Lithium One Metals Inc.

Management's Discussion and Analysis

Six Months Ended December 31, 2023

(Unaudited – Expressed in Canadian Dollars)

Report Date – February 28, 2024

Introduction

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition should be read in conjunction with the condensed consolidated interim financial statements as at December 31, 2023 and for the six months then ended and the audited consolidated financial statements as at June 30, 2023 and for the year then ended, and related notes attached thereto, of Lithium One Metals Inc. (the "Company"). The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), on a going concern basis. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars, which is the functional currency of the Company.

This MD&A may contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on the Company's operations, forecasts and projections. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results may differ materially from those anticipated in these forward-looking statements.

Company Overview

Lithium One Metals Inc. was incorporated under the *Business Corporations Act* (British Columbia) on August 30, 2006, and changed its name from Yorkton Ventures Inc. to Lithium One Metals Inc. on April 20, 2022. The Company is listed on the TSX Venture Exchange (the "TSX-V") under the trading symbol LONE. The Company's shares also trade on the OTCQB in the United States under the symbol LOMEF. The Company's head office is located at 1615 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6, Canada, and the registered office of the Company is located at 2501 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5, Canada.

The Company's principal business activities are the exploration and evaluation of resource properties in Canada. The Company is in the process of exploring its resource properties, but it has not yet determined whether these properties contain ore reserves that are economically recoverable.

Exploration and Evaluation Assets

Exploration Highlights

On June 15, 2023, the Company announced field team progress mapping, prospecting and channel sampling pegmatites across its Ontario properties.

On August 23, 2023, the Company announced the start of mapping, prospecting and channel sampling pegmatites at its James Bay properties, with the aim of advancing through grassroots exploration and generating drill-ready targets.

On November 7, 2023, the Company announced initial results highlighting an elevated trend of lithium-cesium-tantalum ("LCT") pegmatite indicators at the Highway and Bus properties. The Highway property returned 8 samples with assays above 150 parts per million ("ppm") lithium (or "Li"), with the highest being 539 ppm Li in sample 267199. A total of 47 samples returned anomalous amounts of one or more marker element, including lithium (>150 ppm), cesium (>50 ppm), rubidium (>900 ppm) and tantalum (>20 ppm). The highest concentration of anomalous results is associated with observed lepidolite in the field.

On the Bus property, 9 of 20 samples collected returned anomalies in marker elements. Samples 710588 and 710894 returned 155 ppm Li and 182 ppm Li, respectively.

The anomalous samples collected are spatially correlated, identifying the enrichment trends for both properties. The enrichment trends identified in surface sampling are indicative of LCT pegmatite prospectivity and will be followed up on with drilling in 2024.

On November 20, 2023, the Company announced initial sampling at the Cyr-Kapiwak property returned anomalous lithium, cesium, rubidium and tantalum. Two of the 23 samples collected on the Cyr-Kapiwak property returned elevated lithium values, with 0.64% lithium oxide ("Li2O") in sample 74903 and 0.60% Li2O in sample 74904. These samples were collected in spodumene-bearing pegmatite boulders at the northeastern claim group. Sampling in 2023 confirmed previous results collected in the area and identified new boulders up to 500 metres from known occurrences.

Additionally, two outcrop samples from the southeastern claim group returned anomalous amounts of cesium, rubidium or tantalum. These results highlight a new prospective zone that will be investigated further.

The Company plans to continue work on its Ontario and Québec properties in fiscal 2024.

Québec Lithium Properties

Cyr-Kapiwak Property

On December 3, 2021, the Company entered into an agreement to acquire a 100% interest in the Cyr-Kapiwak property located in Québec, Canada.

To acquire a 100% interest, the Company paid $25,000 and issued 250,000 units. Each unit consisted of one common share and one share purchase warrant exercisable at $0.60 for a period of 18 months.

In addition, the vendor retains a 2% net smelter return ("NSR") royalty. The Company can purchase one-half of the NSR royalty at any time in exchange for a payment of $1,000,000.

