



INFINITUM
COPPER

INFINITUM COPPER CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

This Management's Discussion and Analysis ("MD&A") of Infinitum Copper Corp. (formerly Bayshore Petroleum Corp.) ("we", "our", "us", "INFI", "Infinitum" or the "Company") has been prepared by management based on available information up to April 25, 2025, and should be read in conjunction with the audited consolidated financial statements and related notes thereto prepared by management for the year ended December 31, 2024.

Except as noted, all financial amounts are expressed in Canadian dollars. All references to "\$" and "dollars" are to Canadian dollars. Some dollar amounts are rounded to thousands ('000) for discussion purposes.

Additional information about the Company is available under the Company's profile on SEDAR at www.sedarplus.ca and the Company's website at <https://infinitumcopper.com>.

The Company's audit committee reviews the audited consolidated financial statements and the MD&A, and recommends approval to the Company's board of directors. This MD&A was approved by the board of directors on April 25, 2025.

The Company was incorporated in Alberta, Canada under the Business Corporations Act on October 16, 2003 under the name of Bayshore Petroleum Corp. ("Bayshore" or "BSH"). Bayshore changed its name to Infinitum Copper Corp. on February 18, 2022 and continued into British Columbia on February 25, 2022. The Company's registered office is located at 1100-1111 Melville Street, Vancouver, British Columbia, V6E 3V6, Canada.

Infinitum Copper Mining Corp. (formerly Infinitum Copper Corp.) ("Infinitum Copper" or "ICC") was incorporated on April 21, 2020 under the name of Arabian Shield Resources Inc. and changed its name to Infinitum Copper Corp. on March 18, 2021. The Company is domiciled in Canada under the Business Corporations Act (British Columbia). Its registered office is located at 1100-1111 Melville Street, Vancouver, British Columbia, V6E 3V6, Canada.

On February 25, 2022, the Company completed the acquisition of ICC pursuant to an amalgamation agreement dated June 25, 2021 (and amended on August 27, 2021, October 25, 2021 and February 2, 2022) (the reverse takeover, "RTO"). Concurrent with the closing of the RTO, ICC became a wholly-owned legal subsidiary of the Company.

In connection with the completion of the RTO, the Company's common shares were re-listed on the TSX Venture Exchange ("TSXV") under the new symbol "INFI", effective March 16, 2022.

The Company commenced trading on the OTCQB market on May 31, 2022 under the ticker symbol "INUMF".

During the year ended December 31, 2023, the Company completed its earn-in with Minaurum Gold Inc. ("MGG") and has an 80% interest in the La Adelita project, Sonora State, Mexico. On January 28, 2023, the Company signed an option agreement with Prismo Metals Inc. ("Prismo") for Prismo to earn into 75% of the Hot Breccia project in Arizona, USA by undertaking the original option agreement's cash payments to Walnut Mines LLC ("Walnut") and exploration obligations on the Hot Breccia project while the Company being responsible for the share issuance to Walnut only.

On April 18, 2024, the Company consolidated its common shares on the basis of two pre-consolidated common shares for one post-consolidated common share of the Company (the "Consolidation"). All references to the number of shares and per-share amounts are restated to reflect this Consolidation.

As at December 31, 2024 and the date of this MD&A, the Company had the following issued and outstanding:

	Issued and outstanding at date of the report
Common shares outstanding	49,031,508
Options	2,695,833
Deferred share units (DSUs)	1,500,000
Restricted share units (RSUs)	660,000
Warrants	11,250,000
Fully diluted common shares outstanding	65,137,341

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1. Highlights for the Quarter

1.1 Subsequent Events

On January 13, 2025, the Company appointed Steven R. McMullan to its Board of Directors and the resignation of Mahendra Naik as a director of the Company. Mr. McMullan has worldwide experience in mineral exploration and is a registered professional geoscientist (PGeo) and qualified person under National Instrument 43-101 definition.

On January 20, 2025, the Company announced that Steve Robertson resigned as chairman and as a director of the Company, and Garrick Mendham resigned as a director of the Company.

On January 27, 2025, the Company appointed Manni Buttar to its board of directors. Mr. Buttar is a chartered professional accountant (CPA, CA) with a Master degree in accounting and finance from the University of Waterloo, Ontario (Canada). He currently works at SCP Resource Finance LP as the vice-president, business development, primarily focusing on building and further developing SCP's structured flow-through share program.

On February 10, 2025, the Company announced that Marco Roque resigned as a director of the Company.

