

**THUNDERSTRUCK RESOURCES LTD.  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

**Introduction**

This management's discussion and analysis is intended to supplement the unaudited condensed consolidated interim financial statements and the financial condition and operating results of Thunderstruck Resources Ltd. (the "Company") for the nine-month period ended September 30, 2023. The discussion should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the nine months ended September 30, 2023 and audited consolidated financial statements for the year ended December 31, 2022. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and include the operating results of the Company. Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This information is current to November 29, 2023.

**Operations**

The Company's current mineral property interests are located in Fiji and the Company is satisfied that evidence of title to the properties is adequate and acceptable to prevailing Fijian standards with respect to the current stage of exploration on these properties. Although the Company is unaware of any defects in title to its properties, no guarantee can be made that none exist.

Highlights for the nine months ended September 30, 2023 and subsequent events

On March 30, 2023, the Company announced its 2023 exploration plans, which will focus on drilling at its Liwa gold/silver prospect, as well as completing a geophysical induced polarization (IP) program at its Nakoro VMS prospect.

On April 20, 2023, the Company announced the completion of the IP program at Nakoro.

On April 24, 2023, the Company completed a share consolidation on the basis of 1 new common share for 5 old common shares. No fractional shares were issued as a result of the consolidation. Fractional interests of 0.5 or greater were rounded up to the nearest whole number of common shares and fractional interests of less than 0.5 were rounded down to the nearest whole number of common shares. All share and per share information have been amended retrospectively to reflect the share consolidation.

On June 8, 2023, the Company announced an expansion to its Rama copper/gold porphyry from 800m to 2.5km by 2km, open in all directions through detailed sampling and historic data analysis.

On July 7, 2023, the Company completed a private placement of 536,666 units, at a price of \$0.15 per unit, for gross proceeds of \$80,500. Each unit consisted of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase a common share at a price of \$0.20 per share until July 7, 2026. The warrants are subject to accelerated exercise provisions such that if the closing price of the Company's common shares exceeds \$0.30 per share for a period of 10 consecutive trading days, the Company may give notice of the acceleration of the warrants' term to a period of 30 days following such notice. Finders' fees of \$1,418 were payable in connection with the private placement.

On July 26, 2023, the Company entered into a sale and purchase agreement to acquire a drill and component equipment for a total of US\$211,726. Of the purchase price, \$132,200 was recorded as a drill asset with the balance of \$147,702 recorded as drilling works to exploration and evaluation assets. Under the purchase agreement, the Company applied an exploration advance of US\$100,000, recorded an amount payable of US\$25,000 to accounts payable and accrued liabilities and issued 722,717 units ("Consideration Units"). The balance payable of US\$25,000 is due by January 26, 2024.

## Summary of Quarterly Results

The following table sets forth selected unaudited quarterly financial information for each of the last eight most recently completed financial periods:

	Three Months Ended September 30, 2023	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023	Three Months Ended December 31, 2022
	\$	\$	\$	\$
Net Loss	(143,143)	(222,231)	(223,915)	(163,485)
Loss Per Share	(0.01)	(0.01)	(0.01)	(0.01)
	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022	Three Months Ended December 31, 2021
	\$	\$	\$	\$
Net Loss	(120,994)	(183,341)	(673,420)	(282,356)
Loss Per Share	(0.00)	(0.01)	(0.03)	(0.01)

## Financial Conditions

As at September 30, 2023, the Company had current assets of \$60,723 (December 31, 2022 - \$357,730) and current liabilities of \$592,481 (December 31, 2022 - \$91,319).

Net loss for the three months ended September 30, 2023 was \$143,143 compared to \$120,994 for the three months period ended September 30, 2022. Significant variances in expenses are explained as follows:

- Advertising and promotion fees of \$1,575 (2022 - \$10,214) related to decreased expenses incurred in financial news and business promotion due to the timing of outreach programs.
- Consulting fees of \$34,000 (2022 - \$36,000) include amounts paid or accrued to the Chief Financial Officer and former Vice President of Business Development.
- Management fees of \$61,500 (2022 - \$30,000) include amounts paid or accrued to the Chief Executive Officer.
- Share-based compensation of \$29,576 (2022 - \$Nil) related to stock options granted to management and consultants in the respective periods.
- Gain on sale of vehicles of \$18,563 (2022 - \$Nil) related to the sale of vehicles.

Net loss for the nine months ended September 30, 2023 was \$589,289 compared to \$977,755 for the nine months period ended September 30, 2022. Significant variances in expenses are explained as follows:

- Advertising and promotion fees of \$5,856 (2022 - \$31,478) related to decreased expenses incurred in financial news and business promotion due to the timing of outreach programs.
- Consulting fees of \$110,869 (2022 - \$173,750) include amount paid or accrued to the Chief Financial Officer and former Vice President of Business Development.
- Management fees of \$184,500 (2022 - \$155,000) include amounts paid or accrued to the Chief Executive Officer.
- Office and miscellaneous of \$30,188 (2022 - \$40,656) consisted of ongoing and regular expenditures.
- Share-based compensation of \$45,308 (2022 - \$390,316) related to stock options granted to management and consultants in the respective periods.
- Shareholder communication of \$16,482 (2022 - \$5,435) increased as the Company attended an investors conference.
- Travel expenses of \$62,266 (2022 - \$29,979) increased due to more corporate and promotional events during the current period.
- Gain on sale of vehicles of \$18,563 (2022 - \$Nil) related to the sale of vehicles.

