



R e s s o u r c e s
1844
R e s o u r c e s

MANAGEMENT DISCUSSION & ANALYSIS

For the Six Months Ended

October 31, 2023

Management's Discussion and Analysis

This management's discussion and analysis (MD&A) for 1844 Resources Inc. (the "Corporation") should be read in conjunction with the condensed interim financial statements of October 31, 2023 and the audited annual financial statements of April 30, 2023. The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Corporation presents its results in Canadian (CDN) dollars. All amounts in this MD&A are in Canadian dollars unless otherwise indicated.

Forward Looking Statements

Certain statements in this document that are not supported by historical facts are forward-looking, which means that they are subject to risks, uncertainties and other factors that may result in actual results differing from those anticipated or implied by such forward-looking statements. There are many factors that may cause such a disparity, notably unstable metal prices, the impact of fluctuations in foreign exchange markets and interest rates, inaccurate resources estimates, environmental risks (more stringent regulations), unexpected geological events, unfavourable mining conditions, political risks arising from mining in developing countries, changing regulations and government policies (laws or policies), failure to obtain required permits and approval from government authorities, or any other risk related to mining and development.

Even though the Corporation believes that the assumptions relating to the forward-looking statements are plausible, readers are cautioned to not place undue reliance on such statements, which are valid only as of the date of this document.

Additional information about the Corporation can be found under the Gespeg Resources Ltd. profile on the SEDAR website (www.sedar.com).

Date

This MD&A was prepared as of December 13, 2023.

Description of the Business

The Corporation was incorporated under the laws of British Columbia on May 31, 2006 and is listed on the TSX Venture Exchange (“TSX-V”). The principal business of the Corporation is the identification, exploration and development of mineral properties.

The Corporation is focusing on exploring and developing its copper mineral claims in the Gaspé region of Quebec, with a view to developing mineral occurrences and discovering economically viable mineral deposits.

The financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operation. In assessing whether the going concern assumption is appropriate, management takes 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 use of these principles may not be appropriate.

To date, the Corporation has not earned significant revenue and is considered to be in the identification and exploration stage.

The investment in, and expenditures on, exploration and evaluation assets comprise a significant portion of the Corporation’s assets. Mineral exploration and development is highly speculative and involves inherent risks. Realization of the Corporation’s investment in these assets is dependent upon the renewed legal ownership of the claims, and whether an economically viable operation can be established.

In addition, it has not yet been determined whether the Corporation’s properties contain ore reserves that are economically recoverable. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

As at October 31, 2023, the Corporation’s current committed cash resources is insufficient to cover expected expenditures in fiscal 2024. The Corporation’s ability to continue as a going concern is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. There can be no assurances that management will be successful in securing adequate financing.

The Corporation reported net losses for the six months ended October 31, 2023 and fiscal 2023 of \$250,084 and \$729,336 respectively, has an accumulated deficit of \$15,162,849 (2023 - \$14,912,765) and has working capital deficiency of \$654,238 (2023 – working capital deficiency of \$329,293). These circumstances and the need for continued financing to further successful exploration may cast significant doubt as to the Corporation’s ability to continue as a going concern.

The financial statements do not include any adjustments to the carrying values of asset and liabilities that might be necessary, if the Corporation is unable to continue as a going concern. Such adjustments could be material.

The technical disclosure contained in this MD&A was prepared by Bernard-Olivier Martel, P.Geo, a consultant to the Corporation. Mr. Martel is a “qualified person” within the meaning of National Instrument 43-101.

Outlook:

The Corporation is moving forwards on multiple fronts. With its dominant land position in the Gaspé Peninsula, 1844 is currently drilling the Lac Arsenault Gold Project, and is programming for a 7,000-meter drill program on the Vortex Copper Project, which adjoins the Sullipéc Project owned by Glencore and Soquem, and is adjacent to the former Gaspé Copper Mine at Murdochville, which is currently owned by Glencore. The drill program is being designed to follow-up on the results of the drill program completed in 2012. In addition to this, the Corporation is designing a 5,000-meter initial drill program, and associated other exploration activities, at the Native Copper Project.

