



Q2 METALS CORP.

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MANAGEMENT DISCUSSION AND ANALYSIS

For the Nine Months Ended November 30, 2024

This Management Discussion and Analysis ("MD&A") of financial position and results of operation is prepared by management and approved by the Company's Board of Directors as at January 28, 2025 and should be read in conjunction with the condensed interim consolidated financial statements for the nine months ended November 30, 2024 for Q2 Metals Corp (the "Company") and the related notes thereon. The discussion covers the nine ("Q3 2025") months ended November 30, 2024 and the subsequent period up to the date of issuance of this MD&A.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information is provided in the Company's consolidated financial statements and other documents.

In this MD&A, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "Q2" or the "Company", refer to Q2 Metals Corp.

Our Business

The Company is a Canadian mineral exploration company currently exploring its Cisco Lithium Project (the "Cisco Project") which is comprised of 767 mineral claims, approximately 39,389 hectares ("ha") in size and located in the territory of the Nemaska Cree Nation, Eeyou Istchee, James Bay, Quebec, Canada, less than 10 kilometres ("km") east of the Billy Diamond Highway and approximately 150 km north of Matagami, Quebec.

The Company also holds the Mia Lithium Project (the "Mia Project") and the Stellar Lithium Project (the "Stellar Project"), both located in the territory of the Wemindji Cree Nation, Eeyou Istchee, James Bay, Quebec, Canada, and the Big Hill and Titan gold projects in Queensland, Australia, which cover approximately 110 km² in the Talgai Goldfields of the broader Warwick-Texas District.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on Tier 2 of the TSX Venture Exchange ("TSXV") in Canada under stock symbol QTWO, the Frankfurt Stock Exchange in Germany ("458"), and the OTCQB ("QUEXF"). The head office and principal business address of the Company is Suite 904 – 409 Granville Street, Vancouver, BC V6C1T2.

The Company's disclosure of a technical or scientific nature in respect of the Mia and Cisco Projects have been reviewed by Neil McCallum, P.Geol, Vice President, Exploration as well as a director of the Company and a Qualified Person under the definition of *National Instrument 43-101* ("NI 43-101").

The Company's disclosure of a technical or scientific nature in respect of the Big Hill and Titan Projects has been reviewed by Simon Tear BSc (Hons), PGEO, Eur Geol, a consultant to the Company and a Qualified Person under the definition of NI 43-101.

Highlights for the Nine Months Ended November 30, 2024 and up to the date of this report:

- On April 25, 2024, the Company announced core assay results of the fall drill program completed at the Mia Project and on May 10, 2024, the Company announced the core assay results of the winter drill program completed at the Mia Project
- On April 30, 2024, the Company announced that it had completed a review of the drill core from the six-hole drill program conducted by the vendors of the Cisco Project and on May 16, 2024, the results of the review and re-assaying of the core samples was announced as well as the spring exploration plans at the Cisco Project.
- On May 22, 2024, the Company announced mobilization of its geology team and drilling contractors to the Cisco Project to commence detailed mapping & sampling and a drill campaign to focus on the vendor's discovery area.
- On May 22, 2024, the Company granted 1,500,000 stock options to directors, officers and consultants of the Company. The stock options are priced at \$0.31 per share and have a term of 5 years.
- On May 24, 2024, the Company announced the re-pricing of a total of 12,908,333 share purchase warrants that were granted in February 2023 from an exercise price of \$1.25 to \$0.60.
- On May 29, 2024, the Company announced the collaring of the first drill hole at the Cisco Project.
- On June 13, 2024, the Company announced the completion of the closing of the three individual option agreements entered into on February 28, 2024 and amended on June 12, 2024 for the option to acquire a 100% interest in the Cisco Project.
- On June 17, 2024, the Company provided an update on the 2024 exploration program at the Cisco Project with the visual results of holes CS-24-007 to CS-24-010.
- On July 3, 2024, the Company provided an update on the 2024 exploration program at the Cisco Project with the visual results of holes CS-24-011 to CS-24-014.

- On July 8, 2024, the Company announced that analytical results from the ongoing 2024 mapping and sampling field program at the Cisco Project had confirmed eight (8) new spodumene discoveries for a total of 15 spodumene pegmatite zones.
- On August 2, 2024, the Company closed the first tranche of a non-brokered private placement of units of the Company by issuing:
 - 1,142,857 units of the Company at a price of \$0.35 per unit (the “FT Units”) for gross proceeds of \$400,000. Each FT Unit consisted of one flow-through common share (each, a “FT Share”) and one half of one share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder to acquire one additional non-flow-through common share at a price of \$0.50 for two years; and
 - 8,519,998 units of the Company at a price of \$0.25 per unit (the “NFT Units”) for gross proceeds of \$2,130,000. Each NFT Unit will consist of one non-flow-through common share of the Company and one half of one Warrant.

Aggregate finders’ fees of \$23,175 and 57,600 broker warrants were paid to arm’s length finders in connection with the first tranche closing of this non-brokered private placement, with each such broker warrant bearing the same terms as the Warrants.

- On August 9, 2024, the Company closed the second and final tranche of the non-brokered private placement of units of the Company by issuing:
 - 8,506,315 units of the Company at a price of \$0.475 per unit (the “Charity Units”) for gross proceeds of \$4,040,500. Each Charity Unit consists of one FT Share and one half of one share purchase Warrant;
 - 22,800 FT Units of the Company for gross proceeds of \$7,980; and
 - 1,200,000 NFT Units for gross proceeds of \$300,000.

Aggregate finders’ fees of \$62,250 and 249,000 broker warrants were paid to arm’s length finders in connection with the second tranche, with each such broker warrant bearing the same terms as the Warrants.

- On August 12, 2024, the Company provided an update on its 2024 exploration program at the Cisco Project with the visual results of drill holes CS-24-015 to CS-24-018 as well as the discovery of eight (8) new mineralized outcrops within the area of interest for a total of 23 spodumene pegmatite zones at the project.
- On August 19, 2024, the Company reported core assay results from drill holes CS-24-007 to CS-24-010 at the Cisco Project and on August 20, 2024, the Company clarified its technical disclosure to remove the use of cumulative grades of drill holes as well as to update the sampling, analytical methods and QA/QC protocols used in the sampling program.

- On September 11, 2024, the Company reported visual results from the drill program at the Cisco on drill holes CS-24-019 to CS-24-021.
- On September 24, 2024, the Company reported visual results from the drill program at the Cisco Project on drill holes CS-24-022 and CS-24-023.
- On October 1, 2024, the Company reported core assay results from the drill holes CS-24-011 to CS-24-016 and CS-24-018 at the Cisco Project.
- On October 28, 2024, the Company reported core assay results from the drill holes CS-24-017, CS-24-019 and CS-24-021 at the Cisco Project.
- On November 26, 2024, the Company announced it had acquired a 100% interest in 545 mineral claims (the “Expansion Claims”), more than tripling its mineral claim position at the Cisco Project. The Expansion Claims were acquired pursuant to an option agreement between the Company, 9219-8845 Quebec Inc. (“CMH”) and Anna-Rosa Giglio (together with CMH, the “Expansion Vendors”). To acquire the Expansion Claims, the Company must pay to CMH an aggregate of \$2,400,000 over a period of 42 months (\$150,000 paid subsequent to November 30, 2024) and complete \$1,200,000 of exploration expenditures during that time.
- On November 27, 2024, the Company held its Annual General and Special Meeting of Shareholders, with all matters passing.
- On December 9, 2024, the Company reported core assay results from the drill holes CS-24-022 and CS-24-023 at the Cisco Project.
- On December 17, 2024, the Company reported core assay results from the drill hole CS-24-020 at the Cisco Project as well as the full exercise of all share purchase warrants that expired on December 15, 2024.
- On December 18, 2024, the Company reported the closing of the acquisition of the Expansion Claims.
- On December 20, 2024, the Company announced that pursuant to its equity incentive plan, the Company granted 2,500,000 stock options, 750,000 deferred share units and 6,000,000 performance share units.

