exploration work varies quarter to quarter due to seasonality and work program timing and scope. During the current and prior periods, exploration work was done in-office for both Kirkham and Greyhound, including data analysis, assay data inputs and drill hole targeting.

Consulting fees were \$28,500 higher in Q4 2024 than in Q1 2025. This was mainly attributable to two agreements in 2024 totalling \$32,500 for administrative and capital market supports; one for consulting related to the Greyhound property and one for advisory services in Europe to introduce market participants to the Company and drive the dissemination of the Company's news in Europe. Consulting fees during the periods includes fees to related parties which remained at \$57,000 per quarter, unchanged in the past two years.

Professional fees in Q4 2024 included a \$30,000 audit accrual, while no professional fees were incurred in the current period. In the prior period, we also incurred certain legal fees related to revisions of the Stock Option Plan and Restricted Share Unit plans, largely driven by newly required regulatory amendments.

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. Deferrals of payments to management are another tool used to alleviate illiquid situations. These approaches have allowed the Company to maintain sufficient capital balances over recent years to mitigate unexpected cash flow shortfalls.

As of the date of this report, the Company has working capital of \$562,000. On May 22, 2025 the Company announced a private placement to raise up to \$1,350,000 for further exploration work and operating overhead through the exploration season. The financing is at \$0.16 per unit with each unit consisting of one common share and one non-transferable share-purchase warrant exercisable at \$0.26 per share for three years.

<u>Working capital at the date of this MD&A:</u>	<u>(\$000)</u>
Cash and cash equivalents	\$ 616
Due from related party	8
Receivables	8
Prepaid expenses and retainers	21
Accounts payable and accrued liabilities	(47)
Due to related parties	(39)
Lease liability (all short term)	(5)
Total net working capital	<u>\$ 562</u>

Outstanding share information

There are 75,305,003 common shares outstanding as of the date of this report, unchanged from December 31, 2024. There are currently 6,000,000 stock options and 11,772,217 warrants outstanding for a total of 93,077,220 fully diluted shares outstanding, also unchanged from December 31, 2024.

Stock options

Recent changes in the Company's outstanding stock options are as follows:

	No. of stock options outstanding	Weighted average exercise price
Balance- December 31, 2023	4,250,000	\$ 0.33
Options granted	<u>1,750,000</u>	<u>0.15</u>
Balance- December 31, 2024, March 31, 2025 and the date of this MD&A	<u>6,000,000</u>	<u>\$ 0.28</u>

The outstanding stock options at the date of this MD&A 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
May 14, 2029	1,750,000	1,750,000	0.15
Total outstanding options	6,000,000	6,000,000	

Warrants

As at the date of this report, there are 11,772,217 share purchase warrants outstanding as follows:

	Number of Warrants outstanding	Weighted average exercise price
Balance at December 31, 2023	3,852,217	\$ 0.32
Warrants issued	7,920,000	0.20
Balance at December 31, 2024, March 31, 2025 and the date of this MD&A	11,772,217	\$ 0.24

Outstanding warrants at the date of this MD&A:

Expiry Date	Number of Warrants	Exercise Price (\$)
June 10, 2025	663,750	0.30
June 10, 2025	2,640,750	0.33
June 23, 2025	462,500	0.30
June 23, 2025	85,217	0.33
February 26, 2027	1,000,000	0.34
October 27, 2027	6,920,000	0.18
Total	11,772,217	

Restricted Share Units:

The Company's Restricted Share Unit Plan ("RSU Plan") allows the Board of Directors to grant RSUs to directors, officers and employees. RSUs are subject to vesting requirements of up to three years, but can be settled by issuing shares from treasury or disbursing cash. RSUs provide a means to earn compensation through an equity plan without making a stock option exercise payment. As at March 31, 2025 and the date of this MD&A, no RSU's had been granted.

The total grants from the Stock Option Plan and the RSU Plan together are limited to 10% of the outstanding common shares of the Company's stock, as calculated on the date of grant, the same limit that applied to the SOP before the RSU plan was first approved in November 2023.

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 period ended March 31, 2025, 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; and
- d) Etruscus Resources Corp. ("ETR") is a public company related through two common directors and a common officer. ETR subleases ½ of office space from the Company and shares certain administrative expenses resulting in occasional related party receivables or payables at the end of each period.