With a focus on copper and gold, 1844 is well positioned to take advantage of current market dynamics which are showing rapidly growing demand. This move has been well reflected in the price of both copper and gold over the last year.

Selected Financial Information

For the periods ended	October 31, 2023	April 30, 2023	April 30, 2022
Cash	\$ 173,725	\$ 66,597	\$ 49,756
Exploration and evaluation assets	\$ 821,660	\$ 734,599	\$ 1,219,607
Total assets	\$ 1,556,241	\$ 1,371,360	\$ 1,410,865
Total liabilities	\$ 878,426	\$ 455,661	\$ 344,909
Shareholders’ equity	\$ 677,815	\$ 915,699	\$ 1,065,956
Total operating expenses	\$ 283,798	\$ 693,131	\$ 764,873
Other income on settlement of flow-through premium liability	\$ 33,714	\$ 95,794	\$ 13,521
Impairment of account receivable	\$ -	\$ 12,745	\$ -
Loss on disposal of exploration and evaluation asset	\$ -	\$ 119,254	\$ -
Income tax expense (recovery)	\$ -	\$ -	\$ -
Net loss	\$ 250,084	\$ 729,336	\$ 751,352
Loss per share, basic	\$ 0.00	\$ 0.01	\$ 0.01
Loss per share, diluted	\$ 0.00	\$ 0.01	\$ 0.01

Quarterly Results of Operations (unaudited)

	Three Months Ended			
	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
Total operating expenses	\$164,062	\$119,736	\$242,980	\$145,504
Net income (loss) for the period	\$131,179	\$118,905	\$196,985	\$272,069
Loss per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	October 31, 2022	July 31, 2022	April 30, 2022	January 31, 2022
Total operating expenses	\$175,488	\$129,160	\$207,690	\$125,331
Net income (loss) for the period	\$131,123	\$129,160	\$207,690	\$125,331
Loss per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Three month period ended October 31, 2023 and 2022:

For the three months ended October 31, 2023, the Corporation recorded a net loss of \$131,179 (\$0.00 per share), compared to loss of \$131,123 (\$0.00 per share) in the three months ended October 31, 2022. The primary difference between the two periods is an decrease in professional fees and general administration and other income in 2023.

General and administrative expenses in the first quarter were \$34,031 compared to \$46,386, which is the result of the Corporation slowing business activities. Professional fees decreased to \$60,483 compared to \$83,786. The decrease relates to the preparation of a property option agreement, prospectus and other ancillary documents, which require professional services.

Six month period ended October 31, 2023 and 2022:

For the six months ended October 31, 2023, the Corporation recorded a net loss of \$250,084 (\$0.00 per share), compared to loss of \$260,282 (\$0.00 per share) in the six months ended October 31, 2022. The primary difference between the two periods is decrease in general and administration expenses, professional fees and other income in 2023.

General and administrative expenses in the first six months ended October 31, 2023 were \$76,294 compared to \$89,908, which is the result of the Corporation slowing business activities. Professional fees decreased to \$85,844 compared to \$119,378. The decrease relates to the preparation of a property option agreement, prospectus and other ancillary documents, which require professional services.

Cash Flow:

Six Months Ended October 31, 2023 and 2022:

Net cash generated in operating activities in the six months ended October 31, 2023 was \$107,128 compared to \$102,867 net cash used in the six months ended October 31, 2022, a decrease in cash used of \$209,995. The change between the periods is related to the change in accounts payable and accrued liabilities.

Net cash used by investing activities in the six months ended October 31, 2023 was \$nil and 2022 was \$142,598. The decrease is the result of timing on when the Corporation has the funds to explore its properties.

Net cash provided by financing activities in the six months ended October 31, 2023 was \$nil and 2022 was \$314,925. The decrease is the result of timing on when the Corporation completes financings.

For the six months ended October 31, 2023 the Corporation had a net increase in cash of \$107,128 compared to net increase of \$69,460 in the comparative period.

Exploration

During the period ended October 31, 2023, the Corporation incurred \$77,061 exploration expenditures (2022 - \$176,341).