Highlights for the Year Ended February 29, 2024:

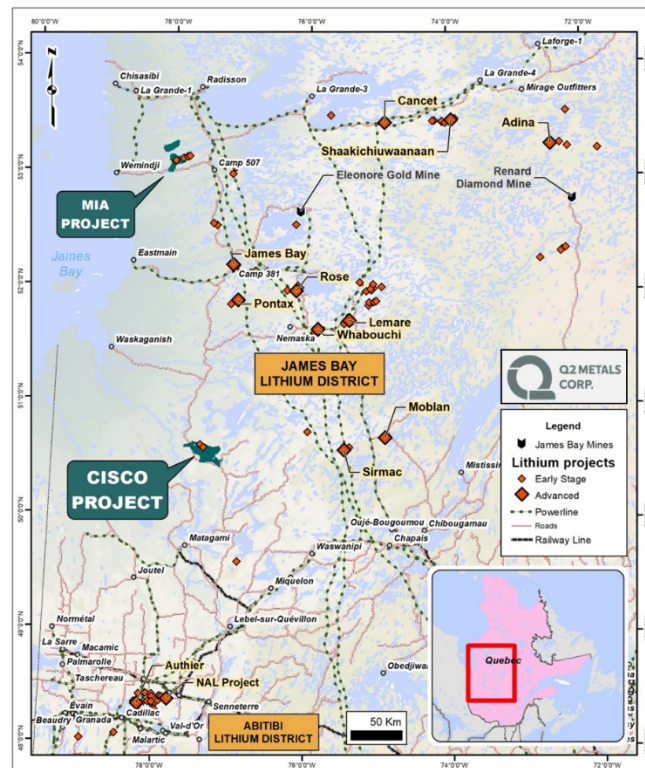
- On March 2, 2023, the Company outlined its 2023 exploration plans for the Mia Project as well as the acquisition, for the cost of staking, of the Stellar Project consisting of 77 claims totaling 3,972 ha approximately 6 km north of the Mia Project.
- On March 2, 2023, the Company granted 1,250,000 stock options to directors, officers, and consultants of the Company to purchase an aggregate of 1,250,000 common shares in the capital of the Company at an exercise price of \$0.85 per share until March 2, 2028.

- On April 3, 2023, the Company announced it had commenced the Phase 1 of the 2023 exploration campaign at the Mia Project, consisting of ground induced polarity, resistivity and detailed airborne magnetic surveying on the western half of the known 8 km long lithium exploration trend. On April 26, 2023, the Company announced it had completed Phase 1 of the 2023 exploration campaign at the Mia Project.
- On May 31, 2023, the Company announced that it had initiated Phase 2 of its 2023 exploration campaign, which included surface mapping/prospecting, rock sampling, airborne magnetic and LiDAR surveys at the Mia Lithium Project.
- On June 5, 2023, the Company announced that Phase 2 of the 2023 exploration campaign had been temporarily halted due to active forest fires in Northern Quebec.
- On June 29, 2023, the Company announced sampling results from its abridged work program on the Mia Project and provided an operational update.
- On August 30, 2023, the Company announced the resumption of its exploration activities at the Mia Project with an update on its surface mapping and rock sampling activities at the Mia Project.
- On September 13, 2023 and on September 27, 2023, the Company announced it had completed its surface mapping and rock sampling activities at the Mia Project.
- On October 11, 2023, the Company announced the early completion of the purchase of the Mia Project and mobilization of field crews to the Mia Project for the inaugural drill campaign.
- On October 23, 2023, the Company announced it had collared the first drill hole of its inaugural drill program and had two active drills operational at the Mia Zone at the west end of the Mia Project.
- On November 2, 2023, the Company announced that it entered into an agreement with CMH to buy back the 2% Net Smelter Production Royalty (the “Mia NSR”) held by CMH on certain claims comprising the 100% owned Mia Lithium Project.
- On November 16, 2023, the Company provided an update on Phase 1 of its inaugural drill program at its wholly owned Mia Lithium Project.
- On December 4, 2023, the Company announce that it has received total proceeds of \$2,011,425 for exercised warrants that were issued pursuant to a private placement that closed on December 1, 2021.
- On December 13, 2023, the Company announced the results from the 2023 surface exploration program and the discovery of eight new mineralized zones on the Mia Lithium Project.

- On December 20, 2023, the Company announced that it had concluded its fall drill program at the Mia Project with a total of 31 holes drilled for approximately 5,601 metres (“m”).
- On January 22, 2024, the Company announced the commencement of the winter drill program and on February 27, 2024, the Company announced the end of the winter program with a total of 20 drill holes completed for approximately 3,085 m.
- On February 29, 2024, the Company announced that it had entered into three separate option agreements granting it the exclusive right and option to acquire a 100% interest in three groups of mineral claims collectively known as the Cisco Project, located in the southern portion of Eeyou Istchee Territory, James Bay, Quebec, Canada.

Mineral Properties

The Company has a portfolio of three lithium exploration projects in Eeyou Istchee Territory, James Bay, Quebec Canada: the Cisco Project, the Mia Project and the Stellar Project:



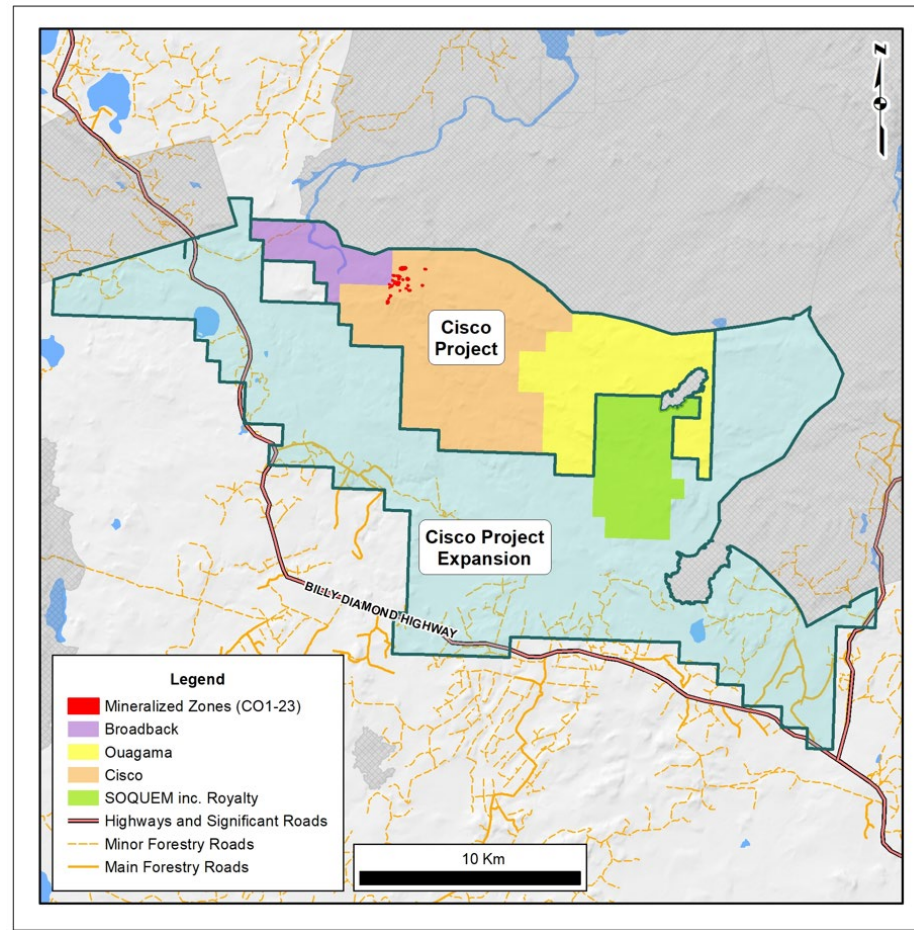
Q2 Mineral Projects in Quebec

Cisco Project

The Cisco Project is situated along the Frotet Evans Greenstone Belt, comprised of a volcanic package dominated by mafic to felsic metavolcanic rocks, of the southern James Bay Lithium District, the same belt that hosts the Sirmac and Moblan lithium deposits, located 130 km and 180 km away, respectively.

