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## **Overview**

The following covers the operations of EGR Exploration Ltd. (the "Company" also referred to as "EGR") for the six months ended September 30, 2024 prepared as of November 18, 2024. This management discussion and analysis ("MD&A") should be read in conjunction with the Company's condensed consolidated interim financial statements for the six months ended September 30, 2024 and related notes.

These documents are available for viewing on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Unless otherwise indicated, all dollar amounts therein and in the following MD&A are in Canadian dollars. These condensed consolidated interim financial statements were prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

## **Forward-Looking Statements**

This MD&A contains certain statements that may be deemed "forward-looking statements". All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in the forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change beyond the procedures required under applicable securities laws.

## **Description of Business**

The Company was incorporated on March 2, 2006 in British Columbia. Its registered office and records office is Suite 2300 – 550 Burrard Street, Vancouver, BC, V6C 2B5.

The Company is in the process of acquiring and exploring resource properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company changed its name from Gambier Gold Corp. to EGR Exploration Ltd. on October 17, 2022 and listed on the TSX Venture Exchange ("TSX V" or the "Exchange") under the symbol



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"EGR".

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.

### **Major Quarterly Operating Milestones**

#### *Exploration and evaluation assets*

##### Detour West, Ontario

On August 20, 2024, the Company received approval for exclusion of select claims on the Detour West property that cover the Frenchman River watershed. In the process of communication and engagement with the Moose Cree First Nation regarding the Detour West property, it became apparent that there is significant importance to the sensitive area of the Frenchman River watershed. As such, the Company applied for the exclusion and extension on claims held within the watershed in order to help protect them. The Company will continue to apply for exclusions on the area protected from future development.

On November 1, 2024, the Company announced that it was selected to receive grant funding of up to \$200,000 under the Ontario Junior Exploration Program (OJEP) from the government of Ontario. This amount was cover up to 50% of eligible exploration costs, to a maximum of \$200,000 associated with expenditures incurred by the Company on its Detour West property. The grant will be used to fund a till and top of bedrock reverse circulation (RC) drill program to test the western extension of the Detour-Fenelon trend onto the Detour West property. EGR has drill hole fences permitted along two east-west structures interpreted from the high resolution airborne magnetic survey completed in 2023.

During the six months ended September 30, 2024, the Company incurred \$60,650 (2023 – \$425,452) in exploration expenditures due to the slowdown of exploration activities on this property. Management plans to continue exploration at Detour West and is seeking to fund further exploration through equity financing or via partnerships with other mining companies.

##### Urban Barry, Quebec

The Company incurred \$788 during the six months ended September 30, 2024 (2023 - \$18,255) on some miscellaneous geological consulting and project supervision to Harvest Gold Corp. (“Harvest Gold”), the optionee on this property as Harvest Gold earns into this property.

During the six months ended September 30, 2024, the Company also received 1,000,000 common shares with a fair value of \$45,000 from Harvest Gold as part of the earn-in payment and recognized the proceeds received as other income.



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On July 22, 2024, the Company and Harvest Gold agreed to extend the timing of the \$30,000 cash payment by paying late fees in cash. Subsequent to September 30, 2024, the Company received \$30,000 option payment plus \$5,000 late fee.

Corporate Update:

On August 20, 2024, the Company announced Owen Garfield resigned from the Company's board of directors.

**Qualified Person**

Brian Atkinson, P.Geo, is a qualified person as defined by NI 43-101 and reviewed the preparation of the scientific and technical information in this MD&A disclosure. Further information and results of exploration programs can be found on [www.sedarplus.ca](http://www.sedarplus.ca) and the Company's website. <https://egrexploration.com/>.

**Results of operations**

During the three months ended September 30, 2024:

The Company incurred a net loss of \$103,224 (loss per share of \$0.00) for the three months ended September 30, 2024, as compared to a net loss of \$335,663 (loss per share of \$0.01) for the same period in 2023.

The Company incurred exploration expenses of \$26,250 during the three months ended September 30, 2024 (2023 – \$112,452) due to exploration activities were slowing down during this quarter, while the expenses mainly incurred for the Company's exploration program on its Detour West property for the same period in 2023.

Excluding depreciation of \$99 (2023 - \$131) and share-based payments of \$nil (2023 - \$53,710), the Company's administrative expenses total to \$88,875 (2023 - \$198,394), a decrease of \$109,519, of which the significant expenditures were as follows:

- Professional fees of \$30,958; (2023 - \$75,293) as the Company incurred more legal and accounting fees in 2023 due to the preparation of various documents related to the settlement of debts; and
- Shareholder communication fees of \$7,446 (2023 - \$73,556) as the Company released news and advertised to promote the Company in the capital market in 2023.