Analysis of Acquisition and Exploration Costs

	Balance as at May 1, 2022	Additions	Impairment/ Disposals	Balance as at April 30, 2023
Vortex	\$ 21,644	\$ 4,625	\$ -	\$ 26,269
Davidson	46,781	-	-	46,781
Native Copper	363,860	240,808	-	604,668
Lac Arsenault	730,441	1,810	(732,251)	-
Lac Crystal	56,881	-	-	56,881
	\$ 1,219,607	\$ 247,243	\$ (732,251)	\$ 734,599

	Balance as at May 1, 2023	Additions	Impairment/ Disposals	Balance as at October 31, 2023
Vortex	\$ 26,269	\$ 5,500	\$ -	\$ 31,769
Davidson	46,781	-	-	46,781
Native Copper	604,668	12,900	-	617,568
KM50	-	68,661	-	68,661
Lac Crystal	56,881	-	-	56,881
	\$ 734,599	\$ 87,061	\$ -	\$ 821,660

Vortex

The Vortex project is a copper molybdenum exploration opportunity in the Gaspé region of Quebec and is the site of the former Gaspé Copper mine and smelter. The project encompasses 80 sq. km of land and is comprised of three main claim groups:

- a. The Sullipek deposit, situated on the western edge of the project area;
- b. The Sullipek East property, a skarn/porphyry copper opportunity; and
- c. The Madeleine des Vercheres claim group.

On July 23, 2013, the Corporation and ASPM Inc. (the “Vendor”) executed a term extension on the Madelaine des Vercheres claim group. Under the terms of the extension, the Corporation was required to make a one-time payment of \$30,000 to the Vendor (paid).

Also, considered a part of the Vortex is the In-between project, a copper molybdenum exploration opportunity in the Gaspé region of Quebec. It covers lands between Vortex to the west and Murdochville to the east. This area was claimed in 2011 and a geophysical survey was executed in 2012. The 2012 survey showed 436 targets and 141 priority one targets to be further explored in the future.

Davidson

The Davidson project is situated in the Chibougamau Region and is part of a 50/50% Joint Venture with J.A MacLeod Exploration. The project is grassroots and mainly for base metal exploration (Copper, Zinc, Cobalt).

Native Copper

The Native Copper Project, situated west of the Municipality of Chandler, Quebec, is composed of 4 sectors Native Copper South, North-West, North-East and Central and has nine (9) known indicators: Ruisseau Bleu, T.Nelson 1 and 2, Riviere St-Jean South, Route 102 S-W, Jean-Baptiste Beaudin, Ruisseau Cantin, Fer à Cheval 1 and 2 and Triangle d'Argent.

On October 4, 2021, the Corporation acquired 4 additional claims through the issuance of 400,000 common shares at a fair value of \$32,000, and granted a 2% NSR, which 1% can be purchased for \$500,000.

On February 17, 2022, the Corporation acquired 25 additional claims through the issuance of 400,000 common shares at a fair value of \$36,000, and granted a 2% NSR, which 1% can be purchased for \$500,000.

On May 24, 2022, the Corporation entered into an agreement to acquire additional claims to the Native Copper project. As consideration the Corporation must pay \$5,000 cash (not paid), issue 500,000 common shares (issued) and grant a 2% NSR, which 1% can be purchased for \$750,000.

On June 20, 2022, the Corporation entered into an agreement to acquire additional claims to the Native Copper project. As consideration the Corporation must pay \$5,000 cash (not paid), issue 500,000 common shares (issued) and grant a 2% NSR, which 1% can be purchased for \$750,000.

KM50

On June 12, 2023, the Corporation entered into an agreement to acquire claims to the Native Copper project. As consideration the Corporation must pay \$10,000 cash (not paid), issue 1,000,000 common shares (not issued) and grant a 2% NSR, which 1% can be purchased for \$1,000,000. In addition, the Corporation must pay \$75,000 in cash or shares on the first anniversary, pay \$75,000 in cash or shares on the second anniversary, and pay \$90,000 in cash on the third anniversary,

Lac Crystal

During the year ended April 30, 2022 the Corporation entered into an agreement to acquire 12 mining claims in the Gaspé Peninsula, Quebec in exchange for 400,000 common shares of the Corporation (issued at a fair value of \$38,000), and 625,000 shares will be issued at the second anniversary. The vendor retained a 2% NSR. The parties have agreed that 1% NSR could be acquired for \$500,000. Prior to the acquisition the Corporation staked an additional 34 claims for a total of 46 claims.