The Cisco Project is comprised of four groups of mineral claims: the Broadback claim block, the Cisco claim block, the Ouagama claim block and the Expansion claim block, collectively consisting of 767 contiguous mineral claims and totaling 39,389 ha in size.

The Cisco Project lies within the territory of the Nemaska Cree Nation, Eeyou Istchee, James Bay, Quebec and is located less than 10 km east of the Billy Diamond Highway, approximately 150 km north of Matagami, Quebec, a small town that contains the closest rail link to much of James Bay.



Cisco Project Claim Block Map

Acquisition terms

On February 28, 2024, the Company entered into three individual option agreements which gives the Company the exclusive right and option for the acquisition of a 100% interest in three groups of minerals claims, collectively known as the Cisco Project. Under the terms of the three individual Option Agreements, the aggregate consideration payable for the Cisco Project is \$2,400,000 cash (\$1,500,000 paid), 60,000,000 common shares of Q2 (20,000,000 shares issued with a fair value of \$5,600,000) and exploration expenditures of \$12,000,000.

Cisco Claim Block: Pursuant to the terms of an option agreement between the Company and 9490-1626 Quebec Inc. (the “Cisco Vendor”) dated February 28, 2024, as amended on June 12, 2024 (the “Cisco Agreement”), in order for the Company to exercise the option to acquire a 100%

interest in 121 mineral claims (the “Cisco Claims”) from the Cisco Vendor, the Company must pay to the Cisco Vendor total consideration of an aggregate of 40,000,000 Common Shares (10,000,000 issued with a fair value of \$2,800,000), \$2,000,000 cash (\$1,100,000 paid), and conduct \$12,000,000 in exploration expenditures on the Cisco Claims, over a four-year period. The Company has completed the closing of the Cisco Agreement and has completed the first instalment of the cash & share consideration. The Cisco Vendor will retain a 4% gross metals returns royalty (“GMR”) on the Cisco Claims (the “Cisco GMR”), of which up to 3% of the Cisco GMR can be purchased by the Company. At any time after the option for the Cisco Claims is exercised and prior to commercial production, the Company may purchase the first 1% for \$1,500,000, the next 1% for \$3,000,000 and the Company has a right of first refusal on the next 1%. The Cisco GMR purchase payments may be satisfied in either cash or Common Shares, at the election of the Company. The Cisco Vendor will also be paid a cash bonus of \$2,500,000 on the completion and delivery of an initial mineral resource calculation report, prepared in accordance with NI 43-101, on the Cisco Claims demonstrating an inferred resource (or higher category) of at least 25 million tonnes grading over 1% Li₂O.

Broadback Claim Block: Pursuant to the terms of an option agreement between the Company, 9219-8845 Quebec Inc (“CMH”), Steven Labranche (“Labranche”) and Anna-Rosa Giglio (“Giglio”)(together, the “Broadback Vendors”) dated February 28, 2024, as amended on June 12, 2024 (the “Broadback Agreement”), in order for the Company to exercise the option to acquire a 100% interest in 24 mineral claims (the “Broadback Claims”) from the Broadback Vendors, the Company must pay to the Broadback Vendors total consideration of an aggregate of 10,000,000 Common Shares (5,000,000 shares issued with a fair value of \$1,400,000) and \$200,000 (paid). The Company has completed the closing of the Broadback Agreement and has completed the first instalment of the cash & share consideration. 9219 and Ressources Broadback Inc. were granted a 3% GMR on the Broadback Claims (the “Broadback GMR”), of which up to 2% of the Broadback GMR can be repurchased by the Company at any time prior to commercial production for \$1,000,000 for the first 1% and \$2,000,000 for the next 1%. The Broadback GMR purchase payments may be satisfied in either cash or Common Shares, at the election of the Company.

Ouagama Claim Block: Pursuant to the terms of an option agreement between the Company, CMH, Labranche, Giglio, Trent Potts and Potts of Gold Resources Pty Ltd. (the “Ouagama Vendors”) dated February 28, 2024, as amended on June 12, 2024 (the “Ouagama Agreement”), in order for the Company to exercise the option to acquire a 100% interest in 77 mineral claims (the “Ouagama Claims”) from the Ouagama Vendors, the Company must pay to the Ouagama Vendors total consideration of an aggregate of 10,000,000 Common Shares (5,000,000 shares issued with a fair value of \$1,400,000) and \$200,000 (paid). The Company has completed the closing of the Ouagama Agreement and has completed the first instalment of the cash & share consideration. The Ouagama Vendors were granted a 3% GMR on the Ouagama Claims (the “Ouagama GMR”) of which up to 2% of the Ouagama GMR can be repurchased by the Company at any time prior to commercial production for \$1,000,000 for the first 1% and \$2,000,000 for the second 1%. The foregoing Ouagama GMR purchase payments may be satisfied in either cash or Common Shares, at the election of the Company.

Upon satisfaction of all payments and expenditures, the Company will earn a 100% interest in the Cisco Claim Block, the Broadback Claim Block and the Ouagama Claim Block. The Option

Agreements received the acceptance of the TSX Venture Exchange on March 8, 2024 and the closing of the Option Agreements was completed on June 12, 2024.

Expansion Claim Block: On November 26, 2024, the Company announced it had acquired a 100% interest in the Expansion Claims. The Expansion Claims were acquired pursuant to an option agreement between the Company, CMH and Giglio for an aggregate of \$2,400,000 over a period of 42 months (\$150,000 paid subsequent to November 30, 2024) and \$1,200,000 of exploration expenditures to be completed during that time.

Upon satisfaction of the above payments and expenditures, the Company will earn a 100% interest in the Expansion Claims. The Expansion Claim vendors will retain a 3% GMR on the Expansion Claims except the Soquem Claims (as defined below), of which up to 2% of the GMR may be purchased by the Company at any time prior to commercial production for \$1,000,000 on the first 1% and \$2,000,000 on the next 1%. The GMR purchase payments may be satisfied in either cash or Common Shares, at the election of the Company and subject to regulatory approval. Certain of the Expansion Claims (the “Soquem Claims”) bear a 2% net smelter returns royalty (the “NSR”) in favour of Soquem Inc. Upon closing, the Company assumed the rights and obligations under the NSR, which included the right to repurchase 1% of the NSR for \$500,000. In addition, the Company granted the Vendors a 1% GMR on the Soquem Claims. The Vendors will also be paid a bonus of \$2,500,000 on the completion and delivery of an initial mineral resource calculation report, prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, on the Expansion Claims demonstrating an inferred resource (or higher category) of at least 25 million tonnes grading over 1% Li₂O.

Exploration

2022 - 2023

During 2022 - 2023, the Cisco Project vendors discovered the lithium zone by collecting 28 rock samples, 21 of which returned over 1.0% Li₂O. The results were within a 1.2 km by 1.5 km area, clustered into six separate mineralized zones. In the fall of 2023, the Project vendors drilled six drill holes, totaling 1,287 m, at the CO1 zone. The drilling confirmed a strike length of approximately 220 m, open along strike in both directions and down-dip. Drilling successfully intersected multiple, wide spodumene-bearing pegmatites from surface.

