

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, 2024

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, 2024 and the audited annual financial statements of April 30, 2024. 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 20, 2024.

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, 2024, the Corporation’s current committed cash resources is insufficient to cover expected expenditures in fiscal 2025. 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 three and six months ended October 31, 2024 and fiscal 2024 of \$223,301 and \$779,666 respectively, has an accumulated deficit of \$15,915,732 (April 30, 2024 - \$15,692,431) and has working capital deficiency of \$900,270 (2024 – working capital deficiency of \$676,969). 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:

With a focus on copper, nickel, gold and platinum group metals, 1844 is well positioned to take advantage of current market dynamics which are showing rapidly growing demand. The electrification of the developed world continues to be on the largest global economic trends in recent history. The growing carbon economy is putting continual strain on the supply of the so-called “electric metals” and, specifically, electric metals and electric metals project located in stable and safe jurisdictions like Quebec, Canada.

This surging demand for these metals has come at the same time as a significant slow down in exploration activities for these same metals globally as funds raised and expended by junior natural resource explorers has been in a multi-year decline. Additionally, the growing concern over nationalization of resource projects in known and producing districts in South America have led to a material concern of metal security into the future.

1844 remains steadfastly focused on defining and developing copper and other electric metals in Quebec, Canada. While continuing work on existing projects in our portfolio, management also is continually searching for high quality projects to add into the portfolio, as they are found.

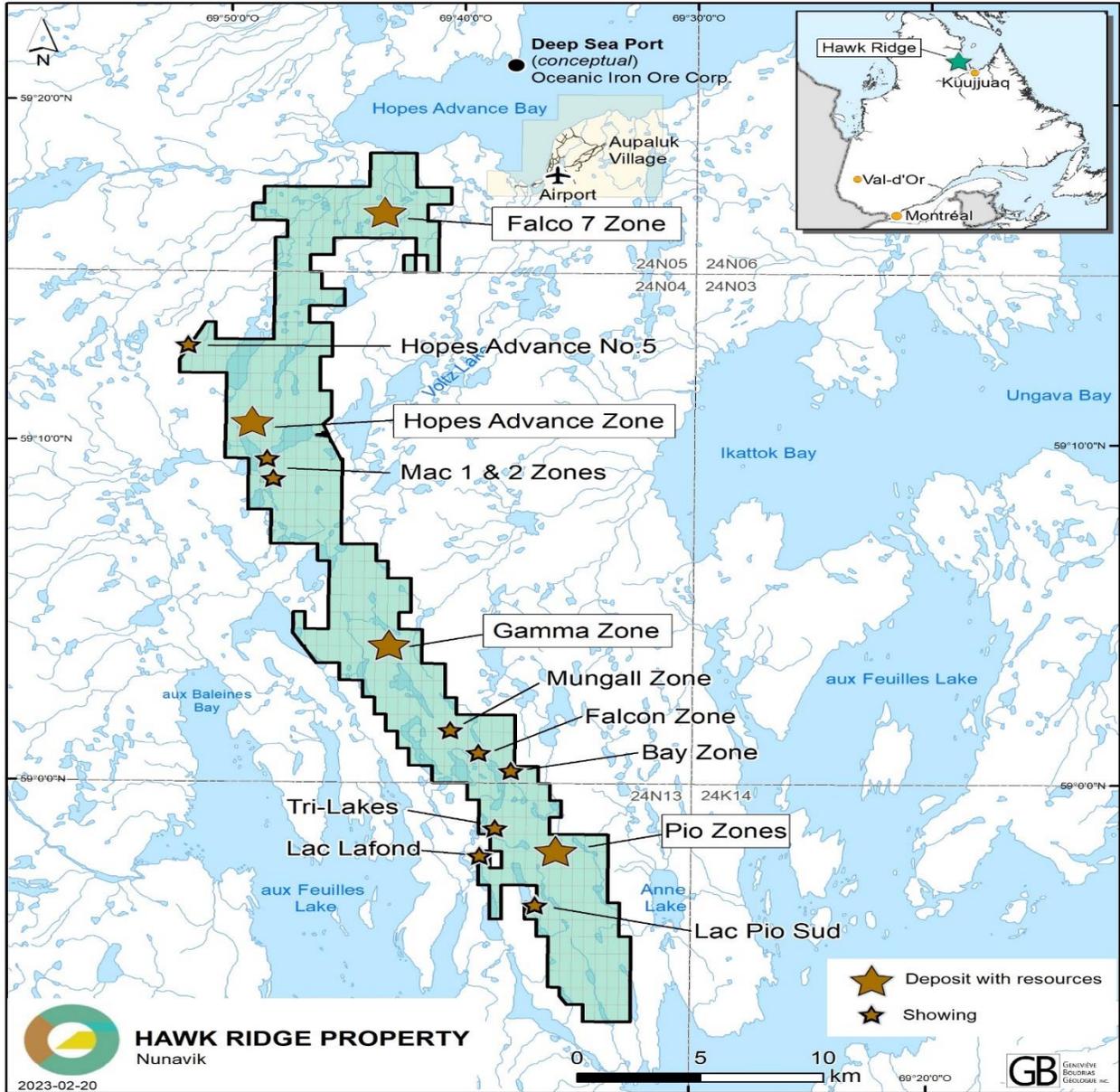
The Corporation announced on August 13, 2024 that it had entered into a letter of intent (the “LOI”) with Nickel North Exploration for the option of the Hawk Ridge project in Nunavik, Northern Quebec. Hawk Ridge is a copper-nickel sulphide and platinum group metals project with an existing historical 43-101 (July 5, 2022) inferred resource already in place, reporting:

- 34.66M tonnes inferred mineral resource
- 0.22% Nickel
- 0.56% Copper
- 0.013% Cobalt
- 0.19 g/t Lead
- 0.05% Platinum
-

Hawk Ridge is a 179 square kilometer land package comprised of multiple high-grade exploration targets along a highly prospective 50-kilometer defined trend in the Circum Superior nickel belt, which boasts some of the largest nickel-copper mines in North America, including the Thompson District in Manitoba, the Raglan District in northern Quebec and Voisey’s Bay in Labrador.

Hawk Ridge has the potential to become a district scale polymetallic deposit located adjacent to tide water in Ungava Bay.

Hawk Ridge



After the reporting period, 1844 signed a definitive agreement with Nicke North Exploration in December of 2024, with a view to financing and completing the initial exploration program at Hawk Ridge in the beginning of calendar 2025.

In accordance with the LOI, the definitive agreement will include the following option terms:

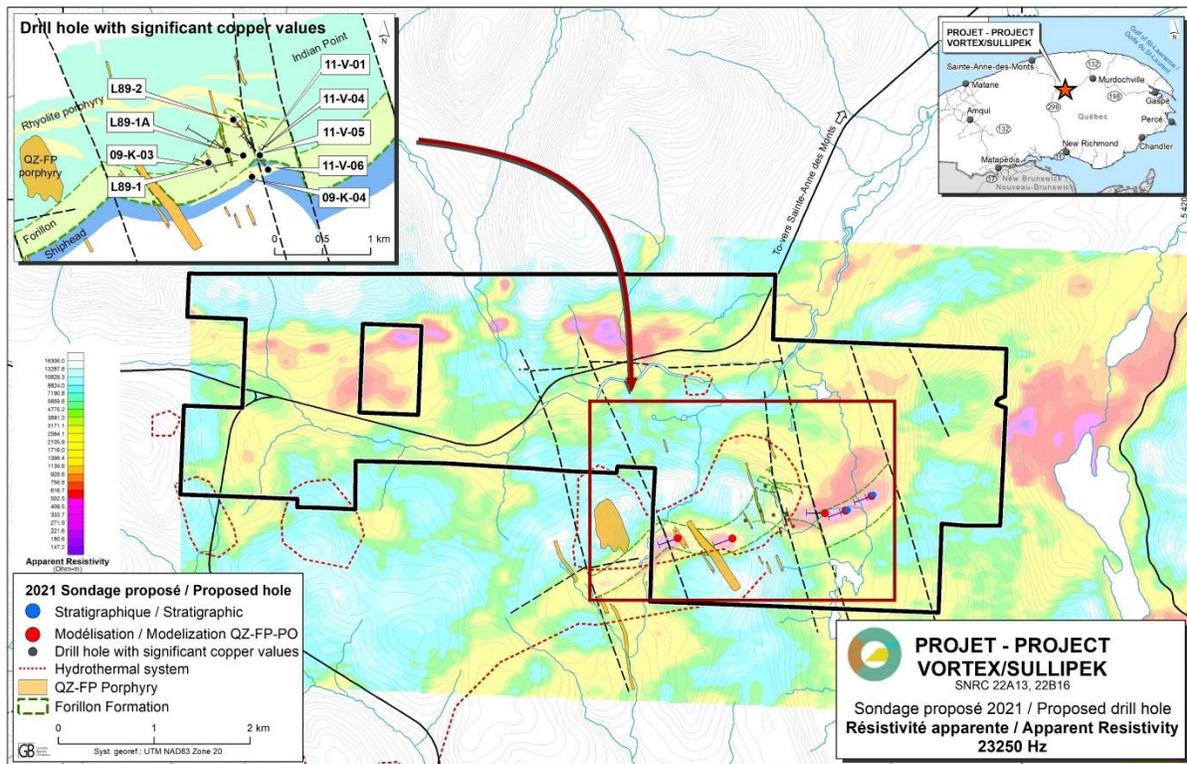
Option 1	Cash	Shares issued	Exploration (\$)	% Earned
On signing	\$12,000	-	-	-
TSXV approval	\$200,000	5,000,000	-	10%
1 st anniversary	\$250,000	3,000,000	\$500,000	20%
2 nd anniversary	\$250,000	3,000,000	\$1,000,000	30%
3 rd anniversary	\$250,000	3,000,000	\$1,500,000	40%
4 th anniversary	\$250,000	3,000,000	\$1,500,000	60%
5 th anniversary	\$300,000	4,000,000	\$1,500,000	80%
Total	\$1,512,000	21,000,000	\$6,000,000	80%