On March 11, 2025, the Company announced the appointment of Alex Gostevskikh as the new Chief Executive Officer and director of the Company replacing Matt Hudson. Matt Hudson resigned from being the President, Chief Executive Officer, and director of the Company.

2. Business Overview

After successfully completing the RTO, the Company has become a mineral exploration company, focused on value creation through the exploration and discovery of properties containing copper and related mineralization. The Company was founded by, and continues to rely on a core group of experts to guide both property acquisition and exploration. To date, the Company has optioned two projects, La Adelita in Sonora Mexico and Hot Breccia in Arizona USA, that provide the Company with an opportunity for value creation through exploration as well as optioning to a third party.

Additional mineral projects' information and exploration activities can be found in Section 3, below and the Company's website at <https://infinitumcopper.com>.

For the year ended December 31, 2024, the Company continues to monitor its cash very closely and focuses on key objectives to improve shareholder value.

Management's overall expectations for the Company are positive, due in part to the following factors:

- The Company focuses on its objective to advance exploration of its projects with the potential for commercially exploitable deposits of base and precious metals;
- The Company's exploration team has an exceptional track record of discoveries;
- The drilling and other exploration results at La Adelita project and Hot Breccia project have been notably successful.

3. Mineral Projects and Exploration Updates

3.1 La Adelita Project

On February 16, 2024, the Company reported that it had applied for a mining permit to the environmental authority ("SEMARNAT") in Mexico following receipt of successful metallurgical test work. A Mining Impact Assessment ("MIA") was recently completed and submitted to the Secretaria de Medio Ambiente y Recursos Naturales ("SEMARNAT"). SEMARNAT is the Mexican

government department responsible for the issue of mining permits. La Adelita has seen historic artisanal mining focused around the adit on the eastern flank of the Cerro Grande anticline. As mining has traditionally taken place in the Cerro Grande area and the Company expects to access the mineralised body through the existing adit the permitting process is not expected to be overly complex. The Company also recently received the results of metallurgical tests from Servicio Geologico Mexicano ("SGM"). Approximately 20 kilograms of material with a head grade of 1.88% Cu, 1.05 g/t Au and 74 g/t Ag was delivered to SGM in Chihuahua in Late 2023. Flotation tests demonstrated that the material is amenable to standard flotation process with 77% Au recovered, 86.14% Ag and 85.21% Cu. The material has a high specific gravity of 3.485.

On July 29, 2024, the Company commenced to mobilize the equipment at the La Adelita Project. These preliminary works will provide access to the Cerro Grande adit. Once the historic adit can be accessed, a mining contractor will be engaged to drive a 100m long 3 metre x 3 metre access tunnel to the mineralised body. This access tunnel will intercept drill hole AD018 drilled in 2022. AD018 encountered 3.71% CuEq over 20.60 metres.

3.2 Hot Breccia Project

On February 9, 2024, the Company announced that the project operator, Prismo had completed the heliborne ZTEM geophysical survey undertaken at the Hot Breccia copper project in Arizona, and has identified a priority drill target. Hot Breccia is located in the heart of the prolific Arizona Copper Belt between Tucson and Phoenix (Fig. 1). The ZTEM survey identified a large conductive body at depth below the surface exposure of a large dike swarm that hosts the namesake breccias. Anomalous copper and gold assays are locally present at the surface in this area, and highgrade copper and zinc assays are present above this anomaly in historic drill holes completed by major copper producers in the 1970's and early 1980's. While all the historic drill holes intersected hydrothermal alteration within the volcanic rocks that overlie the typically better mineralized Paleozoic carbonate rocks with increasing alteration intensity downwards, no historic drilling targeted this newly identified conductive zone. The carbonate host units have several copper intercepts reported to exceed 1% copper and elevated zinc.

On March 4, 2024, the Company announced that Prismo had engagement ExploreTech Inc. from California to apply xFlare, their Artificial Intelligence (AI)-Optimized drill planning solution, at the Hot Breccia Project where a number of features suggests the potential for a well mineralized Arizona-style Copper Porphyry at depth. The xFlare AI approach is specifically designed to combine surface geology and drilling results with computationally intensive remodeling of existing geophysical datasets to optimize targeting of covered targets. The process quickly generates thousands of solutions that cluster on the best fits between the geological and geophysical data and then generates drillhole trajectories designed to cut those clusters most effectively.