2024

Re-logging/sampling

In April 2024, the Company completed a review of the drill core from the Project vendors’ 2023 Drill Program. The six drill holes were re-logged and all relevant intervals were re-sampled to confirm the historical analytical results with an analytical method appropriate for tantalum as well as one more appropriate for higher grades of lithium. The results of the re-analysis confirmed the spodumene mineralization of the drill holes at a slightly higher grade than originally reported.

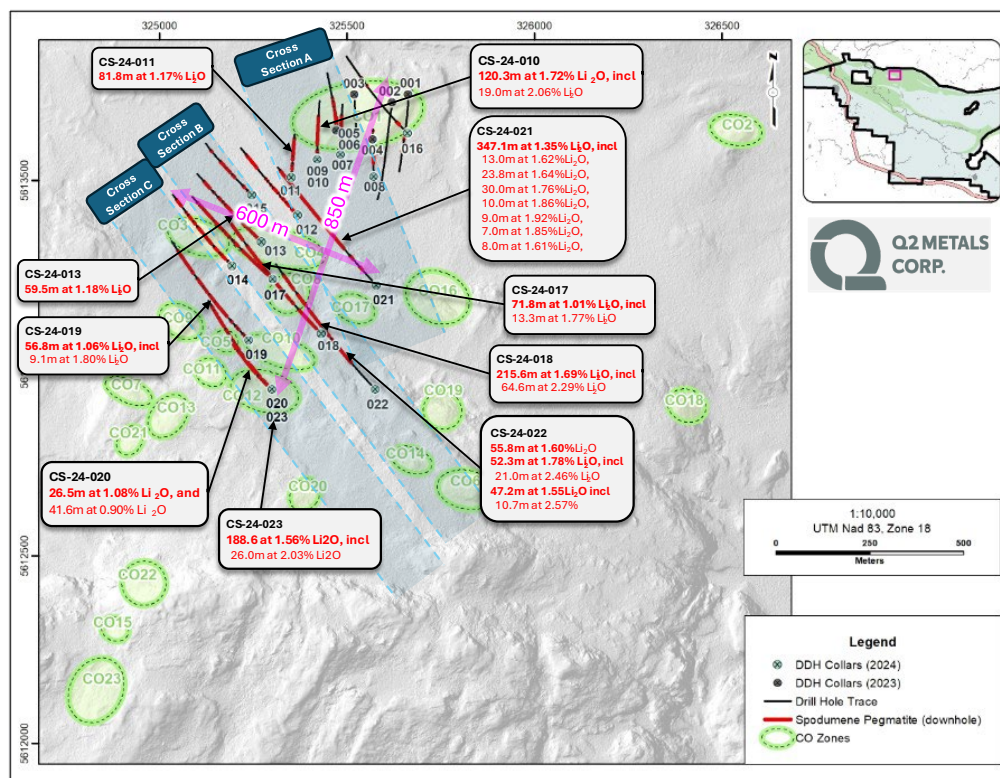
2024 Drill Program

The Company's 2024 Drill Campaign commenced in late May ("2024 Drill Program"), with the primary objective of confirming and expanding upon the mineralized zone where the Project vendors worked in 2023 (the "CO1 Zone").

A total of 17 drill holes were drilled by the Company, for approximately 6,360 m. The drilling has targeted the CO1 Zone and the extension of the CO1 outcrop area towards the CO3 outcrop area and beyond towards CO12. Several wide pegmatite intervals, with all drill holes intercepting pegmatites with visual indications of spodumene mineralization identified. Highlights include:

- CS-24-010: Widest interval of 120.3 m at 1.72% Li₂O including 19.0 m at 2.06% Li₂O
- CS-24-018: Widest interval of 215.6 m at 1.69% Li₂O including 64.6 m at 2.29% Li₂O
- CS-24-021: Widest interval of 347.1 m at 1.35% Li₂O including 30 m at 1.76% Li₂O
- CS-24-023: Widest interval of 188.6 m at 1.56% Li₂O including 26 m at 2.03% Li₂O

Mineralization between outcrop zone CO1 to CO12 was defined for a strike length of approximately 850 m. Mineralization starts at surface and on average continues to a depth of 400 m, open in multiple directions.

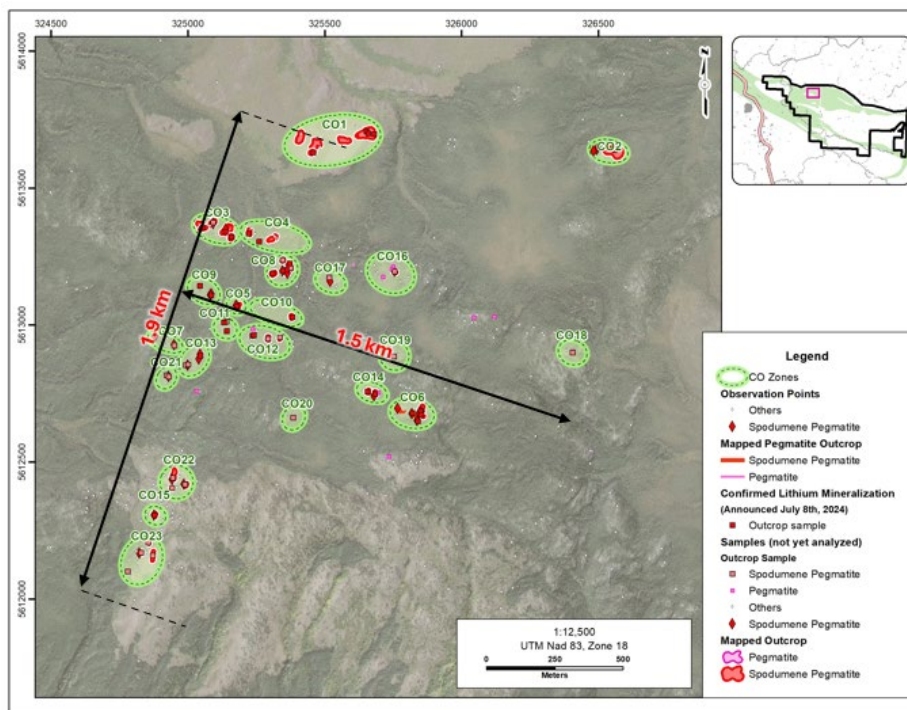


Map of Drill Hole Analytical Results at Cisco Project

2024 Mapping & Sampling Program

A total of 23 outcrop zones were identified and within those zones, 51 outcrop samples were collected and reported, containing greater than 0.20% Li₂O. The results ranged in grade up to

4.31% Li₂O, averaging 1.97% Li₂O. The main area of mineralization at surface extends 1.5 km by 1.9 km.



Extent of spodumene pegmatite mineralized zones at Cisco Project

Mia Project

On November 28, 2022, the Company announced that it had entered into an agreement to acquire the Mia Project. The Mia Project is comprised of 171 mineral claims, located 62 km east of the village of the Wemindji Cree Nation, Eeyou Istchee, James Bay, Quebec. The lithium mineral showings are located approximately 22 km from the Billy Diamond Highway, proximal to major hydro-powerline and all-season road infrastructure.

The Mia Project geology is part of the Yasinski Lake area, identified by narrow greenstone belt slivers, belonging to volcanic rocks and related sediment in the Yasinski Group and pierced by syn-tectonic tonalite and granodiorite suite. The Project is situated in the western extremity of this geological area, covering various lithologies and favourable structures, known to host spodumene bearing pegmatites. The southern half of the Project covers a northeast limb of the Vieux Comptoir granite and a concordant intrusive body described as a spodumene granite on SIGEOM, the Quebec provincial government's geomining information system.