Sirmac Property

On January 11, 2022, the Company entered into an agreement to acquire a 100% interest in the Sirmac property located in Québec, Canada. To acquire the 100% interest, the Company paid $25,000 and issued 250,000 units. Each unit consisted of one common share and one share purchase warrant exercisable at $0.60 for a period of 18 months.

In addition, the vendor retains a 2% NSR royalty. The Company can purchase one-half of the NSR royalty at any time in exchange for a payment of $1,000,000.

Taycan Property

On September 22, 2022, the Company entered into a mineral property option agreement whereby the Company can acquire a 100% interest in 70 mining claims located in Québec, Canada. The agreement was amended on September 1, 2023. To acquire the 100% interest, the Company is to make the following cash and equity payments:

- Payment of $100,000 (paid) and issuance of 1,200,000 common shares (issued and valued at $588,000) and 1,200,000 share purchase warrants (issued and valued at $380,194) exercisable at $0.40 per common share for two years from the date of issuance within 10 days of TSX-V approval;
- Payment of $200,000 and issuance of 1,000,000 common shares on or before December 15, 2023 (issued); and
- Payment of $300,000 and issuance of 2,000,000 common shares on or before December 15, 2024.

Upon exercise of the option by the Company, the optionor will retain a 3% NSR royalty, two-thirds of which may be purchased by the Company for $2,000,000.

Bugatti Property

On February 3, 2023, the Company entered into a mineral property option agreement whereby the Company can acquire a 100% interest in the Bugatti property located in Québec, Canada. To acquire the 100% interest, the Company is to make the following cash and equity payments:

- Payment of $20,000 (paid) upon execution of the agreement;
- Payment of $75,000 (paid) and issuance of 1,500,000 common shares upon TSX-V approval (issued and valued at $945,000);
- Issuance of 2,000,000 common shares on or before September 1, 2023 (issued and valued at $460,000);
- Payment of $75,000 (paid) on or before October 31, 2023; and
- Issuance of 1,000,000 common shares on or before March 1, 2024.

Under the terms of the agreement, the Company must issue an additional 1,000,000 common shares on achieving certain milestones relating to drill results. Upon exercise of the option by the Company, the optionor will retain a 2% NSR royalty, one-half of which may be purchased by the Company for $1,000,000.

Ferrari Property

On February 7, 2023, the Company entered into a mineral property option agreement whereby the Company can acquire a 100% interest in certain mineral claims located in Québec, Canada. The agreement was amended on September 14, 2023. To acquire the 100% interest, the Company is to make the following cash and share payments:

- Payment of $10,000 (paid) upon execution of the agreement;
- Payment of $100,000 (paid) and issuance of 2,000,000 common shares upon TSX-V approval (issued and valued at $1,200,000);
- Issuance of 2,000,000 common shares on or before October 12, 2023 (issued);
- Payment of $100,000 (paid) on or before October 31, 2023; and
- Issuance of 2,000,000 common shares on or before March 14, 2024.

Under the terms of the agreement, the Company must issue an additional 3,500,000 common shares on achieving certain milestones relating to sampling results, drilling results and a resource statement. Upon exercise of the option by the Company, the optionor will retain a 3% NSR royalty, one-third of which may be purchased by the Company for $1,000,000.

Highway and Bus Properties

As a result of the acquisition of Norris Lithium Inc. ("Norris"), the Company acquired 100% of the interest in the Highway and Bus properties.

On September 12, 2022, Norris entered into a purchase option agreement to acquire a 100% interest in the Highway and Bus properties located in Québec, Canada. The claims are subject to a 3% NSR royalty, of which one-third can be purchased by the Company within four years of the date of the option agreement for $1,000,000, or $2,500,000 thereafter.

Under the agreement, Norris and the Company made cash payments and issued common shares as follows:

- Cash payment of $10,000 (paid) upon signing of the agreement;
- Cash payment of $100,000 (paid) and the issuance of 1,344,000 common shares (issued and valued at $800,000) upon regulatory acceptance;
- Cash payment of $100,000 (paid) and the issuance of 1,344,000 common shares (issued and valued at $1,220,000) by March 12, 2023; and
- Issuance of 1,344,000 common shares (issued) by September 12, 2023.

