Lithium One Metals Inc.

Management's Discussion and Analysis

Six Months Ended December 31, 2024

(Expressed in Canadian Dollars)

Report Date – February 19, 2025

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, 2024 and for the six months then ended and the audited consolidated financial statements as at June 30, 2024 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 IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board, 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 OTC Pink 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 1500 - 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, 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 has not yet determined whether these properties contain ore reserves that are economically recoverable.

Exploration and Evaluation Assets

<u>Exploration Highlights</u>

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 elements, 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 ("Li_2O") in sample 74903 and 0.60% Li_2O 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 2025.

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.

During the year ended June 30, 2024, the Company recorded an impairment charge of $138,769.

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 October 16, 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 (paid) and issuance of 1,000,000 common shares on or before December 15, 2023 (issued and valued at $145,000); and
- Payment of $300,000 and issuance of 2,000,000 common shares (issued and valued at $50,000) on or before December 15, 2024.

The Company is currently negotiating an extension on the $300,000 cash payment due 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 to acquire a 100% interest in the Bugatti property located in Québec, Canada. The agreement was amended on September 1, 2023, April 30, 2024 and July 9, 2024. To acquire the 100% interest, the Company made the following cash and share 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); and
- Payment of $75,000 (paid) on or before October 31, 2023.

The optionor retains 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 to acquire a 100% interest in the Ferrari property located in Québec, Canada. The agreement was amended on September 14, 2023, April 30, 2024 and July 9, 2024. To acquire the 100% interest, the Company made 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 and valued at $360,000); and
- Payment of $100,000 (paid) on or before October 31, 2023.

The optionor retains 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 upon regulatory acceptance (issued and valued at $800,000);
- Cash payment of $100,000 (paid) and the issuance of 1,344,000 common shares by March 12, 2023 (issued and valued at $1,220,000); and
- Issuance of 1,344,000 common shares by September 12, 2023 (issued and valued at $161,280).

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 to acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company was 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 would grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000.

On June 27, 2024, the Company completed an assignment of the Root South Property option agreement. The Company received an assignment fee of $200,000 in exchange for the Company's exclusive right and option to acquire 100% of the rights, title and interest of the property. The purchaser acquiring the exclusive right is a related party, as it has a common officer.

As a result of the assignment, the Company recorded a gain on disposal of exploration and evaluation assets of $50,729.

Allison South Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company was 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 (paid) and issuance of 45,500 common shares on or before January 11, 2024 (issued and valued at $1,365); 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 would grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000.

During the year ended June 30, 2024, the Company decided to discontinue the option agreement and recorded $118,435 in impairment against the property.

Sharp Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company was 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 (accrued) and issuance of 100,000 common shares (accrued in commitment to issue shares and valued at $3,500) 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 would grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000.

During the year ended June 30, 2024, the Company decided to discontinue the option agreement and recorded $201,927 in impairment against the property. The Company accrued the cash and share payments due on or before January 11, 2024, as notice to terminate the option agreement was given after the due date.

Parks Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company was 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 (accrued) and issuance of 375,000 common shares (accrued in commitment to issue shares and valued at $13,125) 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 would grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000.

During the year ended June 30, 2024, the Company decided to discontinue the option agreement and recorded $984,995 in impairment against the property. The Company accrued the cash and share payments due on or before January 11, 2024, as notice to terminate the option agreement was given after the due date.

Adamhay Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. The agreement was amended on April 5, 2024. To acquire a 100% interest, the Company was 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 July 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 would grant the vendors a 1.5% NSR royalty, of which one-third could be repurchased for $500,000.

During the year ended June 30, 2024, the Company decided to discontinue the option agreement and recorded $175,168 in impairment against the property. During the six months ended December 31, 2024, the Company paid $12,500 for settlement with the vendor.

Dagny Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. The agreement was amended on April 5, 2024. To acquire a 100% interest, the Company was 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 July 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 would grant the vendors a 1.5% NSR royalty, of which one-third could be repurchased for $500,000.

During the year ended June 30, 2024, the Company decided to discontinue the option agreement and recorded $173,938 in impairment against the property. During the six months ended December 31, 2024, the Company paid $12,500 for settlement with the vendor.

Pinto Property

On February 1, 2023, the Company entered into a mineral property option agreement to acquire a 100% interest in the Pinto property located in Ontario, Canada. The agreement was amended on September 2, 2023. To acquire the 100% interest, the Company made 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 on or before September 1, 2023 (issued and valued at $205,000); 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. The optionor retains a 3% NSR royalty, one-third of which may be purchased by the Company for $2,000,000.

During the year ended June 30, 2024, the Company recorded an impairment charge of $952,178.

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 of $83,000 and issued 201,600 common shares:

- 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 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. 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.