Historical work by Main Exploration Company Ltd. in 1959 ([GM10200](#)) reported several spodumene-bearing pegmatites on the Project and mapped an 8.3 km trend of discontinuous pegmatite intrusions (now called the "Mia Trend"). SIGEOM lists nine metallic deposits directly on the Mia Project including two for lithium, namely Mia Li-1 and Mia Li-2. Carte 1879 is listed as a spodumene mineral deposit as no assays were recorded for it.

The westernmost mineral showings Mia Li-1 and Mia Li-2 were sampled in 1997 by Quebec government geologists and assays returned grades of 0.47% Li₂O and 2.27% Li₂O respectively. Numerous pegmatite intrusions were recorded along the Mia Trend but were never followed up for their lithium potential.

Acquisition terms

Under the terms of a purchase agreement, the Company earned a 100% interest in the Mia Project for total consideration of an aggregate of 13,000,000 common shares of the Company (issued), \$500,000 (paid) and \$1,000,000 in exploration expenditures (completed).

The vendor of the Mia Project retained up to a maximum of a 3% net smelter returns royalty on the claims comprising the Mia Project (the "Vendor's NSR"). Certain of the claims comprising the Mia Project are subject to an existing 2% net smelter returns royalty granted by the vendor (as assignee) in favour of Franco-Nevada Corporation ("Franco Nevada NSR") (28 claims) as well as an existing 2% net smelter returns royalty granted by the vendor in favour of Eastmain Resources Inc. (37 claims). The Company could repurchase 1% of the Vendor's NSR at any time prior to commercial production for \$1,000,000.

On December 20, 2023, the Company completed the buyback of the Vendor's NSR not subject to the Franco-Nevada NSR for total consideration, paid in a combination of cash (\$888,400) and common shares (1,400,000 with a fair value of \$392,000) of the Company. The completion of the buyback resulted in there remaining a 1% NSR on all Mia Project claims, held by Lithium Royalties Corp. and a 2% NSR held by Franco Nevada on 28 claims.

Exploration

2021 & 2022

A total of 17 pegmatite outcrop grab samples were collected in 2021 by Services Géologiques T-Rex Inc. of Rouyn-Noranda, Québec ("SGT"), with the aim of verifying the Mia Li-1 and Mia Li-2 lithium occurrences. The sample results confirmed the Mia Li-1 occurrence with 5 grab samples averaging 2.31% Li₂O. One sample was collected 700m east of the Mia Li-1 area with 2.73% Li₂O. A follow-up sampling program was conducted in fall 2022, with 19 pegmatite outcrop grab samples collected by SGT for the project vendor. Thirteen samples collected in the Mia Li-1 area confirmed the occurrence with an average grade of 2.79% Li₂O. Additionally, 3 samples were collected in the Carte 1879 occurrence and verified spodumene at this location with the results averaging 1.65% Li₂O.

2023

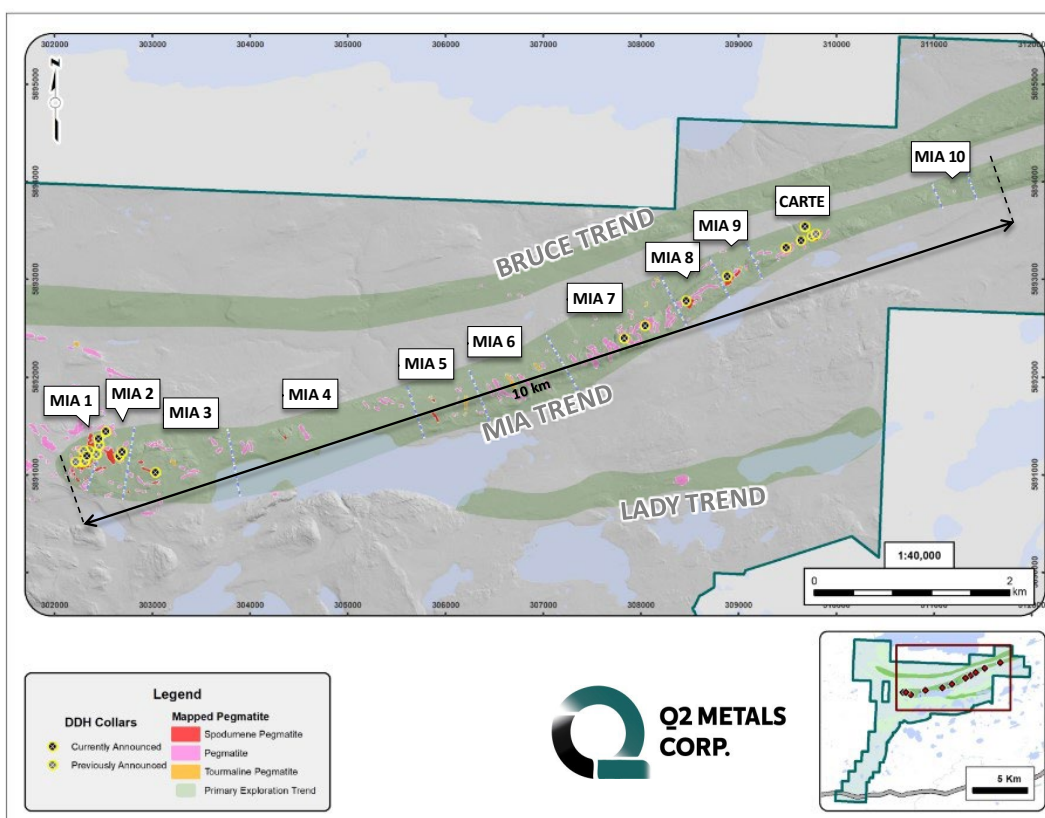
The Company completed a compilation of historical data and a review of high-resolution satellite imagery at the Mia Project in April 2023. Surface geophysics, consisting of induced polarity and resistivity (IP-resistivity) surveying were also completed, focusing on the western section of the greenstone belt within the Mia Project and spanned approximately 4 km, with 11 lines at 100-metre line spacing.

Rock sampling and surface mapping/prospecting conducted in May 2023 successfully verified the 2021 and 2022 work completed by SGT with samples from the Mia Li-1 and Li-2 occurrences (now referred to as the MIA1 and MIA2 occurrences) returning 2.73, 2.05 and 0.55% lithium oxide. At the Carte 1879 occurrence, three spodumene-mineralized samples returned 2.01, 1.57 and 1.04% Li_2O .

A project-wide high-resolution helicopter-borne magnetic survey and a hyperspectral interpretation of ASTER and Sentinel-2 data were completed during May and June, 2023, the results of which generated 495 target areas on both the Mia Project and the Stellar Project.

The compilation, integration and refinement of the historical and initial 2023 work resulted in the definition of two high-priority exploration trends: the Mia Exploration Trend and the parallel Bruce Trend to the north which contained a series of historically mapped pegmatite and hyperspectral targets.

Mapping and sampling activities in September, 2023 resulted in the discovery of 8 new mineralized zones along the Mia Trend for a total of 11 defined mineralized zones over 9.7 km.



Mineralized Zones, Mia Trend

Fall 2023 Drill Program

The Company completed a fall drill program in which a total of 31 drill holes were completed on the Mia Trend for approximately 5,601 m. The primary objective of the drill program was to drill test along the Mia Trend with one drill rig testing the main MIA 1, 2 & 3 zones (17 holes) and the

other rig testing the Carte Zone (8 holes) and the greater Mia Trend (6 holes at zones MIA 7,8 & 9). The Fall Drill Program confirmed the presence of wide spodumene-mineralized pegmatites containing high grade intervals at the Mia and Carte zones. The continuity of mineralization at the Mia 1 & 2 Zones was also confirmed.