The Company benefitted from other income to the sum of \$12,000 (2023 - \$29,024) via (a) gain on re-valuation of derivative liability of \$12,000 (2023 - \$28,500); (b) interest income of \$nil (2023 - \$524).

During the six months ended September 30, 2024:

The Company incurred a net loss of \$132,212 (loss per share of \$0.00) for the six months ended September 30, 2024, as compared to a net loss of \$752,947 (loss per share of \$0.02) for the same period in 2023.

The Company incurred exploration expenses of \$61,438 during the six months ended September 30, 2024 (2023 – \$443,707) due to exploration activities were slowing down during this period, while the



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expenses mainly incurred from the Company's exploration program on its Detour West property for the same period in 2023.

Excluding depreciation of \$198 (2023 - \$263) and share-based payments of \$nil (2023 - \$53,710), the Company's administrative expenses total to \$165,705 (2023 - \$364,781), a decrease of \$199,076, of which the significant expenditures were as follows:

- Professional fees of \$49,377 (2023 - \$131,757) as the Company incurred more legal and accounting fees in 2023 due to the preparation of various documents related to the settlement of debts; and
- Shareholder communication fees of \$18,170 (2023 - \$126,786) as the Company released news and advertised to promote the Company in the capital market in 2023.

The Company benefitted from other income to the sum of \$95,128 (2023 - \$109,514) via (a) gain on re-valuation of derivative liability of \$28,500 (2023 - \$66,000); (b) proceeds received in excess of exploration and evaluation asset costs of \$45,000 (2023 - \$nil); (c) write-off of accounts payable of \$21,628 (2023 - \$nil); (d) interest income of \$nil (2023 - \$658); and (e) flow-through share premium reversal of \$nil (2023 - \$42,856).

### **Liquidity and Capital Resources**

The Company had cash of \$67,626 at September 30, 2024, compared to \$245,647 at March 31, 2024. The Company had a working capital deficiency of \$99,653 at September 30, 2024 as compared to the working capital of \$32,362 at March 31, 2024.

The Company's cash decreased by \$178,021 as a result of all the \$178,021 used in operating activities.

On April 15, 2024, 1,777,778 warrants expired and on May 15, 2024, 129,900 agent's warrants expired.

On November 22, 2022, the Company issued an unsecured convertible note of \$150,000 with a term of two years, convertible at: (i) \$0.18 per share in year one; or (ii) the greater of market price and \$0.10 per share in year two (the "Convertible Note"). As of September 30, 2024, the Convertible Note was outstanding.

The Convertible Note was bifurcated into an embedded derivative representing the conversion option and a host liability. The derivative liability of this Convertible Note was valued at \$63,000, determined using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 3.93% and an expected volatility of 163.44%. The residual amount of \$87,000, subtracting the issuance transaction cost of \$4,000 allocated by proration, resulted in \$83,000 recognized as host liability of the Convertible Note, and will be amortized using the effective annual interest rate of 34.48%. The issuance transaction cost of \$2,997 related to the derivative liability by proration was expensed. During the six months ended September 30, 2024, the Company incurred \$ 9,694 accretion expense (six months ended September 30, 2023 - \$7,208; year-ended March 31, 2024 - \$32,238) in connection with the amortization of the host liability of this Convertible Note, resulting in Note payable – host liability of \$144,521 as of September 30, 2024 (\$125,238 as of March 31, 2024).



On September 30, 2024, the derivative liability of this Convertible Note was re-valued at \$1,500, determined using the Black-Scholes Option Pricing Model assuming an expected life of 0.15 year, expected dividend yield of 0%, a risk-free interest rate of 2.94%% and an expected volatility of 148.12%%, resulting in a gain on re-valuation of derivative liability of \$ \$28,500.

The Company's current activities have been funded to date through the issuance of common shares and obtaining loans from third parties.

The Company needs to seek additional funding for its working capital, overhead expenses and exploration expenditures for the next nine months as well as its future exploration program and operation needs. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Management expects to settle some of the current working capital deficit with shares, debt, or reductions in amounts owing based on market rates for the work completed.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions, and it may not be possible for the Company to issue shares on acceptable terms or at all.