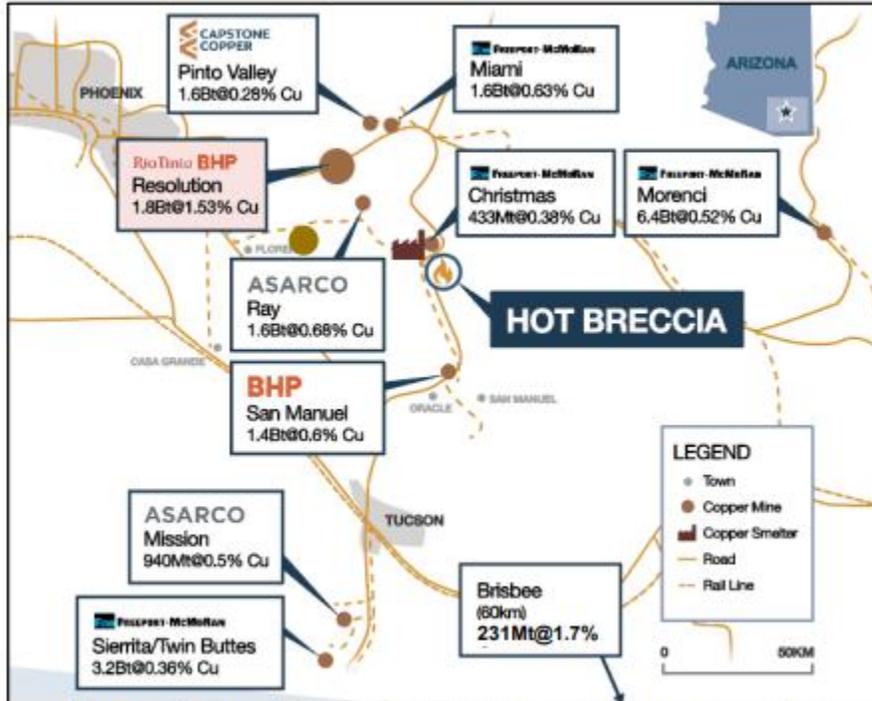


Figure 1. Location of the Hot Breccia copper project

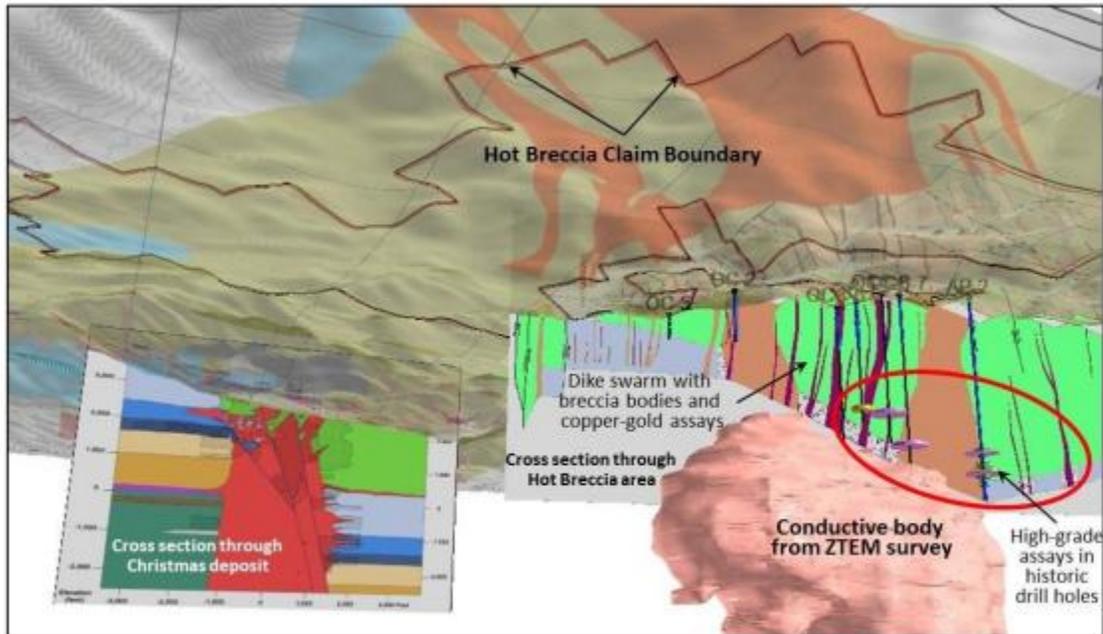


Figure 2. View of the subsurface looking northeasterly showing the conductive body from the ZTEM survey and cross sections of the Christmas deposit and the Hot Breccia area. Historic drill holes are shown with copper assays as disks within the red ellipse; the magenta color indicates > 1% Copper.