Option 2 Acquire the remaining 20% for a one-time payment of \$2,000,000

This option agreement is subject to a number of approvals including, but not limited to, 1844 shareholder approval, Nickel North Exploration shareholder approval and TSX Venture approval. The Corporation will report all updates on this transaction, as they occur.

In addition to the Hawk Ridge acquisition, the Corporation continues to advance its flagship property on the Gaspé Peninsula. 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.

Vortex



Located 25km to the west of the historic Murdochville Mine, which was once the largest copper mine in North America, the property boundary of the Vortex project adjoins the greater Murdochville land package, currently owned jointly by Glencore and Soquem and has been the site of multiple drill programs over the past 15 years.

The Company completed ~4,700 meters of drilling on the Vortex project since 2009 with positive results, including the discovery from 2012 which reported 0.94% Cu over a 29-meter drill intercept. In 2017, the Company completed a National Instrument 43-101 Compliant resource estimate for the Vortex project showing 2.24 million tonnes grading 1.09% copper. When combined with the Glencore/Soquem portion of the property, the resource increases to 5.5 million tonnes grading 0.88% copper.

1844 has a 3,000-meter drill program fully planned at Vortex and awaiting approval and execution.

Selected Financial Information

For the periods ended	October 31, 2024	April 30, 2024	April 30, 2023
Cash	\$ 18,105	\$ 189,192	\$ 66,597
Exploration and evaluation assets	\$ 640,226	\$ 640,226	\$ 734,599
Total assets	\$ 1,182,700	\$ 1,358,166	\$ 1,371,360
Total liabilities	\$ 932,351	\$ 884,516	\$ 455,661
Shareholders' equity	\$ 250,349	\$ 473,650	\$ 915,699
Total operating expenses	\$ 223,301	\$ 676,120	\$ 693,131
Other income on settlement of flow-through premium liability	\$ -	\$ 44,206	\$ 95,794
Impairment of account receivable	\$ -	\$ -	\$ 12,745
Impairment of exploration and evaluation asset	\$ -	\$ 147,752	\$ -
Loss on disposal of exploration and evaluation asset	\$ -	\$ -	\$ 119,254
Income tax expense (recovery)	\$ -	\$ -	\$ -
Net loss	\$ 223,301	\$ 779,666	\$ 729,336
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, 2024	July 31, 2024	April 30, 2024	January 31, 2024
Total operating expenses	\$121,708	\$101,593	\$243,330	\$148,992
Net income (loss) for the period	\$121,708	\$101,593	\$391,082	\$138,500
Loss per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	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

Three month period ended October 31, 2024 and 2023:

For the three months ended October 31, 2024, the Corporation recorded a net loss of \$121,708 (\$0.00 per share), compared to loss of \$131,179 (\$0.00 per share) in the three months ended October 31, 2023. The primary difference between the two periods is an decrease in professional fees, general administration, property investigation costs and transfer agent fees slightly offset by a decrease in other income.