The optionors may also earn an additional 2,352,000 common shares based on achieving certain milestones during exploration.

Norris was required to incur $200,000 in exploration expenditures on the properties before September 12, 2024 (incurred).

<u>Ontario Lithium Properties</u>

Root South Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is to make the following cash and share payments:

- Payment of $19,000 (paid) and issuance of 130,000 common shares on TSX-V approval (issued and valued at $65,000);
- Payment of $19,000 and issuance of 130,000 common shares on or before January 11, 2024; and
- Payment of $38,500 and issuance of 265,000 common shares on or before January 11, 2025.

Upon acquiring a 100% interest, the Company will grant the vendors a 2% NSR royalty, of which one-half can be repurchased for $1,000,000.

Sharp Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is to make the following cash and share payments:

- Payment of $14,500 (paid) and issuance of 100,000 common shares on TSX-V approval (issued and valued at $50,000);
- Payment of $14,500 and issuance of 100,000 common shares on or before January 11, 2024; and
- Payment of $29,000 and issuance of 200,000 common shares on or before January 11, 2025.

Upon acquiring a 100% interest, the Company will grant the vendors a 2% NSR royalty, of which one-half can be repurchased for $1,000,000.

Allison South Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is to make the following cash and share payments:

- Payment of $7,000 (paid) and issuance of 45,500 common shares on TSX-V approval (issued and valued at $22,750);
- Payment of $7,000 and issuance of 45,500 common shares on or before January 11, 2024; and
- Payment of $12,500 and issuance of 91,000 common shares on or before January 11, 2025.

Upon acquiring a 100% interest, the Company will grant the vendors a 2% NSR royalty, of which one-half can be repurchased for $1,000,000.

Parks Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is to make the following cash and share payments:

- Payment of $55,000 (paid) and issuance of 375,000 common shares on TSX-V approval (issued and valued at $187,500);
- Payment of $55,000 and issuance of 375,000 common shares on or before January 11, 2024; and
- Payment of $110,000 and issuance of 750,000 common shares on or before January 11, 2025.

Upon acquiring a 100% interest, the Company will grant the vendors a 2% NSR royalty, of which one-half can be repurchased for $1,000,000.

Adamhay Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is to make the following cash and share payments:

- Payment of $12,000 (paid) upon execution of the option agreement;
- Issuance of 300,000 common shares on TSX-V approval (issued and valued at $150,000);
- Payment of $18,000 on or before January 11, 2024;
- Payment of $21,000 on or before January 11, 2025; and
- Payment of $30,000 on or before January 11, 2026.

Upon acquiring a 100% interest, the Company will grant the vendors a 1.5% NSR royalty, of which one-third can be repurchased for $500,000.

Dagny Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is to make the following cash and share payments:

- Payment of $12,000 (paid) upon execution of the option agreement;
- Issuance of 300,000 common shares on TSX-V approval (issued and valued at $150,000);
- Payment of $18,000 on or before January 11, 2024;
- Payment of $21,000 on or before January 11, 2025; and
- Payment of $30,000 on or before January 11, 2026.

Upon acquiring a 100% interest, the Company will grant the vendors a 1.5% NSR royalty, of which one-third can be repurchased for $500,000.

Pinto Property

On February 1, 2023, the Company entered into a mineral property option agreement whereby the Company can acquire a 100% interest in certain mineral claims located in Ontario, Canada. The agreement was amended on September 2, 2023. To acquire the 100% interest, the Company is to make the following cash and share payments:

- Payment of $10,000 (paid) upon execution of the agreement;
- Payment of $50,000 (paid) and issuance of 1,000,000 common shares upon TSX-V approval (issued and valued at $630,000);
- Payment of $15,000 (paid) and issuance of 1,000,000 common shares (issued and valued at $205,000) on or before September 1, 2023 (issued); and
- Payment of $15,000 (paid) on or before October 31, 2023.