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

		Transactions for the period ended March 31, 2025	Transactions for the year ended December 31, 2024	Balance payable as at March 31, 2025	Balance payable as at December 31, 2024
Avanti Consulting Inc.	(a)	\$ 36,000	\$ 144,000	\$ 18,900	\$ 18,900
Lever Capital Corp.	(b)	21,000	84,000	11,025	11,025
D.G. Dupre and Associates Inc.	(c)	15,000	60,000	8,650	8,650
Total		\$ 72,000	\$ 288,000	\$ 38,575	\$ 38,575

During the period ended March 31, 2025, the Company entered into transactions with ETR as follows:

	Due from ETR, December 31, 2024	Additions	Amounts received	Due from ETR, March 31, 2025
Rent	\$ -	\$ 9,336	\$ (9,260)	\$ 76
Office expenses, net	3,126	817	(3,126)	817
Due, fees and subscriptions	-	672	-	672
Total	\$ 3,126	\$ 10,825	\$ (12,386)	\$ 1,565

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 COVID-19 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. This may cause government regulations to 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 insurance, 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") has evolved into specified disclosure standards, effective for years beginning in 2024, although they 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). 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 if 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 interests 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 sustainability and environmental concerns has seen the mining industry involve the local and broader communities and all key stakeholders in the planning and development processes, being transparent through communications, dialogue, and education, and providing additional continuous disclosures in those regards. The Company recognizes that garnering community and public support for exploration, mine development and construction requires public engagement and involvement of all key community stakeholders throughout the exploration and development processes, and demonstrating sustainable business practices.

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.

At the Greyhound Property in Idaho, there are minor land impacts from the current stage of greenfield exploration, the land is privately owned and to date, no issues with community or Indigenous relations have been identified. As the project moves forward, we expect to engage with local and state-level stakeholders including affected and representative First Nations.

Critical judgements and estimates

In preparing these consolidated 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 period ended March 31, 2025 2024 are the same as those described in the annual consolidated financial statements for the year ended December 31, 2024.

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 may hold direct or indirect interests in exploration and evaluation assets. 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) The Company uses the Black-Scholes valuation model to determine the fair value of stock option grants and certain warrants issued under private placements or as a component of compensation related to the acquisition of mineral property interests. The inputs used in the model require estimates of the fair value of the options or warrants, their expected life, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. These estimates impact share-based compensation expense and/or exploration and evaluation expenditures in the profit or loss and share capital and shareholder's equity on the consolidated statements of financial position;
- c) The values of right-of-use assets and lease liabilities require 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;
- d) 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 judgements 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;
- e) The Company raises financing by issuing equity that may at times be comprised of 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; and

- f) The assumption that the Company is a going concern and will continue operating for the foreseeable future, being one year, is a judgment.

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, 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 are related to sublease receivables from ETR and other shared intercompany transactions. As at March 31, 2025, the Company's maximum credit risk is equal to \$350,519.

The Company shares an office with ETR and amounts from/to ETR at each period-end are expected. These amounts are considered at low risk of default, due to their relatively short term repayment period and the influence of management. 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 March 31, 2025, the Company had working capital of \$283,297 (December 31, 2024 - \$446,071).

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 exploration programs.

The following are the contractual maturities of financial liabilities as at March 31, 2025:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
Accounts payable and accrued liabilities	\$ 32,279	\$ 32,279	\$ 32,279	\$ -	\$ -
Lease liability	10,376	10,376	10,376	-	-
Due to related parties	38,575	38,575	38,575	-	-
Total	\$ 81,230	\$ 81,230	\$ 81,230	\$ -	\$ -

Interest Rate Risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has no long-term debt 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 continue to fluctuate with volatility similar to the current period.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company's subsidiary is denominated in US dollars with most transactions of the subsidiary being in US dollars, and the Company is therefore subject to foreign exchange risk. While the subsidiary has immaterial monetary assets and liabilities as at March 31, 2025, it did account for 35% of the consolidated operating expenses incurred in 2024; albeit due primarily to the USD\$35,000 Greyhound option payment. A 5% change in foreign exchange would have an impact on profit and loss of approximately +/- \$4,000. The Company does not hedge its foreign exchange risks and considers its foreign currency risk as manageable and neither onerous nor material. Management considers the foreign exchange risk derived from currency conversions to be not material.

Management's Responsibility for the Condensed Interim Consolidated Financial Statements

Information provided in this report, and the Company's condensed interim consolidated financial statements for the period ended March 31, 2025, 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 these 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.