Results of Operations

<u>Three Months Ended December 31, 2024</u>

During the three months ended December 31, 2024, the Company reported a net loss of $122,795 (2023 - $2,099,015). The Company's loss included expenditures as follows:

- Consulting fees of $22,000 (2023 - $121,000) were lower due to a reduction in consultants engaged in the current period;
- Depreciation of $22,692 (2023 - $nil) was higher due to commencement of an office lease;
- General and administrative expenses of $10,853 (2023 - $82,310) decreased as a result of a decrease in corporate activity;
- Management and directors' fees of $nil (2023 - $69,000) were lower due a reduction in the management compensation since the previous period;
- Professional fees of $80,484 (2023 - $180,811) were lower compared to the prior period as a result of lower legal fees compared to the prior period;
- Rent recovery of $36,461 (2023 - expense of $15,000) was due to the office lease accounting and recoveries from other companies for shared office space compared to paying into shared office space in the prior period;
- Shareholder communications and promotion of $1,412 (2023 - $55,444) decreased due to a reduction in promotional services used during the period;
- Transfer agent and filing fees of $5,854 (2023 - $13,561) decreased, due to a reduction in listing fees;
- Flow-through share indemnification and interest of $nil (2023 - $1,569,060) decreased from the prior period, as the prior period incurred a shortfall in renounced flow-through expenditures in relation to the December 2022 flow-through financing by Norris;
- Interest and accretion expense of $15,961 (2023 - $nil) increased, as the accretion in the current period relates to the lease liability, and the comparative period interest related to interest-bearing loans that were repaid before the beginning of the current period; and
- Interest income of $nil (2023 - $7,231) decreased as a result of holdings of term deposits throughout the prior period.

Six Months Ended December 31, 2024

During the six months ended December 31, 2024, the Company reported a net loss of $149,324 (2023 - $2,683,296). The Company's loss included expenditures as follows:

- Consulting fees of $37,000 (2023 - $246,108) were lower due to a reduction in consultants engaged in the current period;
- Depreciation of $45,384 (2023 - $nil) was higher due to commencement of an office lease;
- General and administrative expenses of $21,701 (2023 - $88,396) decreased as a result of a decrease in corporate activity;
- Management and directors' fee recovery of $58,372 (2023 - expense of $138,000) was lower due to a credit issued against management fees previously charged;
- Professional fees of $131,694 (2023 - $327,961) were lower compared to the prior period as a result of lower legal fees compared to the prior period;
- Rent recovery of $71,431 (2023 - expense of $30,000) was due to the office lease accounting and recoveries from other companies for shared office space compared to paying into shared office space in the prior period;
- Share-based compensation of $nil (2023 - $150,619) decreased, as there were no stock options issued during the current period, whereas the prior period expense related to the acquisition of Norris;
- Shareholder communications and promotion of $4,412 (2023 - $111,490) decreased due to a reduction in promotional services used during the period;
- Transfer agent and filing fees of $6,414 (2023 - $29,099) decreased due to a reduction in listing fees;
- Flow-through share indemnification and interest of $nil (2023 - $1,569,060) decreased from the prior period, as the prior period incurred a shortfall in renounced flow-through expenditures in relation to the December 2022 flow-through financing by Norris;
- Interest and accretion expense of $32,535 (2023 - $nil) increased, as the accretion in the current period relates to the lease liability, and the comparative period interest related to interest-bearing loans that were repaid before the beginning of the current period; and
- Interest income of $13 (2023 - $7,497) decreased as a result of holdings of term deposits throughout the prior period.

Selected Annual Information

	June 30, 2024 $	**June 30, 2023 $**	**June 30, 2022 $**
Revenue	-	-	-
Net loss	(3,824,430)	(4,406,822)	(530,386)
Basic and diluted loss per common share	(0.05)	(0.14)	(0.02)
Total assets	12,787,834	6,080,289	2,838,150
Non-current financial liabilities	364,574	-	353,000
Dividends	-	-	-

Summary of Quarterly Results

For the periods ending	**December 31, 2024 $**	**September 30, 2024 $**	**June 30, 2024 $**	**March 31, 2024 $**
Revenue	-	-	-	-
Net income (loss)	(122,795)	(26,529)	172,992	(1,314,126)
Basic and diluted earnings (loss) per common share	(0.00)	(0.00)	0.00	(0.02)
Total assets	12,525,325	12,560,430	12,787,834	11,832,171
Non-current financial liabilities	327,049	346,184	364,574	382,247

For the periods ending	December 31, 2023 $	September 30, 2023i $	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	(0.03)	(0.01)	(0.02)	(0.03)
Total assets	12,645,944	12,854,720	6,080,289	5,785,094
Non-current financial liabilities	-	-	-	-

Liquidity and Capital Resources

The Company had cash of $18,903 and a working capital deficit of $2,321,351 at December 31, 2024, compared to cash of $239,902 and a working capital deficit of $2,253,011 at June 30, 2024.

The Company will need to obtain additional financing for working capital purposes and to continue exploration on its exploration and evaluation assets for the 2025 fiscal year and beyond.

Flow-through share indemnification and interest

On December 23, 2022, Norris issued flow-through shares for gross proceeds of $3,315,000. The flow-through share proceeds were renounced to subscribers effective December 31, 2022. The Company, through Norris, had a commitment to incur qualifying Canadian exploration expenditures in relation to the flow-through financing by December 31, 2023, which was not fully met.