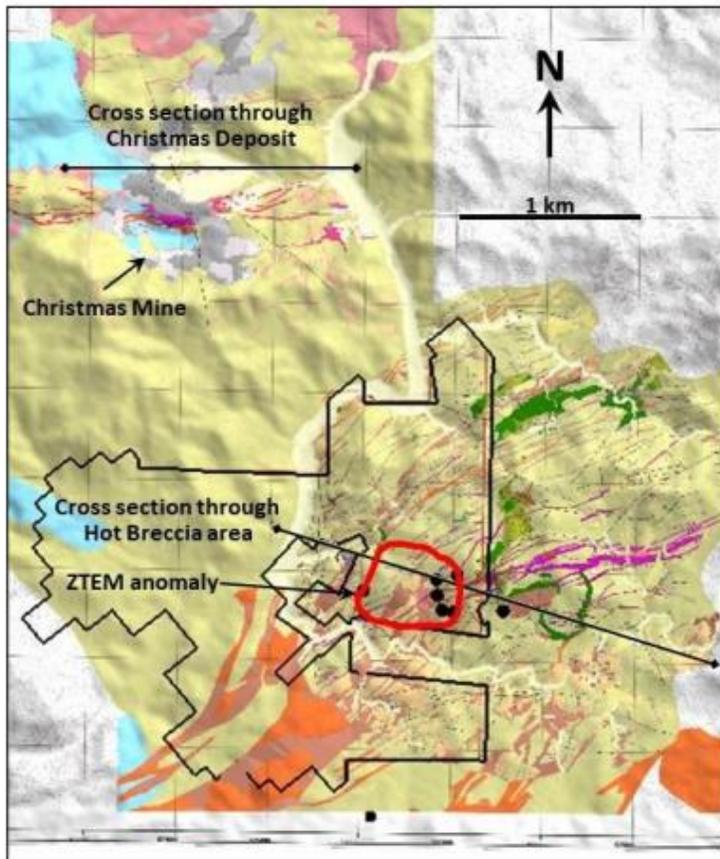


Figure 3. Plan view of the surface geology showing the hot breccia land boundary in black and the cross sections from Fig. 2. The surface projection of the conductive body shown in Fig. 2 is roughly outlined in red.

Pursuant to the Company granting an option to Prismo in January 2023, Prismo has continued to advance the project. On July 12, 2024, Prismo announced that it received permit approval from the Bureau of Land Management (“BLM”) for 10 drill pads at the Hot Breccia copper project. On September 3, 2024, Prismo announced that it updated the mineralization model for the Hot Breccia project based on important historical information acquired from a third party and on October 15, 2024, Prismo updated that its artificial intelligence study results provide support for the exploration plan at the project.

3.3 Qualified Person

Steven McMullan, P.Geo. supervised the preparation of and reviewed and approved the scientific and technical information pertaining to the mineral properties. Mr. McMullan is a qualified person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

4. Summary of Quarterly Results

The following table summarizes key financial and operating information prepared in accordance with IFRS, as applicable to a going concern in Canadian dollars for the three financial years and for the eight quarters ended December 31, 2024:

	2024	2023	2022
Total revenues	\$ -	\$ -	\$ -
Expenses	\$ 961,179	\$ 2,939,139	\$ 6,709,890
Loss for the year	\$ 969,013	\$ 2,995,100	\$ 6,709,463
Basic and diluted loss per share	\$ (0.02)	\$ (0.09)	\$ (0.16)
Total assets	\$ 3,170,092	\$ 3,286,171	\$ 3,805,534

	Three months ended			
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	\$	\$	\$	\$
Total revenues	-	-	-	-
Net loss	(222,292)	(167,742)	(227,331)	(351,666)
Total assets	3,170,092	3,258,089	3,462,023	3,250,138
Basic and diluted loss per share	(0.02)	(0.02)	(0.01)	(0.01)

	Three months ended			
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	\$	\$	\$	\$
Total revenues	-	-	-	-
Net loss	(500,126)	(1,032,387)	(880,481)	(582,106)
Total assets	3,286,171	3,507,478	3,972,185	3,623,058
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

The Company has not generated revenue yet and the Company is subject to seasonal variations in operations. Variations in quarterly performance among quarters were primarily a combined result of the amount of administration expenses paid, exploration and evaluation expenditures incurred, and share-based compensation recognized, etc.

In the view of management, the variations in financial results that occur from quarter to quarter are not useful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that have no significant revenue but incur significant exploration and evaluation expenses.