Drill results at the Mia Zone confirmed spodumene mineralization within a continuous pegmatite zone that dips gently to the north. Thickness of the mineralized zone varies from 8 and 20 m, and extends roughly 600 m east-west and roughly 375 m north-south. The pegmatite body appears to be open to the west, east and north.

Drill results at the Carte Zone confirmed spodumene mineralization with a pegmatite zone that appears at surface and dips gently to the northwest. Thickness of the mineralized zone varies from 5.8 and 7.3 m, and extends roughly 170 m in a northeast-southwest strike direction and has been intersected to a depth of roughly 65 m.

2024

Winter 2024 Drill Program

The Winter 2024 Drill Program targeted the western end of the Mia Trend to follow up on the Fall 2023 Drill Program, with a total of 20 drill holes completed for approximately 3,085 m. One drill rig was used to test the main Mia Zone (11 drill holes) and a second drill rig tested the greater Mia Trend (9 holes) at the Mia 5,6, 7, 8 & Carte Zones.

Drill results at the Mia Zone confirmed the previously announced spodumene mineralization within a continuous pegmatite zone that dips gently to the north. Thickness of the mineralized zone varies from 8 to 20 m and extends roughly 600 m east-west and roughly 375 m north-south. The pegmatite body appears to be open to the west, east and north. The Winter 2024 Drill Program confirmed the continuity of the mineralization in some areas of the zone, while also showing some grade variability at the northern portions of the pegmatite at depth, with pegmatite intervals as expected but without significant lithium grades.

The results of the greater Mia Trend have revealed several wide pegmatite intervals, with relevantly anomalous LCT-style geochemistry, but without significant lithium intervals. Positive indicator-geochemistry in drill-holes, combined with anomalous surface geochemistry, indicates the potential for the discovery of additional mineralized zones along the Mia Trend.

Summer 2024 Mapping & Sampling Program

A project-wide ground mapping and sampling campaign was undertaken in June, 2024 with a focus on the continuation of the Mia Trend as well as the prospective Bruce and Lady trends that were identified at the end of the 2023 field season.

Stellar Project

The Company acquired the Stellar Project for the cost of staking and is comprised of 77 claims totaling 3,972 ha in the territory of the Wemindji Cree Nation, Eeyou Istchee, James Bay, Quebec,

Canada. The Stellar Project contains a strike-length of approximately 13 km of the equivalent Yasinski Group volcano-sedimentary (greenstone belt) rocks. No work has been done to date on the Stellar Project.

Big Hill & Titan Gold Projects, Queensland Australia

The Big Hill Gold Project consists of a single Exploration Permit (“EPM”) EPM 18255 covering 24km² and includes two discrete granted mining leases (“ML”) owned by Big Hill Gold Mining Company Pty Ltd. (“Big Hill”) on the EPM. The EPM, which is within the Talgai Goldfield, covers the historic mines of Big Hill (ML50287), Queenslander, Monte Cristo and Sultan & Taylor (ML50286).

The Talgai Goldfield is one of eight historical Goldfields in the broader Warwick-Texas District active in the late 19th century, which include Canal Creek, Thanes Creek, Leyburn, Palgrave, Pikedale, Lucky Valley and MacDonald Goldfields. The bulk of production in the historical mines of EPM18255 and the broader Warwick-Texas District occurred from initial discovery in 1864 until the early 1900s. Small-scale activity continued during intermittent periods in the 20th century with many of the larger historic mines remaining under mining leases and which have had limited modern exploration over the main lode deposits to date.

Parts of EPM18255 have been covered by exploration permits almost continuously since 1980 as part of gold exploration programs within the broader Texas–Warwick district. The work programs involved varying amounts of mapping, stream sediment, soil and rock chip sampling.

The Titan Gold Project, contiguous to the Big Hill Gold Project, covers 109km² with 40 historic small scale high-grade mines under a single Exploration Permit 27507. Like the Big Hill Gold Project, Titan has had little modern exploration conducted since the 1980’s and gives the Company a wider range of targets to explore for the source of the historic gold mines.

Exploration Work

Exploration over the EPM completed by MPX in 2020 comprised surface geochemical sampling including rock chips and soils, a ground magnetic survey and 2 diamond drillholes. In March, 2022, the Company commenced an initial exploration program on the Big Hill Project which consisted of two overlapping stages, with Phase 1 involving surface work for drill target identification and Phase 2 consisting of drilling at high priority targets.

The Phase 1 surface field program was designed to verify the locations of historical drill collars, adits and open-cut locations as well as Project-wide prospecting, rock sampling, soil sampling, and channel cutting in outcrops, historic workings, adits and other areas of interest.

Phase 2 of the exploration program consisted of an 11 hole, 1,457 meters RC drill campaign that targeted extensions to the mineralization below historic underground workings at the Queenslander mine. The drilling successfully demonstrated structural continuity of the mineralized vein system ~100m down dip from the base of historical workings and assay results returned from ALS-Global Brisbane showed low-grade intercepts across the vein and altered wallrock, including 10 m @ 0.49g/t Au from 97 m (BH013).

Preliminary field work on the Titan Gold Project was included in the first phase of the Big Hill Gold Project exploration program to determine key areas of interest. A limited rock and soil sampling program was completed and sent for lab analysis at ALS-Global Brisbane. A rock sample of quartz veining from the Guiding Star prospect returned 4.63 g/t Au, however the remaining rock and soil sample results were not significant.

Big Hill Gold Project Acquisition

On September 3, 2021, the Company signed a definitive Share Sale Agreement with Mining Projects Accelerator Pty Ltd. ACN 629 011 196 ("MPX"), a private Australian company, pursuant to which the Company acquired MPX's ownership of 80% of the outstanding common shares ("Big Hill Shares") of Big Hill. In consideration for the purchase of the Big Hill Shares, the Company issued 17,500,000 common shares of the Company to MPX and pro rata to its shareholders. The Big Hill Acquisition received TSX approval on December 1, 2021. On December 17, 2021, the Company acquired an additional 15% of the outstanding Big Hill Shares, increasing its shareholdings to 95% of the total outstanding Big Hill Shares by paying \$275,325 CAD (AU\$300,000) to the minority shareholder of Big Hill. The remaining 5% of the shares of Big Hill may be acquired from the minority shareholder for AU\$700,000. Upon the Company acquiring the remaining 5% of Big Hill the non-controlling interest will receive a 0.75% net smelter royalty.

Titan Gold Project Acquisition

On January 28, 2022, the Company completed a definitive Share Sale Agreement with Orefox Exploration Pty Ltd. ("Orefox Exploration"), a private Australian company, pursuant to which the Company acquired 100% of the outstanding common shares of Orefox Titan Pty Ltd. ("Orefox Titan") which holds a 100% interest in the Titan Gold Project.

Pursuant to the terms of the Orefox Agreement, the Company acquired all of the shares that Orefox Exploration owned of Orefox Titan and assumed all of the rights and obligations of Orefox Exploration as a shareholder of Orefox Titan. In consideration for the purchase of the Sale Shares, the Company issued 300,000 common shares of the Company to Orefox Exploration at a deemed price of \$0.35 per share.

Selected Annual Financial Data

The following selected financial data is derived from the audited financial statements of the Company prepared in accordance with IFRS.