Under the terms of the agreement, the Company must issue an additional 4,300,000 common shares on achieving certain milestones relating to sampling results, drilling results and a resource statement. Upon exercise of the option by the Company, the optionor will retain a 3% NSR royalty, one-third of which may be purchased by the Company for $2,000,000.

Solitude Property

As a result of the acquisition of Norris, the Company acquired 100% of the interest in the Solitude property.

On June 2, 2021, Norris entered into a purchase option agreement with parties that included a non-arm's length party. Pursuant to the agreement, Norris acquired a 100% interest in seven mineral claims known as the Solitude property located in Ontario, Canada. The claims are subject to a 1.5% NSR royalty, of which one-third can be purchased by the Company at any time for $500,000.

Under the terms of the agreement, Norris made cash payments and issued common shares as follows:

- Cash payment of $15,000 (paid) upon execution and delivery of the agreement;
- Cash payment of $18,000 (paid) and the issuance of 201,600 common shares (issued and valued at $30,000) on the earlier of June 2, 2022 and the date upon which the common shares are listed on a stock exchange in Canada;
- Cash payment of $20,000 (paid) on or before June 2, 2022; and
- Cash payment of $30,000 (paid) on or before June 2, 2023.

Alice Lithium Property

As a result of the acquisition of Norris, the Company acquired 100% of the interest in the Alice Lithium property.

On August 8, 2023, Norris entered into an agreement to acquire a 100% interest in the Alice Lake mineral property located in Ontario, Canada. To acquire the 100% interest, Norris paid $100,000 and issued 670,000 common shares (valued at $150,000). In addition, the vendor retains a 2% NSR royalty. The Company can purchase one-half of the NSR royalty in exchange for $1,000,000.

Bellechasse-Timmins Property

On July 3, 2020, the Company entered into an agreement with Delta Resources Limited ("Delta") to acquire a 100% interest in the Bellechasse-Timmins mineral property located in Québec, Canada. To acquire the 100% interest, the Company paid $1,700,000. In addition, Delta retains a 1% NSR royalty. The Company can purchase one-half of the NSR royalty in exchange for $1,000,000.

On February 7, 2023, the Company entered into an agreement whereby it sold all the issued and outstanding common shares of its wholly owned subsidiary, 9412-1068 Québec Inc., to an arm's length private company. 9412-1068 Québec Inc. holds the mineral claims that make up the Bellechasse-Timmins property. As consideration, the purchaser assumed all obligations of the Company as to principal and any accrued interest currently outstanding in respect of a promissory note dated April 1, 2022, in the principal amount of $353,000 with interest of 10% per annum. The Company recorded an impairment charge of $1,324,470 during the year ended June 30, 2023 to match the approximate debt to be assumed by the purchaser on completion of the sale.

Parkview Property

On July 12, 2021, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Newfoundland, Canada. To acquire the 100% interest, the Company was required to make the following cash and share payments:

- Payment of $50,000 (paid) and issuance of 400,000 common shares (issued and valued at $120,000) on TSX-V approval;
- Payment of $50,000 and issuance of 300,000 common shares on or before 14 months following TSX-V approval;
- Payment of $50,000 and issuance of 400,000 common shares on or before the second anniversary of TSX-V approval; and
- Payment of $50,000 and issuance of 600,000 common shares on or before the third anniversary of TSX-V approval.

Upon acquiring a 100% interest, the Company was required to grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000. Furthermore, the Company was required to commence advance royalty payments of $25,000 beginning after July 12, 2026 until the earlier of the date that the Company began commercial production or made a buyout payment to the vendor.

During the year ended June 30, 2023, the Company did not make an option payment and decided not to pursue further exploration on the project. Accordingly, the Company recorded an impairment charge of $345,457.