The Company funded operations utilizing cash proceeds from the equity financing.

Capital Resources

On June 6, 2024, the Company completed a non-brokered private placement by issuing 11,250,000 units ("Unit") at a price of \$0.04 per Unit for gross proceeds of \$450,000 (the "Offering"). Each Unit is comprised of one post-Consolidation common share of the Company ("Common Share") and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one post-Consolidation common share of the Company ("Warrant Share") at an exercise price of \$0.06 per Warrant Share for a period of three years expiring on June 6, 2027.

On July 22, 2024, the Company granted 975,000 options under the Company's stock option plan to its directors, officers and consultants, with each option representing the right to receive one common share of the Company. The options are exercisable at a price of \$0.08 per share for a period of five years, vesting over 36 months with the first 1/3 vested on March 15, 2024 and then 1/3 every 12

months thereafter, and are subject to the policies of the Exchange and the Company's stock option plan. The Company also granted 1,500,000 DSUs and 90,000 RSUs to its directors, officers and consultants, vesting on March 15, 2026.

On July 19, 2024, 2,590,087 warrants and 92,750 finder's warrants expired unexercised.

On August 5, 2024, 259,389 warrants expired unexercised.

On September 30, 2024, 25,000 options were cancelled and 30,000 RSUs were forfeited.

On December 31, 2024, 100,000 RSUs were forfeited.

On January 29, 2025, the Company issued 500,000 common shares pursuant to the Hot Breccia option agreement.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from warrants, finders' warrants and options, along with the planned developments within the Company might not be sufficient to carry out its activities throughout 2025. The Company would consider future equity financings if such financings are beneficial to the Company. The Company is also looking at other possibilities to monetarize its assets. If the market conditions change, the Company will make adjustment to its budgets accordingly.

Results of Operation

4.1 Operating Result Comparison for the three months ended December 31, 2024 and 2023

The Company's results of operation for the three months ended December 31, 2024 and 2023 are as follows:

	Three Months Ended December 31,		Change
	2024	2023	
	\$	\$	\$
Exploration expenses	36,777	110,294	(73,517)
Administrative expenses			
Accounting and audit	56,350	41,092	15,258
Consulting	-	110,006	(110,006)
Foreign exchange loss (gain)	296	(187)	483
Investor relations and travel	6,697	11,099	(4,402)
Legal	27,264	5,444	21,820
Listing, filing and regulatory	5,437	9,889	(4,452)
Management fees	81,000	81,000	-
Office and general expense	6,726	10,009	(3,283)
Share-based compensation	1,744	122,710	(120,966)
	185,514	391,062	(205,548)
Other items			
Unrealized (loss) on marketable securities	-	2,012	(2,012)
(Loss) on sale of marketable securities	-	(782)	782
Net loss for the period	(222,292)	(500,126)	(277,835)

During the three months ended December 31, 2024 compared to the prior year same period, the Company's exploration expenses decreased by \$73,517 (2024 - exploration expense of \$36,777; 2023 - exploration expense of \$110,294) as the Company was planning the next phase of exploration program on the La Adelita project during 2024 compared to having an exploration program during 2023. The recovery was due to a reversal of an accrual done in 2023.

Excluding the share-based compensation and foreign exchange, the general and administrative expenses decreased by \$85,065 (2024 - \$183,474; 2023 - \$268,539) as a result of decreases in consulting and investor relations as the Company is preserving cash.

The non-cash share-based compensation ("SBC") fluctuates from period to period depending on the timing and fair value of stock options, DSUs and RSUs vested in each period. During the quarter ended December 31, 2024, there was an aggregate total of \$1,744 (2023 - \$122,710) deemed fair value assigned to DSUs, RSUs and options.

The loss for the current quarter is \$222,292 (loss per share of \$0.00) compared to prior year same period of \$500,126 (loss per share of \$0.01).