Lac Arsenault

On December 6, 2022, the Corporation agreed to sell the Lac Arsenault project to Canadian Gold Resources Ltd. for \$600,000, payable as follows:

- \$100,000 cash on closing (received)
- Shares of Canadian Gold Resources Ltd. having a value of \$500,000
- 1% NSR, which the purchaser will have to right to repurchase for \$500,000

At October 31, 2023, Canadian Gold Resources Ltd has not completed their public offering and the Corporation has recorded the shares receivable at the value of shares to be received. The number of shares will be determined at the close of their public offering and will be valued quarterly by reference to the closing price traded on the exchange at each reporting date.

Net smelter royalty

As part of the acquisition of the Vortex claims, the Corporation entered into an agreement with 49 North Resources Inc. to grant a 2% net smelter return “NSR” royalty from the sale of all copper-molybdenum lands portion of the property, excluding the Port Daniel property. The Corporation may, at any time reduce the NSR from 2% to 0.5%, by making a cash payment of \$1,000,000 to 49 North Resources Inc.

Financing

Issuance of common shares:

On June 7, 2022, the Corporation issued 500,000 common shares pursuant to a property purchase agreement to acquire additional Native copper properties. The shares were valued at \$35,000, in total.

On July 11, 2022, the Corporation issued 500,000 common shares pursuant to a property purchase agreement to acquire additional Native copper properties. The shares were valued at \$30,000, in total.

On July 27, 2022 the Corporation issued 4,000,000 flow-through common shares at a price of \$0.08 per common share for total proceeds of \$320,000. The Corporation recognized \$140,000 as part of the flow-through premium liability. The Corporation paid cash commissions totaling \$19,200 and issued 240,000 broker compensation warrants with a value of \$6,240.

On November 23, 2022 the Corporation issued 10,164,000 non-flow-through common shares at a price of \$0.05 per common share for total proceeds of \$508,200. The Corporation paid cash commissions totaling \$40,565 and issued 813,120 broker compensation warrants with a value of \$26,833.

Share-based compensation

The directors of the Corporation have adopted, and the shareholders have approved a stock option plan (the “Option Plan”), pursuant to which the directors may from time to time grant options for up to 10% of its issued and outstanding shares. The purpose of the Option Plan is to attract, retain and motivate directors, employees and consultants of the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity, through stock options, to acquire an equity interest in the Corporation.

A summary of the outstanding and exercisable stock options is as follows:

	October 31, 2023		April 30, 2023	
	Options	Price	Options	Price
Outstanding and exercisable, beginning of period	5,000,000	\$ 0.09	5,000,000	\$ 0.09
Options granted	400,000	0.05	-	-
Outstanding and exercisable, end of period	5,400,000	\$ 0.09	5,000,000	\$ 0.09

On May 16, 2023, the Board of Directors of the Corporation approved the grant of 200,000 stock options pursuant to the Corporation's 2022 Option Plan. 200,000 of the options were granted to consultants of the Corporation.

The options are exercisable at \$0.05 per share, vest immediately and, if not exercised, expire May 16, 2028, subject to earlier expiration in accordance with the 2022 Option Plan and applicable policies of the TSX-V.

Using the Black-Scholes option pricing model, the value of the stock options was estimated to be \$5,600, which was recorded as share-based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: risk-free interest rate of 3.06%, expected life of options 5 years, annualized volatility 178.54% and dividend rate of nil.

On June 13, 2023, the Board of Directors of the Corporation approved the grant of 200,000 stock options pursuant to the Corporation's 2022 Option Plan. 200,000 of the options were granted to consultants of the Corporation.

The options are exercisable at \$0.05 per share, vest immediately and, if not exercised, expire June 13, 2028, subject to earlier expiration in accordance with the 2022 Option Plan and applicable policies of the TSX-V.

Using the Black-Scholes option pricing model, the value of the stock options was estimated to be \$6,600, which was recorded as share-based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: risk-free interest rate of

3.52%, expected life of options 5 years, annualized volatility 178.81% and dividend rate of nil.