Knights Melange Property

On July 12, 2021, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Newfoundland, Canada. To acquire a 100% interest, the Company was required to make the following cash and share payments:

- Payment of $70,000 (paid) and issuance of 600,000 shares (issued and valued at $180,000) on TSX-V approval;
- Payment of $50,000 and issuance of 400,000 common shares on or before 14 months following TSX-V approval;
- Payment of $50,000 and issuance of 400,000 common shares on or before the second anniversary of TSX-V approval; and
- Payment of $50,000 and issuance of 400,000 common shares on or before the third anniversary of TSX-V approval.

Upon acquiring a 100% interest, the Company was required to grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000. Furthermore, the Company was required to commence advance royalty payments of $25,000 beginning after July 12, 2026 until the earlier of the date that the Company began commercial production or made a buyout payment to the vendor.

During the year ended June 30, 2023, the Company did not make an option payment and decided not to pursue further exploration on the project. Accordingly, the Company recorded an impairment charge of $436,272.

Results of Operations

Three Months Ended December 31, 2023

During the three months ended December 31, 2023, the Company reported a net loss of $2,099,015 (2022 - $2,427,385). The Company's loss included expenditures as follows:

- Consulting fees of $121,000 (2022 - $80,500) were higher due to new consultants engaged in the current period;
- General and administrative of $82,310 (2022 - $1,719) increased as a result of an increase in corporate activity;
- Management and directors' fees of $69,000 (2022 - $14,000) were higher due to changes in the management group;
- Professional fees of $180,811 (2022 - $56,265) were higher compared to the prior period as a result of higher legal fees related to the increase in corporate activity and higher accounting and chief financial officer ("CFO") fees;
- Rent of $15,000 (2022 - $nil) was higher as a result of shared office space being rented during the current period;
- Share-based compensation of $nil (2022 - $132,498) decreased, as no options were granted in the current period compared to 800,000 in the prior period;
- Shareholder communications and promotion of $55,444 (2022 - $9,725) increased due to marketing, news release and website costs not incurred in the comparative period;
- Transfer agent and filing fees of $13,561 (2022 - $14,441) were comparable to the prior period;
- Flow-through share indemnification and interest of $1,569,060 (2022 - $nil) increased due to a shortfall in renounced flow-through expenditures in relation to the December 2022 flow-through financing by Norris;
- Impairment of exploration and evaluation assets of $nil (2022 - $2,106,199) decreased, as the prior period impairment was for write-offs to the Parkview and Knights Melange properties and the impairment of the Bellechasse-Timmins property to the subsequent sale value;
- Interest income of $7,231 (2022 - $nil) increased as a result of holdings of term deposits throughout the period; and
- Interest expense of $nil (2022 - $12,038) decreased, as all interest-bearing loans were repaid before the beginning of the period.

Six Months Ended December 31, 2023

During the six months ended December 31, 2022, the Company reported a net loss of $2,683,296 (2022 - $2,582,354). The Company's loss included expenditures as follows:

- Consulting fees of $246,108 (2022 - $111,850) were higher due to new consultants engaged in the current period;
- General and administrative of $88,396 (2022 - $6,539) increased as a result of an increase in corporate activity;
- Management and directors' fees of $138,000 (2022 - $65,000) were higher due to changes in the management group;
- Professional fees of $327,961 (2022 - $71,888) were higher compared to the prior period as a result of higher legal fees related to the increase in corporate activity and higher accounting and CFO fees;
- Rent of $30,000 (2022 - $nil) was higher as a result of shared office space being rented during the current period;
- Share-based compensation of $150,619 (2022 - $132,498) increased as a result of an increase in the number of options granted from 800,000 to 1,747,200 despite a lower average fair value of the granted options;
- Shareholder communications and promotion of $111,490 (2022 - $47,225) increased due to news release and website costs not incurred in the comparative period;
- Transfer agent and filing fees of $29,099 (2022 - $20,129) increased due to marketing, news release and website costs not incurred in the comparative period;
- Flow-through share indemnification and interest of $1,569,060 (2022 - $nil) increased due to a shortfall in renounced flow-through expenditures in relation to the December 2022 flow-through financing by Norris;
- Impairment of exploration and evaluation assets of $nil (2022 - $2,106,199) decreased, as the prior period impairment was for write-offs to the Parkview and Knights Melange properties and the impairment of the Bellechasse-Timmins property to the subsequent sale value;

- Interest income of $7,497 (2022 - $nil) increased as a result of holdings of term deposits throughout the period; and
- Interest expense of $nil (2022 - $21,026) decreased, as all interest-bearing loans were repaid before the beginning of the period.