General and administrative expenses in the first quarter were \$26,342 compared to \$34,031, which is the result of the Corporation slowing business activities. Professional fees decreased to \$56,964 compared to \$60,483. The decrease relates to the preparation of a property option agreement, prospectus and other ancillary documents, which require professional services. Property investigation costs decreased to nil from \$24,203 due to the Company focusing on completing the Hawkrigde agreement, and Filing fees decreased to \$902 from 7,875, as a result of timing of annual filing and other transfer agent fees.

Six month period ended October 31, 2024 and 2023:

For the six months ended October 31, 2024, the Corporation recorded a net loss of \$223,301 (\$0.00 per share), compared to loss of \$250,084 (\$0.00 per share) in the six months ended October 31, 2023. The primary difference between the two periods is decrease in general and administration expenses, property investigation costs, share-based compensation and transfer agent fees and other income.

General and administrative expenses in the first six months ended October 31, 2024 were \$56,324 compared to \$76,294, which is the result of the Corporation slowing business activities. Property investigation costs decreased to nil from \$24,203 due to the Company focusing on completing the Hawkridge agreement, Share-based compensation decreased by \$12,200 as a result of stock option issuance in 2023 but not in 2024, and Filing fees decreased to \$3,169 from 9,532, as a result of timing of annual filing and other transfer agent fees.

Cash Flow:

Six Months Ended October 31, 2024 and 2023:

Net cash used in operating activities in the six months ended October 31, 2024 was \$167,087 compared to \$107,128 net cash generated in the six months ended October 31, 2023, an increase in cash used of \$274,215. 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, 2024 was \$4,000 and 2023 was \$nil. The increase 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 and 2024 was \$nil.

For the six months ended October 31, 2024 the Corporation had a net decrease in cash of \$171,087 compared to net increase of \$107,128 in the comparative period.

Exploration

During the period ended October 31, 2024, the Corporation incurred \$nil exploration expenditures (2024 - \$87,061).

Analysis of Acquisition and Exploration Costs

	Balance as at May 1, 2023		Additions	Impairment/ Disposals	Balance as at April 30, 2024			
Vortex	\$	26,269	\$	17,821	\$	(44,090)	\$	-
Davidson		46,781		-		(46,781)		-
Native Copper		604,668		35,558		-		640,226
Lac Crystal		56,881		-		(56,881)		-
	\$	734,599	\$	53,379	\$	(147,752)	\$	640,226
	Balance as at May 1, 2024		Additions	Impairment/ Disposals	Balance as at October 31, 2024			
Vortex	\$	-	\$	-	\$	-	\$	-
Davidson		-		-		-		-
Native Copper		640,226		-		-		640,226
Lac Crystal		-		-		-		-
	\$	640,226	\$	-	\$	-	\$	640,226

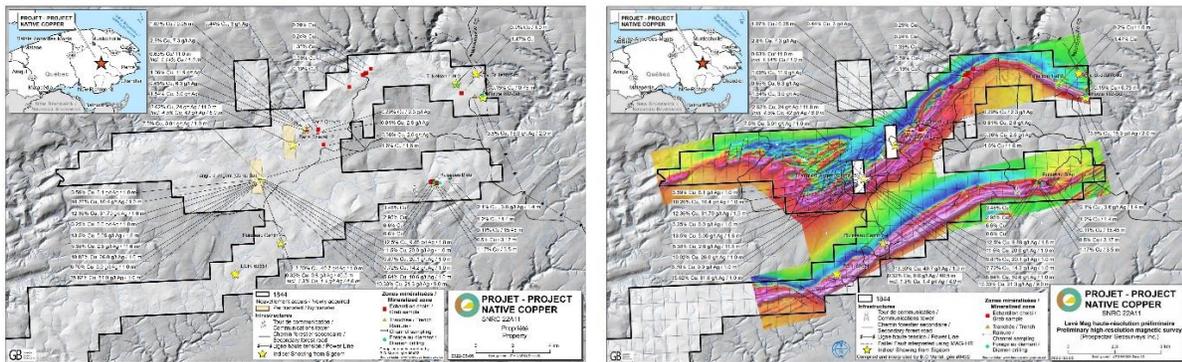
Vortex

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.

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. 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. During the year end April 30, 2024, the Corporation impaired the property value to nil, based on uncertainty regarding the approvals of the proposed drill program. The Corporation remains committed to advancing this project.