	Year ended February 29, 2024	Year ended February 28, 2023	Year ended February 28, 2022
	\$	\$	\$
Operations			
Revenues	-	-	-
Expenses	196,324	1,898,841	1,432,921
Net Loss	196,324	1,898,841	2,251,394
Balance Sheet			
Working Capital	4,684,369	10,238,879	1,012,909
Total Assets	28,860,551	19,361,507	4,794,807

Results of Operations

The Company had a net loss of \$3,299,890 (\$0.03 per share) during the nine months ended November 30, 2024, compared with a net loss of \$487,043 (\$0.01 per share) during the nine months ended November 30, 2023. No revenues were earned in either period. The significant expenses for the periods include the following:

- Spending on investor relations (2024: \$118,000; 2023: \$149,014) and advertising and promotions (2024: \$401,703, 2023: \$200,932) increased over the prior period due to promotion of the Company's Cisco Project;
- Consulting fees (2024: \$345,721; 2023: \$237,053) increased over the period due to the hiring of additional consultants for increased business activities;
- Director's fees (2024: \$67,500, 2023: \$Nil) increased as the Company initiated a monthly fee for its directors;
- Filing and transfer agent fees (2024: \$94,017, 2023: \$49,202) increased due to the filing fees paid on the Cisco Project acquisition;
- Legal fees (2024: \$60,595, 2023: \$25,114) are higher in the current period due to the legal work required on the acquisition of the Cisco Project;
- Share-based compensation (2024: \$2,835,107, 2023: \$1,038,199) is determined by the Black Scholes calculation for options granted during the period;
- Interest income (2024: \$132,666, 2023: \$357,780) is determined by cash balances and interest rates; and
- Flow-through premium recovery (2024: \$635,732, 2023: \$986,917) decreased due to the higher calculation of the premium in the prior period.

Summary of Quarterly Results

The following selected information has been extracted from the Company's unaudited quarterly financial statements. All amounts are stated in Canadian dollars in accordance with IFRS.

	November 30, 2024	August 31, 2024	May 31, 2024	February 29, 2024
	\$	\$	\$	\$
Revenue (loss)	Nil	Nil	Nil	Nil
Net income (loss)	(2,571,148)	50,875	(779,617)	291,719
Net (loss) per share	(0.02)	0.00	(0.01)	0.00
Total assets	40,734,064	40,250,590	27,052,273	28,860,551
Working capital	5,935,441	5,061,552	3,641,396	4,684,369
Total liabilities	921,542	2,491,297	611,724	2,081,333
Equity	39,812,522	37,759,293	26,440,549	26,779,218

	November 30, 2023	August 31, 2023	May 31, 2023	February 28, 2023
	\$	\$	\$	\$
Revenue (loss)	Nil	Nil	Nil	Nil
Net income (loss)	644,800	(68,890)	(1,063,953)	(1,386,666)
Net (loss) per share	0.01	(0.00)	(0.02)	(0.03)
Total assets	29,039,442	26,063,029	19,384,923	19,361,507
Working capital	8,053,884	9,416,987	9,822,307	10,238,879
Total liabilities	2,968,943	1,714,407	1,759,911	1,902,920
Equity	26,070,499	24,348,622	17,625,012	17,458,587

Liquidity and Capital Resources

The Company is dependent on raising funds by the issuance of shares, borrowing or subsequent disposition of interests in mineral properties it may own or otherwise acquire in order to finance further acquisitions, undertake exploration of other mineral properties and meet general and administrative expenses in the immediate and longer term.

As at November 30, 2024, the Company had cash and cash equivalents of \$6,570,286 as compared to \$5,871,420 at February 29, 2024. The Company had a working capital of \$5,935,441 at November 30, 2024, compared with a working capital of \$4,684,369 at February 29, 2024.

The future funding needs of the Company are dependent upon the Company's ability to obtain additional equity and/or debt financing. The inability to raise adequate financing would jeopardize the Company's ability to maintain its Project. The Company continues to closely monitor its ongoing requirements and to explore all methods of raising additional funds. There can be no certainty that such additional funds may be raised when required.

Related Party Transactions

During the nine months ended November 30, 2024 and 2023, the Company incurred the following with officers or directors of the Company:

	2024	2023
Key management compensation* - cash	\$ 427,920	\$ 291,500
Compensation – share-based compensation	\$ 259,996	\$ 581,392

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

Officers and directors of the Company and companies controlled by such individuals were owed \$9,894 as at November 30, 2024 (February 29, 2024 – \$1,374) for services rendered and for expenses incurred in the ordinary course of business. The amounts are unsecured, non-interest bearing with no fixed terms of repayment.

Outstanding and Convertible Common Shares

The issued and outstanding shares of the Company total 134,500,802 as of November 30, 2024 and 137,448,794 as of date of this report (February 29, 2024: 89,415,968).

On March 8, 2024, 25,000 share purchase warrants priced at \$0.305 were exercised for gross proceeds of \$7,625.

On June 13, 2024, 20,000,000 shares were issued for the share portion of the acquisition of the Cisco Project.

On July 31, 2024, the Company closed the first tranche of a non-brokered private placement of units of the Company by issuing 1,142,857 FT Units of the Company for gross proceeds of \$400,000. Gross proceeds from the issuance of the FT Units will be used to incur "Canadian exploration expenses" that qualify as "flow-through critical mineral mining expenditures", as such terms are defined in the Income Tax Act (Canada) (the "Tax Act"), on Q2's lithium projects in Quebec that the Company will renounce to the subscribers pursuant to the Tax Act with an effective date not later than December 31, 2024. Where applicable, gross proceeds from the sale of the FT Shares from purchasers in Québec will also qualify as "Canadian exploration expense" under the Taxation Act (Québec) and qualify for inclusion in the "exploration base relating to certain Québec exploration expenses" and the "exploration base relating to certain Québec surface mining exploration expenses", under the Taxation Act (Québec).

On July 31, 2024, the Company closed the first tranche of a non-brokered private placement of units of the Company by issuing 8,519,998 NFT units for gross proceeds of \$2,130,000. Proceeds from the sale of the NFT Units will be used for general working capital. Aggregate finders' fees of \$23,175 and 57,600 broker warrants were paid to arm's length finders in connection with the First Tranche closing of this non-brokered private placement, with each such broker warrant bearing the same terms as the Warrants.

On August 9, 2024, the Company closed the second and final tranche of the non-brokered private placement of units of the Company by issuing 8,506,315 Charity Units for gross proceeds of \$4,040,500. Gross proceeds from the issuance of the Charity Units and FT Units will be used to incur "Canadian exploration expenses" that qualify as "flow-through critical mineral mining

expenditures”, as such terms are defined in the Income Tax Act (Canada) (the “Tax Act”), on Q2’s lithium projects in Quebec that the Company will renounce to the subscribers pursuant to the Tax Act with an effective date not later than December 31, 2024. Where applicable, gross proceeds from the sale of the FT Shares from purchasers in Québec will also qualify as “Canadian exploration expense” under the Taxation Act (Québec) and qualify for inclusion in the “exploration base relating to certain Québec exploration expenses” and the “exploration base relating to certain Québec surface mining exploration expenses”, under the Taxation Act (Québec).

On August 9, 2024, the Company also closed the second and final tranches of two non-brokered private placement of units of the Company by issuing 22,800 FT Units of the Company for gross proceeds of \$7,980 and 1,200,000 NFT Units of the Company for gross proceeds of \$300,000. Proceeds from the sale of the NFT Units will be used for general working capital. Aggregate finders’ fees of \$62,250 and 249,000 broker warrants were paid to arm’s length finders in connection with the second tranche, with each such broker warrant bearing the same terms as the Warrants.

During the nine months ended November 30, 2024, the following were exercised:

- 4,018,102 share purchase warrants priced at \$0.305 per share for gross proceeds of \$1,225,521;
- 1,423,334 share purchase warrants priced at \$0.60 per share for gross proceeds of \$854,000;
- 51,428 stock options priced at \$0.35 for gross proceeds of \$18,000;
- 100,000 stock options priced at \$0.20 for gross proceeds of \$20,000; and
- 100,000 stock options priced at \$0.42 for gross proceeds of \$42,000.