4.2 Operating Result Comparison for the years ended December 31, 2024 and 2023

The Company's results of operation for the years ended December 31, 2024 and 2023 are as follows:

	Years Ended December 31,		Change
	2024	2023	
	\$	\$	\$
Exploration expenses	95,284	1,324,720	(1,229,436)
Administrative expenses			
Accounting and audit	111,910	96,037	15,873
Consulting	60,678	320,694	(260,016)
Foreign exchange loss (gain)	588	2,188	(1,600)
Investor relations and travel	29,517	138,892	(109,375)
Legal	38,729	46,206	(7,477)
Listing, filing and regulatory	48,000	48,219	(219)
Management fees	324,000	343,125	(19,125)
Office and general expense	38,619	98,308	(59,689)
Interest expenses	486	-	
Share-based compensation	213,368	520,750	(307,382)
	865,895	1,614,419	(749,010)
Other items			
Unrealized (loss) on marketable securities	-	(9,716)	9,716
(Loss) on sale of marketable securities	(433)	(114,333)	113,900
Gain on option agreement	-	66,946	(66,946)
(Loss) from dispute settlement	(7,500)	-	(7,500)
Interest income	81	1,142	(1,061)
Net loss for the year	(969,031)	(2,995,100)	(2,026,555)

During the year ended December 31, 2024 compared to the prior year, the Company's exploration expenses decreased by \$1,229,436 (2024 - \$95,284; 2023 - \$1,324,720) as the Company was planning the next phase of exploration program on the La Adelita project during 2024 and slowed down its exploration work during the current period compared to having an exploration program during 2023.

Excluding the share-based compensation and foreign exchange, the general and administrative expenses decreased by \$439,542 (2024 - \$651,939; 2023 - \$1,091,481) as a result of decreases in consulting, investor relations and office and general expenses as well as the Company is preserving cash.

During the year ended December 31, 2024, there was an aggregate total of \$213,368 (2023 - \$520,750) deemed fair value assigned to DSUs, RSUs and options.

During the year ended December 31, 2024, the Company sold 34,700 Prismo shares (2023 - sold 388,300 Prismo shares) and recognized a loss on sale of marketable securities of \$433 (2023 - \$114,333).

During the year ended December 31, 2024, the Company also incurred loss of \$7,500 (2023 - \$nil) on a settlement of a dispute.

The loss for the current year is \$969,031 (loss per share of \$0.02) compared to prior year of \$2,995,100 (loss per share of \$0.09).

5. Liquidity and Capital Resources

5.1 Cash Flows

The Company has funded its working capital requirements from financing through the sale of equity. A summary of the Company's cash activities for the year ended December 31, 2024 and 2023 is as follows:

For Years Ended December 31,	2024	2023
	\$	\$
Operating activities	(472,052)	(1,993,142)
Investing activities	136,608	287,219
Financing activities	440,518	1,561,929

Operating activities

During the year ended December 31, 2024 and 2023, there was no revenue generated from operations. During the year ended December 31, 2024, cash used in the operating activities included \$95,284 exploration expenses (2023 - \$1,324,720) and its other general and administrative expenses as discussed in section 5.1 Operating Result Comparison for the year ended December 31, 2024 and 2023 above.

Investing activities

During the year ended December 31, 2024, net proceeds from the sale of marketable securities of \$4,599, and increase in VAT receivable of \$132,009 on exploration expenses in Mexico.

Financing activities

During the year ended December 31, 2024, the Company received \$440,518 net proceeds from the issuance of common shares in the private placement closed in April 2024.

5.2 Capital Resources and Liquidity Risk

A summary of the Company's working capital and its accumulated deficit is as follows:

	2024	2023
	\$	\$
Working capital deficiency	(753,347)	(601,354)
Deficit	(11,921,796)	(10,952,765)

As of December 31, 2024, the Company had working capital deficit of \$753,347 (December 31, 2023 \$601,354) and cash of \$130,789 (December 31, 2023 - \$26,284). The Company has not generated revenue yet and has no operations that generate cash flows. The Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years and is largely based on factors that may be beyond the control of the Company's management.

The Company currently relies on cash on hand and equity financing for its working capital requirements to fund exploration and administrative activities. For the foreseeable future, the Company will continue relying on the issuance of share capital to fund its operations and the ability of the Company to continue as a going concern will depend on its ability to raise additional capital to meet all obligations.

The ability of the Company to raise sufficient funds is uncertain. There is no assurance that the Company will be able to access equity funding at times and in the amounts required to fund the Company's activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funds going forward.