Selected Annual Information

	June 30, 2023 $	June 30, 2022 $	June 30, 2021 $
Revenue	-	-	-
Net loss	(4,406,822)	(530,386)	(221,146)
Basic and diluted loss per common share	(0.14)	(0.02)	(0.01)
Total assets	6,080,289	2,838,150	1,049,843
Long-term debt	-	353,000	-
Dividends	-	-	-

Summary of Quarterly Results

For the periods ending	December 31, 2023 $	September 30, 2023 $	June 30, 2023 $	March 31, 2023 $
Revenue	-	-	-	-
Net loss	(2,099,015)	(584,281)	(698,349)	(1,126,119)
Basic and diluted loss per common share	(0.02)	(0.01)	(0.02)	(0.03)
Total assets	12,645,944	12,854,720	6,080,289	5,785,094
Non-current financial liabilities	-	-	-	-

For the periods ending	December 31, 2022 $	September 30, 2022 $	June 30, 2022 $	March 31, 2022 $
Revenue	-	-	-	-
Net loss	(2,427,385)	(154,969)	(155,392)	(83,879)
Basic and diluted loss per common share	(0.09)	(0.01)	(0.01)	(0.00)
Total assets	3,288,702	3,021,583	2,838,150	2,638,573
Non-current financial liabilities	-	-	353,000	-

Liquidity and Capital Resources

The Company had cash of $172,734 and a working capital deficit of $1,673,473 at December 31, 2023, compared to cash of $49,444 and a working capital deficit of $825,083 at June 30, 2023.

The Company has taken the following measures to address working capital concerns during the 2024 fiscal period, and as of the date of this MD&A:

- On August 2, 2023 and September 13, 2023, the Company closed a private placement in two tranches and issued 5,600,000 common shares at $0.25 per share for gross proceeds of $1,400,000; and
- During the six months ended December 31, 2023, the Company received $216,000 pursuant to the exercise of 1,800,000 share purchase warrants.

The Company will need to obtain additional financing for working capital purposes and to continue exploration on its exploration and evaluation assets for the 2024 fiscal year and beyond.

Related Party Transactions

These amounts of key management compensation are included in the amounts shown on the condensed consolidated interim statements of operations and comprehensive loss:

	Six Months Ended December 31, 2023 $	Six Months Ended December 31, 2022 $
Short-term compensation (consulting fees, management and directors' fees, professional fees, and exploration and evaluation asset expenditures)	258,500	107,000
Share-based compensation	80,798	-
	339,298	107,000

Short-term compensation was paid or accrued as follows:

- $63,000 (2022 - $nil) in exploration and evaluation asset expenditures to a private company controlled by the chief executive officer;
- $120,000 (2022 - $nil) in consulting fees to a private company controlled by the executive chairman;
- $42,500 (2022 - $nil) in professional fees to a private company controlled by the CFO;
- $18,000 (2022 - $nil) in management and directors' fees to a private company controlled by a director;
- $15,000 (2022 - $7,500) in exploration and evaluation asset expenditures to a private company controlled by a former director;
- $nil (2022 - $20,500) in consulting fees to a private company controlled by a former director;
- $nil (2022 - $35,000) in consulting fees to a private company controlled by a former director;
- $nil (2022 - $30,000) in management fees and $nil (2022 - $4,700) in exploration and evaluation asset expenditures to a private company controlled by the previous director and chief executive officer; and
- $nil (2022 - $9,300) in professional fees to the previous CFO.

As at December 31, 2023, the Company owed $111,971 (June 30, 2023 - $185,928) to companies controlled by current and previous directors of the Company, which is included in accounts payable and accrued liabilities.