Related party transactions

Compensation of key executive personnel:

For the six months ended October 31,	2023	2022
Consulting fees to officers	\$ 75,000	\$ 75,000
Share-based compensation for directors and officers	-	-
	\$ 75,000	\$ 75,000

Consulting fees paid or accrued to directors and officers or companies controlled by directors and officers are recorded in management fees, general and administrative or, as applicable, capitalized to the exploration and evaluation assets.

Sylvain Laberge, a director and officer of the Corporation provided consulting services to the Corporation. Fees accrued during the period ended October 31, 2023 were \$45,000 (2022 - \$45,000) expense was recorded in management fees. As at October 31, 2023 the Corporation owed \$148,713 (April 30, 2022 - \$115,784) related to such services and expenses incurred on behalf of the Corporation, which is included in accounts payable and accrued liabilities.

Andrew Davidson, a director and officer of the Corporation provided consulting services to the Corporation. Fees accrued during the period ended October 31, 2023 were \$30,000 (2022 - \$30,000) expense was recorded in management fees. As at October 31, 2023 the Corporation owed \$77,250 (April 31, 2022 - \$31,500) related to such services, which is included in accounts payable and accrued liabilities.

Additional Disclosure for Venture Issuers Without Significant Revenue

	three months ended October 31,		six months ended October 31,	
	2023	2022	2023	2022
Investor relations	\$ 25,718	\$ 35,043	\$ 57,798	\$ 61,045
Insurance	-	-	2,810	5,986
Office and other expenses	8,313	11,343	15,686	22,877
	\$ 34,031	\$ 46,386	\$ 76,294	\$ 89,908

Events After The Reporting Period

On March 6, 2023, the Corporation signed an option agreement to acquire up to 100% of the Hawk Ridge project from Nickel North Exploration Corp. As consideration the Corporation would issue cash payments, share issuances and financings in phases, as follows:

Phase 1 – paying \$1,000,000 and issuing 1,000,000 common shares to earn a 10% undivided interest

Phase 2 – paying \$1,000,000 and issuing 1,000,000 common shares and incurring \$500,000 of exploration expenditures before the first anniversary date to earn an additional 10% undivided interest

Phase 3 – paying \$1,000,000 and issuing 2,000,000 common shares and incurring \$500,000 of exploration expenditures before the second anniversary date to earn an additional 20% undivided interest

Phase 4 – paying \$2,000,000 and issuing 3,000,000 common shares and incurring \$1,000,000 of exploration expenditures before the third anniversary date to earn an additional 40% undivided interest

Phase 5 – paying \$1,000,000 and issuing 3,000,000 common shares and incurring \$1,000,000 of exploration expenditures before the fourth anniversary date to earn an additional 20% undivided interest

On June 19, 2023, the shareholders of Nickel North Exploration Corp approved the Hawk Ridge project option agreement. The transaction has not closed yet and is subject to the Company completing a financing and paying \$1,000,000, issuing 1,000,000 common shares and receiving TSX venture exchange approval.

On December 1, 2023, the Corporation entered into an amended and restated option agreement to acquire up to 100% of the Hawkridge project. The amended consideration is as follows:

Phase 1 – paying \$15,000 cash as a non-refundable deposit, and upon receiving TSXV approval paying \$335,000 cash and issuing 5,000,000 common shares

Phase 2 – paying \$350,000 and issuing 4,000,000 common shares and incurring \$500,000 of exploration expenditures before the first anniversary date to earn an initial 20% undivided interest

Phase 3 – paying \$350,000 and issuing 4,000,000 common shares and incurring \$500,000 of exploration expenditures before the second anniversary date to earn an additional 10% undivided interest

Phase 4 – paying \$750,000 and issuing 3,000,000 common shares and incurring \$1,000,000 of exploration expenditures before the third anniversary date to earn an additional 20% undivided interest

Phase 5 – paying \$1,000,000 and issuing 3,000,000 common shares and incurring \$2,000,000 of exploration expenditures before the fourth anniversary date to earn an additional 30% undivided interest

Phase 6 – paying \$2,000,000 before the fifth anniversary date to earn an additional 20% undivided interest

Off-Balance Sheet Arrangements

None.