6. Related Party Transactions

(a) Key management compensation

Key management includes the Company's directors and senior management. During the year ended December 31, 2024 and 2023, the following compensation and benefit were paid to or accrued for the key management personnel and entities over which they have control or significant influence:

	Years Ended December 31, 2024			Years Ended December 31, 2023		
	Cash payments or accrued compensation	Share Based Compensation ⁽⁶⁾	Total	Cash payments or accrued compensation	Share Based Compensation ⁽⁶⁾	Total
Steve Robertson ⁽¹⁾ Chairman, Director, Former Chief Executive Officer	\$ -	\$ 42,105	\$ 42,105	\$ 33,625	\$ 120,020	\$ 153,645
Melinda Hsu ⁽²⁾ Former Chief Financial Officer	\$ -	\$ 17,111	\$ 17,111	\$ 12,500	\$ 22,017	\$ 34,517
Matthew Hudson ⁽³⁾ President, Chief Executive Officer	\$ 240,000	\$ 26,527	\$ 266,527	\$ 220,000	\$ 32,944	\$ 252,944
Michael Wood ⁽⁴⁾ Chief Financial Officer, Corporate Secretary, Director	\$ 84,000	\$ 19,027	\$ 103,027	\$ 77,000	\$ 37,506	\$ 114,506
Directors ⁽⁵⁾	\$ -	\$ 63,376	\$ 63,376	\$ 6,133	\$ 135,022	\$ 141,155
Total	\$ 324,000	\$ 168,146	\$ 492,146	\$ 349,258	\$ 347,509	\$ 696,767

Due to related parties (also see Note 7(b))		As at	As at
		December 31,	December 31,
Services for:		2024	2023
Aerospace Industries Pty Ltd. ⁽³⁾	Management fee	\$ 240,000	\$ 60,000
Athena Jade Ltd. ⁽⁴⁾	Management fee	104,000	28,000
Cassiar Gold Corp. ^(Note 7c)	Office shared costs	6,657	6,657
Total		\$ 350,657	\$ 94,657

- (1) Steve Robertson ceased to be the Chief Executive Officer of the Company on February 1, 2023, and was appointed as the Chairman and remained as a Director of the Company. Mr. Robertson's management fees were paid to Western Blue Sky Management Corp., a private company controlled by Mr. Robertson. As part of the termination agreement with Mr. Robertson for ceased being the Chief Executive Officer, the Company was to issue 250,000 post-Consolidation common shares (500,000 pre-Consolidation common shares) to Mr. Robertson. On April 27, 2023, the Company issued 250,000 post-Consolidation units (500,000 pre-Consolidation units) of the Company to Mr. Robertson's company as part of its private placement (Note 6(b)).
- (2) Melinda Hsu ceased to be the Chief Financial Officer of the Company on January 31, 2023. Ms. Hsu's consulting fees were paid to AMICA Resource Inc., a private company controlled by Ms. Hsu.
- (3) Matthew Hudson was appointed as the President and the Chief Executive Officer effective February 1, 2023. Mr. Hudson's management fees were paid to Aerospace Industries Pty Ltd., a private company controlled by Mr. Hudson. On March 11, 2025, Mr. Hudson resigned from being the President, Chief Executive Officer and director of the Company. On February 28, 2025, Mr. Hudson assigned the amount owing to him to an third party at arm's length to Mr. Hudson and to the Company.
- (4) Michael Wood was appointed as the Chief Financial Officer and the Corporate Secretary effective February 1, 2023. Mr. Wood's management fees were paid to Athena Jade Ltd., a private company controlled by Mr. Wood. On March 1, 2025, Mr. Wood assigned the amount owing to him to a third party at arm's length party to Mr. Wood and to the Company.
- (5) During the year ended December 31, 2024, there was \$nil of investor relation related fees (2023 – \$6,133) paid to Emerging Markets Capital, a private company related to a director and a former director.
- (6) Fair value assigned to granted options, DSUs and RSUs during the year ended December 31, 2024 and 2023.

(b) Due to former related parties

Pursuant to a prior amalgamation agreement, certain shareholders of BSH were permitted to retain loans of \$53,500 under certain terms and conditions as of December 31, 2023 and December 31, 2024.

As of December 31, 2024, there was \$350,657 (December 31, 2023 - \$94,657) due to the senior management for the remuneration and expense reimbursements.

(c) Vancouver Office

The Company, Cassiar Gold Corp. and Reyna Silver Corp. have certain directors in common. These companies have shared office space and certain office expenditures since June 1, 2022. During the year ended December 31, 2024, the Company shared \$nil (2023 - \$29,542) of rent and \$nil of internet (2023 - \$416 of office furniture and other expenses).

7. Off -Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

8. Significant Accounting Policies

The financial information presented in this MD&A has been prepared in accordance with International Accounting Standards. The Company's management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts incurred by the Company may differ from these values.

The Company's significant accounting policies, applied judgements and estimates are set out in Note 3 of the audited consolidated financial statements for the year ended December 31, 2024.

9. Financial Instruments and Risk Management

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk and liquidity risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada and Mexico; accordingly, the Company believes it is not exposed to significant credit risk.