Subsequent to the nine months ended November 30, 2024 and up to the date of this report, the following were exercised for total gross proceeds of \$1,315,198:

- 1,456,323 share purchase warrants priced at \$0.305,
- 1,251,699 share purchase warrants priced at \$0.60, and
- 240,000 share purchase warrants priced at \$0.50,

Shares issued during the year ended February 29, 2024:

On June 1, 2023, the Company issued 6,500,000 shares with a fair value of \$6,630,000 in connection with the acquisition of the Mia Project. Please see Note 6 in the audited Financial Statements for the year ended February 29, 2024.

On December 19, 2023, the Company issued 1,400,000 shares with a fair value of \$392,000 in connection with the acquisition of the Mia NSR. Please see Note 6 in the audited Financial Statements for the year ended February 29, 2024.

During the year ended February 29, 2024, the following were exercised:

- 4,865,200 share purchase warrants priced at \$0.25 per share for gross proceeds of \$1,216,300;
- 675,575 share purchase warrants priced at \$0.305 per share for gross proceeds of \$206,050;
- 126,500 finder's warrants priced at \$0.25 for gross proceeds of \$31,625; and
- 100,000 stock options priced at \$0.20 for gross proceeds of \$20,000.

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

	January 28, 2025	November 30, 2024	February 29, 2024
Common Shares	137,448,794	134,500,802	89,415,968
Stock Options	13,502,857	11,002,857	7,154,285
Warrants	20,933,384	23,881,406	19,320,258
Fully Diluted Shares	171,635,035	169,385,065	115,890,511

The following table summarizes information about stock options outstanding and exercisable at the date of this report:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options
152,857	\$0.35	September 9, 2025	172,857
3,300,000	\$0.20	December 7, 2026	3,350,000
2,200,000	\$0.42	January 10, 2028	2,300,000
1,250,000	\$0.85	March 2, 2028	1,250,000
1,500,000	\$0.31	May 22, 2029	1,500,000
2,600,000	\$1.26	November 12, 2028	-
2,500,000	\$0.82	December 20, 2029	-
13,502,857			8,402,857

On March 2, 2023, the Company granted 1,250,000 stock options to directors and consultants. The options are exercisable at the price of \$0.85 per share until March 2, 2028. A fair value of \$1,038,199 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$0.85; dividend yield - 0%; expected volatility - 187.21%; risk free interest rate - 3.66%; and expected life - 5 years. The options vested immediately upon grant.

On May 22, 2024, the Company granted 1,500,000 stock options to directors, officers and consultants of the Company at an exercise price of \$0.31 per share until May 22, 2029. A fair value of \$433,327 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$0.31; dividend yield - 0%; expected volatility - 159.40%; risk free interest rate - 3.66%; and expected life - 5 years. The options vested immediately upon grant.

On November 12, 2024, the Company granted 2,600,000 stock options to a consultant. The options are exercisable at the price of \$1.26 per share until November 12, 2028. A fair value of \$2,401,78 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$1.01; dividend yield – 0%; expected volatility – 174.22%; risk free interest rate – 3.13%; and expected life – 4 years. The options vested immediately upon grant.

Subsequent to November 30, 2024, the Company granted 2,500,000 stock options to directors, officers, and consultants of the Company at an exercise price of \$0.82 per share until December 20, 2029. The Company has also granted an aggregate 750,000 deferred share units (each, a "DSU") and 6,000,000 performance share units (each, a "PSU") to certain directors and executive officers of the Company. The DSUs will vest one year after their date of grant and do not settle until a director ceases to serve as a director of the Company. The PSUs will vest on the later of (a) one year after their date of grant and (b) the successful completion of specific key performance objectives. Any PSUs that have not vested on or before December 20, 2027 will expire. Once vested, each PSU and DSU will entitle the holder thereof to receive either one common share of the Company or the cash equivalent of one common share, as determined by the board of directors of the Company, net of applicable withholdings

The following table summarizes information about warrants outstanding and exercisable at the date of this report:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants	Weighted Average Remaining Life (years)
10,233,300	*\$0.60	February 23, 2025	10,233,300	0.48
625,000	\$1.25	February 23, 2025**	625,000	0.48
312,500	\$1.25	February 23, 2025**	312,500	0.48
4,591,427	\$0.50	July 31, 2026	4,591,427	1.92
57,600	\$0.50	July 31, 2026**	57,600	1.92
4,864,558	\$0.50	August 9, 2026	4,864,558	1.94
249,000	\$0.50	August 9, 2026**	249,000	1.94
20,933,384			20,933,384	0.95

*On June 4, 2024, the TSX Venture Exchange (the "TSXV") approved an amendment to the exercise price of an aggregate of 12,908,333 outstanding common share purchase warrants that were issued as part of the Company's private placement that closed on February 23, 2023 (the "2023 Warrants"). The 2023 Warrants had an original exercise price of \$1.25 and the Company amended the exercise price to \$0.60. All other terms of the 2023 Warrants remain the same, including the original expiry date of February 23, 2025.

**Indicates broker warrants

Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in either of its last two financial years, the following is a breakdown of the material costs incurred:

	Year Ended February 29, 2024	Year ended February 28, 2023
Capitalized Exploration and Development Cost	\$14,875,141	\$3,649,697
General and Administration Expenses	\$2,212,184	\$1,898,841

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at November 30, 2024, the Company had a cash balance of \$6,570,286 (February 29, 2024 - \$5,871,420) to settle current liabilities of \$921,5427 (February 29, 2024 - \$2,081,333). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1 of the condensed interim consolidated financial statements, the Company's ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of select major Canadian chartered banks and financial institutions. The Company regularly monitors compliance to its cash management policy.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and a significant portion of the Company's expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal at this time but may increase as the Company develops its Australia-based properties.

(c) Commodity price risk

The Company is exposed to price risk with respect to base and precious metal prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price movements and volatilities. The Company closely monitors prices to determine the appropriate course of action to be taken by the Company.

(d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised of GST/HST receivable due from the Government of Canada and QST from Revenu Quebec. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Going concern

Evaluation of the ability of the Company to realize its strategy for funding its future needs for working capital involves making judgements.

Capitalization of exploration and evaluation expenditures

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, history of conversion of mineral deposits to proven and

probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 6 for details of capitalized exploration and evaluation expenditures.

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Forward Looking Statements

This MD&A contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable Canadian legislation. Forward-looking statements are typically identified by words such as: "believes", "expects", "anticipates", "intends", "estimates", "plans", "may", "should", "would", "will", "potential", "scheduled" or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. Accordingly, all statements in this MD&A that are not purely historical are forward-looking statements and include statements regarding beliefs, plans, expectations and orientations regarding the future including, without limitation, any statements or plans regard the geological prospects of the Company's properties and the future exploration endeavors of the Company.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements are based on a number of material factors and

assumptions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Forward looking statements in this MD&A include, but are not limited to the Company's objectives, goals or future plans, statements, exploration results, potential mineralization, the estimation of mineral resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions. Factors that could cause actual results to differ materially from those in forward-looking statements include failure to obtain necessary approvals, variations in ore grade or recovery rates, unsuccessful exploration results, changes in project parameters as plans continue to be refined, results of future resource estimates, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, risks associated with regulatory changes, defects in title, availability of personnel, materials and equipment on a timely basis, accidents or equipment breakdowns, uninsured risks, delays in receiving government approvals, unanticipated environmental impacts on operations and costs to remedy same.

Readers are cautioned that mineral exploration and development of mines is an inherently risky business and accordingly, the actual events may differ materially from those projected in the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.