Critical Accounting Estimates

The Corporation's financial statements have been prepared in accordance with IFRS. The preparation of financial statements in accordance with IFRS required management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements. Actual results could differ from these estimates. The significant accounting policies used by the Corporation in this regard are discussed in detail in the notes to the 2023 annual audited financial statements. See Note 2 of the financial statements.

Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Corporation's other receivables and accounts payable and accrued liabilities approximate their carrying values. The Corporation's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized as follows:

Credit Risk

The Corporation's credit risk is primarily attributable to cash. The Corporation has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2023, the Corporation had a cash balance of \$173,725 to settle accounts payable and accrued liabilities of \$867,934. During the period ended October 31, 2023, the Corporation had received \$111,245 in proceeds for a financing that has not closed yet and is included in accounts payable and accrued liabilities.

The Corporation has historically relied on equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Corporation will be able to obtain the required financing in the future on acceptable terms.

Interest rate risk

The Corporation is not exposed to risk in the event of interest rate fluctuations. The Corporation has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

Capital Management

The Corporation's objectives when managing capital are:

- a. to allow the Corporation to respond to changes in economic and/or marketplace conditions by maintaining the Corporation's ability to continue its exploration programs;
- b. to provide sustained growth and value by increasing equity; and
- c. to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Corporation maintains or adjusts its capital level to enable it to meet its objectives by:

- a. raising capital through equity financings; and
- b. borrowing funds in the form of advances from related parties.

The Corporation is not subject to any capital requirements imposed by a regulator. There were no changes in the Corporation's approach to capital management during the current year. The Corporation's management is responsible for the management of capital and monitors the Corporation's use of various forms of leverage on a daily basis.

Risks and Uncertainties

The following discussion outlines a number of risks that management believes could impact the Corporation's business.

Financial Risk

Additional funds may be required in the future to finance exploration and development work. The Corporation has access to funds through the issuance of additional equity and borrowing. There can be no assurance that such funding will be available to the Corporation under current economic conditions. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Corporation or that it will provide the Corporation with sufficient funds to meet its objectives, which could adversely affect the Corporation's business and financial condition.

Title to Properties

Although the Corporation has taken reasonable measures to ensure proper title to its properties, there is no guarantee that titles to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Corporation's interests.

Industry Conditions

Mineral resource exploration and development involves a high degree of risk that even a combination of careful assessment, experience and know-how cannot eliminate. While the discovery of a deposit may prove extremely lucrative, few properties that undergo prospecting ever generate a producing mine. Substantial amounts may be required to establish ore reserves, develop metallurgical processes and build mining and processing facilities at a given site. There can be no assurance that the exploration and development programs planned by the Corporation will result in a profitable mining operation. The economic viability of a mineral deposit depends on a number of factors, some of which relate to the particular characteristics of the deposit, particularly its size, grade and proximity to infrastructure, as well as the cyclical nature of metal prices and government regulations, including those regarding prices, royalties, production limits, importation and exportation of minerals, and environmental protection. The impact of such factors cannot be precisely assessed but may prevent the Corporation from providing an adequate return on investment.

Government Regulation

The Corporation's activities must comply with the applicable legislation on exploration and development, environmental protection, obtaining of permits, and authorization of mining operations in general. The Corporation believes that it is in compliance in all material respects with such laws. Changing government regulations could have an adverse impact on the Corporation's operations.

Outlook

Management will continue to manage its funds very rigorously, its primary objective being to optimize return on investment for its shareholders. Its development strategy is focused on the discovery of economically viable deposits that will generate profits from mining and ensure the Corporation's survival. In applying its development strategy, management will take into account the global exploration context, stock market trends and the prices of copper and other metals.

Outstanding Share Data:

The Corporation is authorized to issue an unlimited number of common shares.

As of December 13, 2023, the number of common shares of the Corporation outstanding or reserved for issue under convertible securities is as follows:

Common shares	Number
Outstanding	79,683,258
Issuable under warrants and broker warrants	1,053,120
Issuable under stock options	5,400,000
Total diluted common shares	86,136,378