(b) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company is not be able to meet its financial obligations as they come due. As of December 31, 2024, the Company had a cash balance of \$130,789 (December 31, 2023 - \$26,284), current liabilities of \$911,103 (December 31, 2023 - \$715,885) and working capital deficit of \$753,347 (December 31, 2023 – \$601,354). The Company is exposed to liquidity risk as of December 31, 2024.

(d) Currency risk

The Company's property interests in Mexico and USA make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and the Mexican pesos as well as the US dollar. The Company does not invest in foreign currency contracts to mitigate the risks. As of December 31, 2024, the Company has net monetary liabilities of approximately 5,399,060 in Mexican pesos and \$519 in US dollars. A 1% change in the absolute rate of exchange in Mexican pesos and US dollar, respectively, would affect its net loss by approximately \$3,700.

(e) Fair value measurement

IFRS 7 establishes financial assets and liabilities that are recognized on the balance sheet at fair value can be classified in a hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company’s marketable securities are classified as a level 1 financial instrument.

The following table sets forth the Company’s financial assets measured at fair value by level within the fair value hierarchy.

As at December 31, 2024	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	\$ -	\$ -	\$ -	-

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	\$ 5,032	\$ -	\$ -	5,032

10. Internal Controls over Financial Reporting

Internal control over financial reporting (“ICFR”) is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in these filings. Due to the inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed, they may not prevent or detect misstatements on a timely basis.

The Board of Directors approves the financial statements and MD&A and ensures that management has discharged its financial responsibilities. The Board’s review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

10.1 Changes in Internal Controls over Financial Reporting

NI 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to internal controls during the period ended December 31, 2024.

11. Forward Looking Statements

This MD&A contains certain “forward looking information” and “forward looking statements” within the meaning of applicable securities laws, which reflect management’s current expectations, assumptions, and beliefs of the Company as of the date of such information or statements. Generally, forward looking statements and information can be identified by the use of forward

looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “will” and similar expressions and statements relating to matters that are not historical facts, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation thereof.

All such forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. There are numerous known and unknown risks, uncertainties and other factors, certain of which are beyond the Company’s control, including, but not limited to: the impact of general economic conditions in Canada, the United States and the world, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities.

Forward looking statements that have been made in this MD&A including, but not limited to:

- Plans for exploration of the Company’s exploration and evaluation assets;
- Impairment of long-lived assets;
- The progress, potential and uncertainties of the Company’s exploration and evaluation assets in Mexico and the USA;
- References to future commodity prices;
- Budgets or estimates with respect to future activities;
- Estimates of how long the Company expects its working capital to last;
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties;
- The continued ability of the Company to attract and retain key management personnel;
- The material uncertainties that cast significant doubt about the appropriateness of the going concern assumption; and
- Management expectations of future activities and results.

Although the Company has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward looking statements, there may be unknown risks, uncertainties and other factors that cause events or results not to be as anticipated, estimated or intended. As such, the Company’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur.

Accordingly, readers should not place undue reliance on statements containing forward looking information. All the forward-looking information and statements contained in this document are expressly qualified, in their entirety, by this cautionary statement. The forward-looking information and statements are made as of the date of this document, and we assume no obligation to update or revise them except as required pursuant to applicable securities laws.

11.1 Environmental, Social and Governance

The Company recognizes environmental, social and governance (“ESG”) best practices as key components to responsible mineral exploration and development. The Company’s exploration programs are conducted to meet or exceed environmental regulations, while respecting the communities and environments in which we operate. The Company strives to earn its social license with local and indigenous communities by meeting with stakeholders, regulators, and

other concerned parties before, and during, exploration work to understand traditional and cultural issues important to these communities. The Company's approach is based on transparency, open communication, inclusivity, and respect, to better enable social and economic benefit for communities as well as value for investors.

12. Change in Management

On January 13, 2025, the Company announced the appointment of Mr. Steven R. McMullan to its board of directors and the resignation of Mr. Mahendra Naik as a director of the Company.

On January 20, 2025, the Company announced the resignation of Steve Robertson as Chairman and as a director and Garrick Mendham as a director of the Company.

On January 27, 2025, the Company announced the appointment of Mr. Manni Buttar to its board of directors.

On February 10, 2025, the Company announced the resignation of Marco Roque as a director of the Company.

On March 11, 2025, the Company announced the appointment of Alex Gostevskikh as Chief Executive Officer and as a director of the Company replacing Matt Hudson.