The Company incurred actual qualifying expenditures of approximately $1,300,000 in Québec and approximately $618,000 in additional expenditures in Ontario, and instead, amended its flow-through filings to renounce $1,918,000. Accordingly, effective December 31, 2023, the Company accrued a $1,315,000 provision for the estimated cost to indemnify flow-through share subscribers for their expected personal income tax reassessments by the Canada Revenue Agency and Revenu Québec. The indemnifications are provided for in the underlying subscription agreements for the private placements and recorded in accounts payable and accrued liabilities as at December 31, 2024.

On December 30, 2024, the Company entered into a loan agreement for up to $1,200,000 in order to fund the indemnifications. Any funds advanced under the loan agreement bear interest at 6% per annum. The Company is required to make loan repayments of 75% of the net proceeds of any asset sale; or 30% of the net proceeds of any non-flow-through equity financing after the first $1,500,000 aggregate gross proceeds raised in one or more financings after the agreement date. The Company has pledged the shares of Norris as security for the loan, which includes ownership of the Highway and Bus, Solitude and Alice Lithium properties.

Subsequent to December 31, 2024, the Company drew $922,389 from the loan.

As at December 31, 2024, the Company has also accrued $254,060 for federal Part XII.6 tax and similar Québec tax in accounts payable and accrued liabilities.

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, 2024 $	Six Months Ended December 31, 2023 $
Short-term compensation (recovery) (consulting fees, management and directors' fees, professional fees, and exploration and evaluation asset expenditures)	(103,372)	258,500
Share-based compensation	-	80,798
	(103,372)	339,298

Short-term compensation was paid or accrued as follows:

- A recovery of $75,000 (2023 – expenditures of $63,000) in exploration and evaluation asset expenditures to a private company controlled by the former chief executive officer;
- A recovery of $58,372 (2023 – expenditures of $120,000) in management and directors' fees to a private company controlled by the chief executive officer (formerly executive chairman);
- $30,000 (2023 - $42,500) in professional fees to a private company controlled by the chief financial officer;
- $nil (2023 - $18,000) in management and directors' fees to a private company controlled by a former director; and
- $nil (2023 - $15,000) in exploration and evaluation asset expenditures to a private company controlled by a former director.

As at December 31, 2024, the Company owed $171,971 (June 30, 2024 - $295,451) to companies controlled by current and previous directors of the Company, which is included in accounts payable and accrued liabilities. The amounts are unsecured and without interest.

During the six months ended December 31, 2024, the Company also paid:

- $15,000 (2023 - $15,000) in shared office expenses included in general and administrative to a private company controlled by a director of the Company; and
- $nil (2023 - $30,000) in rent to a company with a common officer.

During the six months ended December 31, 2024, the Company recorded rent recovery of $106,000 (2023 - $nil) with companies with a common officer.

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

Financial Instruments and Risks

Fair Value

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, deposits, accounts payable and accrued liabilities, and lease liability, approximate their carrying values due to the nature 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, 2024 and June 30, 2024:

December 31, 2024	**Total $**	**Within 1 Year $**	**Within 2-5 Years $**
Accounts payable and accrued liabilities	2,379,732	2,379,732	-
Lease liability	540,858	128,999	411,859
	2,920,590	2,508,731	411,859

June 30, 2024	**Total $**	**Within 1 Year $**	**Within 2-5 Years $**
Accounts payable and accrued liabilities	2,512,028	2,512,028	-
Lease liability	604,281	127,825	476,456
	3,116,309	2,639,853	476,456

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, 2024.

Disclosure of Outstanding Share Data

	February 19, 2025	December 31, 2024	June 30, 2024
Common shares	82,891,113	82,891,113	80,891,113
Warrants	-	-	6,347,520
Stock options	2,944,000	2,944,000	2,944,000
Fully diluted shares	85,835,113	85,835,113	90,182,633

Accounting Standard Adopted During the Year

During the six months ended December 31, 2024, the Company adopted the following new accounting standard:

Classification of Liabilities as Current or Non-current (Amendments to International Accounting Standard ("IAS") 1 *Presentation of Financial Statements*)

IAS 1 has been amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

These amendments to IAS 1 are effective for years beginning on or after January 1, 2024. The Company adopted these amendments for the reporting period beginning on July 1, 2024. These amendments did not have a material impact on the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

Significant Estimates

Lease liability

The Company estimates the discount rate applied in its lease liabilities, which is based on an analysis of its potential cost of borrowing, the cost of borrowing of comparable companies and the Company's risk factors.

Significant Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely, either from future exploitation or sale, where activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the condensed consolidated interim statement of operations in the period when the new information becomes available.

Going Concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

Acquisition of Norris

The determination of the acquisition of Norris as an asset acquisition rather than a business combination requires management judgment as to whether Norris met the definition of a business, as disclosed in Note 4 of the Company's condensed consolidated interim financial statements.

Subsequent Event

a) On January 2, 2025, the Company drew $922,389 from the indemnification loan. The funds were used to indemnify two subscribers. The Company also drew $12,078 to pay for the lender's legal fees and disbursements.

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, 2024 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, 2024 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.