**Related Party Transactions**

The following expenses were incurred with key management personnel of the Company and companies controlled by key management personnel. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity and include certain directors and officers. Key management compensation comprise of:

For the six months ended September 30, 2024:

	Service for	Key management compensation	TOTAL
Daniel Rodriguez <sup>(1)</sup> CEO	Management fees	\$ 60,000	\$ 60,000
Mark T. Brown <sup>(2)</sup> CFO	Professional fees	\$ 35,000	\$ 35,000

For the six months ended September 30, 2023:

	Service for	Key management compensation	Share-based payments	TOTAL
Daniel Rodriguez <sup>(1)</sup> CEO	Management fees	\$ 60,000	\$ 6,150	\$ 66,150
Mark T. Brown <sup>(2)</sup> CFO	Professional fees	\$ 64,150	\$ 6,150	\$ 70,300
Owen Garfield <sup>(3)</sup> Director	Marketing fees, recorded in shareholder communications	\$ 21,000	\$ 5,125	\$ 26,125

**EGR EXPLORATION LTD.**  
**Management Discussion & Analysis - Quarterly highlights**  
**For the six months ended September 30, 2024**



Related party balances:

Amounts included in Accounts payable: Services for:	As at September 30, 2024	As at March 31, 2024
Daniel Rodriguez <sup>(1)</sup> Management Fees	\$ 10,500	\$ -
Daniel Rodriguez <sup>(1)</sup> Expenses reimbursement	1,276	1,761
Pacific Opportunity Capital Ltd. <sup>(2)</sup> Accounting/ Financing	10,500	6,352
Mark T. Brown <sup>(2)</sup> Expenses reimbursement	21	-
<b>Total</b>	<b>\$ 22,296</b>	<b>\$ 8,113</b>

Amounts owing are unsecured, non-interest bearing and have no specific terms of repayment.

- (1) Daniel Rodriguez was appointed as the Chief Executive Officer, effective June 1, 2022. The Company signed an executive management agreement with Mr. Rodriguez where the Company must pay Mr. Rodriguez one-year's management fee of \$120,000 if the Company is substantially sold or has a change of control (more than 50% change in ownership of the Company or a sudden change in the board of directors such that 50% of the board is changed at one meeting).
- (2) Mark T. Brown was appointed as the Chief Financial Officer, effective June 1, 2022. Mr. Brown's accounting fees were incurred with Pacific Opportunity Ltd., a private company controlled by Mr. Brown.
- (3) Owen Garfield was appointed as the Director, effective June 1, 2022. Mr. Garfield's marketing fees were incurred with Navitas Surveyors Ltd., a private company controlled by Mr. Garfield.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**Commitments, Expected or Unexpected, or Uncertainties**

As of the date of this MD&A, the Company does not have any commitments, expected or unexpected, or uncertainties.

**Critical Accounting Estimates**

Critical accounting estimates used in preparing the consolidated financial statements include the estimates involved with the fair value of the convertible note—derivative liability.

The Company estimates the fair value of the convertible note-derivative liability using the Black-Scholes valuation model, which requires assumptions regarding expected volatility, estimated life, conversion price, and risk-free rates. A gain or loss on the change of fair value of the derivative liability that is subsequently measured at each reporting date using the Black-Scholes valuation model is recognized in profit or loss in the period in which it arises.

The Company's mineral properties are reviewed for impairment annually and whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If an indication of impairment exists, the mineral properties' recoverable amount is estimated.



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## **Financial Instruments and Risk Management**

In our MD&A filed on SEDAR July 9, 2024 in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors, such as Liquidity risk, Market risk and Credit risk, which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders, including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

## **Disclosure of Outstanding Share Capital**

The Company’s outstanding share capital as at the date of the MD&A is as follows:

	Issued and outstanding	
	September 30, 2024	November 18, 2024
Common shares outstanding	40,199,202	40,199,202
Options	3,435,000	3,435,000
Warrants	19,998,376	19,998,376
Fully diluted common shares outstanding	<u>63,632,578</u>	<u>63,632,578</u>

## **Directors and Officers Information**

As at the date of this MD&A, the Company’s directors and officers are as follows:

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### **Directors**

Ashley Kirwan  
Daniel Rodriguez  
David Stevenson  
David Suda

### **Officers and Position**

Daniel Rodriguez, Chief Executive Officer  
Mark T. Brown, Chief Financial Officer  
Winnie Wong, Corporate Secretary