Native Copper

The Native Copper Project, situated west of the Municipality of Chandler, Quebec, is comprised of 318 claims covering over 127 square kilometers. Located within the Gaspé greenstone belt, the property lends itself to Michigan Keweenaw Peninsula mineralization model.



The Native Copper project remains a greenfield copper exploration project, which boasts a strong history of positive exploration results over relatively small-scale drilling programs and surface prospecting, remains a high priority project for the Company. The historical results include:

- 10.33% Cu and 21.3 grams/tonne Ag over 9 meters.
- 5.38% Cu and 2.8 grams/tonne Ag over 11 meters.
- 2.62% Cu and 24 grammes/tonne Ag over 6 meters.
- 0.32% Cu and 0.8 grams/tonne Ag over 40.5 meters.

Additional larger scale drill programs will be required on the Native Copper project in the coming years to ensure previous results are repeatable, and for the development of a maiden resource calculation on the project

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.

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 (received)
- 1% NSR, which the purchaser will have to right to repurchase for \$500,000

At October 31, 2024, Canadian Gold Resources Ltd. is in the process of completing their public offering. The Corporation has received the shares having a value of \$500,000. The \$119,254 loss on disposal of exploration asset on the statement of loss and comprehensive loss includes the recovery of \$12,997 mining tax credits related to the property.

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. During the year end April 30, 2024, the Corporation allowed the claims to lapse, and has written down the property to nil.

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 grassroot and mainly for base metal exploration (Copper, Zinc, Cobalt). During the year end April 30, 2024, the Corporation determined that it will allow the claims to lapse as they come due, and has written down the property to nil.

Financing

Issuance of common shares:

On November 23, 2022 the Corporation issued 10,164,000 non-flow-through common share units at a price of \$0.05 per unit for total proceeds of \$508,200. The Corporation paid cash commissions totaling \$40,565, other share issue costs totaling \$109,281, and issued 813,120 broker compensation warrants with a value of \$26,833.

On December 29, 2023 the Corporation issued 3,587,500 flow-through common shares at a price of \$0.03 per common share for total proceeds of \$107,625. Each unit consists of one flow-through common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.05 for a period of 36 months. The Corporation paid cash commissions totaling \$4,860, other share issue costs totaling \$22,983, and issued 162,000 broker compensation warrants with a value of \$1,620.

On March 27, 2024 the Corporation issued 14,117,500 non-flow-through common share units at a price of \$0.02 per unit for total proceeds of \$282,350. Each unit consists of one non-flow-through common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.05 for a period of 36 months. Share issue costs totaled \$24,840.

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, 2024		April 30, 2024	
	Options	Price	Options	Price
Outstanding and exercisable, beginning of period	5,400,000	\$ 0.09	5,000,000	\$ 0.09
Options granted	-	-	400,000	5.00
Outstanding and exercisable, end of period	5,400,000	\$ 0.09	5,400,000	\$ 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,	2024	2023
Consulting fees to officers	\$ 75,000	\$ 75,000
	\$ 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, 2024 were \$45,000 (2023 - \$45,000) expense was recorded in management fees. As at October 31, 2024 the Corporation owed \$198,961 (April 30, 2024 - \$184,542) 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, 2024 were \$30,000 (2023 - \$30,000) expense was recorded in management fees. As at October 31, 2024 the Corporation owed \$111,000 (April 31, 2024 - \$94,500) 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,	
	2024	2023	2024	2023
Investor relations	\$ 15,830	\$ 25,718	\$ 34,520	\$ 57,798
Insurance	3,750	-	7,359	2,810
Office and other expenses	6,762	8,313	14,445	15,686
	\$ 26,342	\$ 34,031	\$ 56,324	\$ 76,294

Events After The Reporting Period

As discussed above, on December 11 2024, the Corporation signed an option agreement to acquire up to 100% of the Hawk Ridge project from Nickel North Exploration Corp. (“NNX”) As consideration the Corporation would issue cash payments, share issuances and financings in phases.

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 2024 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 and investment in private company shares is measured using Level 3 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, 2024, the Corporation had a cash balance of \$18,105 to settle accounts payable and accrued liabilities of \$932,351.

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 20, 2024, the number of common shares of the Corporation outstanding or reserved for issue under convertible securities is as follows:

Common shares	Number
Outstanding	97,388,258
Issuable under warrants and broker warrants	9,827,620
Issuable under stock options	5,400,000
Total diluted common shares	112,615,878