As at December 31, 2023, the Company has prepaid expenses of $17,460 (June 30, 2023 - $nil) with a company controlled by a current director of the Company, which is included in prepaid expenses.

During the six months ended December 31, 2023, the Company also paid:

- $15,000 (2022 - $nil) in shared office expenses to a private company controlled by a director of the Company; and
- $30,000 (2022 - $nil) in rent to a company with a common officer.

On December 20, 2022, a private company controlled by a director paid $24,000 on behalf of the Company for the Adamhay and Dagny properties, which was unsecured, non-interest-bearing and due on demand. The Company repaid the loan on January 6, 2023.

On May 3, 2023, a director of the vendors of the Ferrari, Bugatti and Pinto properties became an officer and director of the Company.

On June 28, 2023, the Company received a loan from a private company controlled by a director in the amount of $90,000, which is unsecured, non-interest-bearing and due on demand. The loan was repaid on August 4, 2023.

Financial Instruments and Risks

<u>Fair Value</u>

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of cash represents the maximum credit exposure.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Company is not exposed to any significant foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk, as it does not have any liabilities with variable rates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company relies on raising debt or equity financing in a timely manner.

The following amounts are the contractual maturities of financial liabilities as at December 31, 2023 and June 30, 2023:

December 31, 2023	**Total $**	**Within 1 Year $**	**Within 2-5 Years $**
Accounts payable and accrued liabilities	2,192,342	2,192,342	-
	2,192,342	2,192,342	-

June 30, 2023	**Total $**	**Within 1 Year $**	**Within 2-5 Years $**
Accounts payable and accrued liabilities	853,228	853,228	-
Loans payable	90,000	90,000	-
	943,228	943,228	-

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the six months ended December 31, 2023.

Disclosure of Outstanding Share Data

	February 28, 2024	**December 31, 2023**	**June 30, 2023**
Common shares	80,845,613	80,845,613	43,180,500
Warrants	6,691,247	6,691,247	3,500,000
Stock options	4,011,200	4,011,200	3,950,000
Fully diluted shares	91,548,060	91,548,060	50,630,500

Accounting Standards Adopted During the Period

During the six months ended December 31, 2023, the Company adopted the following new accounting standards:

Disclosure of accounting policies (Amendments to International Accounting Standard ("IAS") 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgments*)

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on July 1, 2023. These amendments have reduced the disclosure of accounting policies for the Company.

Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12 *Income Taxes*)

These amendments clarify how companies account for deferred taxes on transactions, such as leases and decommissioning obligations, with a focus on reducing diversity in practice. They narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

These amendments to IAS 12 are effective for years beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on July 1, 2023. These amendments did not have any impact for the Company.

Amendments to IAS 8 Definition of Accounting Estimates

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* was amended in February 2021. The IASB issued "Definition of Accounting Estimates" to help entities distinguish between accounting policies and accounting estimates.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on July 1, 2023. These amendments did not have a material impact on the Company.

Subsequent Events

None.

Additional Disclosure for Companies Without Significant Revenue

An analysis of material components of the Company's exploration and evaluation assets is disclosed in the condensed consolidated interim financial statements as at December 31, 2023 and for the six months then ended.

An analysis of material components of the Company's general and administrative expenses is disclosed in the condensed consolidated interim financial statements as at December 31, 2023 and for the six months then ended to which this MD&A relates.

Risks and Uncertainties

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities.

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

The Company has a very limited history of operations, is in the early stage of development, and has received no revenues other than insignificant interest revenues following its transition to a mineral exploration and development company. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable. The Company does not anticipate paying any dividends in the near future.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company's interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of Indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks, which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years, as it is affected by numerous factors that are beyond the Company's control, including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore, the economic viability of the Company's interests in the mineral properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian income tax legislation may have a direct impact on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is quite possible that the Company may lose its investments in the Company's mineral property interests.

Other

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR+ website at www.sedarplus.ca.