There has been no change in the nature or manner in which business is conducted nor in business conditions which would affect the Company's financial results.

## **Liquidity and Capital Resources**

The Company's ability to meet its obligations and its ability to finance exploration and development activities depends on its ability to generate cash flow through the issuance of common shares pursuant to private placements, the exercise of warrants and stock options. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on additional external sources of financing which may not be available on acceptable terms.

### Cash and Working Capital

As at September 30, 2023, the Company had cash of \$52,591 and a working capital deficiency of \$531,758, compared with cash of \$313,770 and working capital of \$266,411 as of the year ended December 31, 2022. Cash flows are detailed below.

### Cash Used in Operating Activities

Cash used in operating activities during the period ended September 30, 2023 was \$194,549 (2022 - \$653,949), resulting from a net loss of \$589,289 (2022 - \$977,755), including gain on sale of vehicles of \$18,563 (2022 - \$Nil), non-cash share-based compensation expense of \$45,308 (2022 - \$390,316), finance expense from vehicle leases of \$Nil (2022 - \$4,070), an unrealized foreign exchange gain of \$2,562 (2022 - \$4,311), and net of non-cash and working capital adjustments.

### Cash Used in Investing Activities

Cash used in investing activities during the period ended September 30, 2023 was \$143,141 (2022 - \$1,146,958), of which included exploration expenditures of 255,738 (2022 - \$835,526) and exploration advances and deposits of \$Nil (2022 - \$140,257). Proceeds from sale of vehicles were \$112,597 (2022 - \$Nil), offset by equipment purchases of \$Nil (2022 - \$171,175).

### Cash Generated by Financing Activities

During the period ended September 30, 2023, cash provided from financing activities was \$76,511 (2022 - \$2,495,453). The Company received \$80,500 (2022 - \$2,500,000) in proceeds from a private placement, share issuance costs totalled \$3,989 (2022 - \$25,750), \$Nil (2022 - \$63,500) from option exercises, \$Nil (2022 - \$20,000) from warrant exercises, offset by \$Nil (2022 - \$62,297) in lease payments for leased vehicles.

### Requirement of Additional Equity Financing

The Company has relied primarily on equity financings for all funds raised to date for its operations. The Company needs more funds to finance its exploration and development programs and ongoing operating costs. Until the Company starts generating profitable operations from extraction of minerals and precious metals, the Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions.

The Company works to meet its administrative overhead and property commitments going forward. There is no assurance that any future funding can be accomplished as it would be wholly dependent on the state of the capital markets for junior exploration companies. The Company does not anticipate the payment of dividends in the future.

## Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

## Proposed Transactions

At the present time, there are no proposed transactions that should be disclosed.

## Critical Accounting Estimates

A detailed summary of all the Company's significant accounting estimates is included in Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2022.

## Related Party Transactions

Key management personnel compensation:

	2023	2022
	\$	\$
Consulting fees <sup>(1)</sup>	42,624	22,023
Directors' fees	9,000	9,000
Exploration and evaluation assets - geological <sup>(2)</sup>	-	15,000
Management fees <sup>(3)</sup>	196,204	155,000
Rent <sup>(4)</sup>	28,350	28,350
Share-based compensation	9,959	137,941
<b>Total key management compensation</b>	<b>286,137</b>	<b>367,314</b>

<sup>(1)</sup> Consulting fees include fees paid to the former CFO of \$7,124 (2022 - \$22,023).

<sup>(2)</sup> Exploration and evaluation assets include geological fees paid to a former director.

<sup>(3)</sup> Management fees include fees for the CEO. \$11,704 (2022 - \$nil) was capitalized to exploration and evaluation assets.

<sup>(4)</sup> Expenses paid on behalf of the CEO per the CEO's employment and consulting agreement.

As at September 30, 2023, the Company owes various directors and officers of the Company \$212,469 (December 31, 2022 - \$3,032) for administrative expenses and professional fees provided. All amounts are included in accounts payable and accrued liabilities.

## Outstanding Share Data

The Company has one class of common shares. As at the date of this MD&A, there were 26,661,945 common shares outstanding.

The Company has a stock option plan. As at the date of this MD&A, there were 2,536,000 stock options outstanding.

The Company has 12,773,084 warrants outstanding at the date of this MD&A.

## **Financial Risk Management**

The Company's financial instruments are exposed to the following risks:

### *Credit Risk*

The Company's primary exposure to credit risk is the risk of illiquidity of cash, amounting to \$52,591 as at September 30, 2023 (December 31, 2022 - \$313,770). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, the credit risk is considered by management to be negligible. Cash is provided to Fiji on a cash call basis to maintain minimal balances.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company is working to meet its capital requirements to satisfy its obligations. Liquidity will be managed through additional financing through debt and/or equity as available.

### *Foreign Exchange Risk*

The Company's has engaged a number of vendors in the pursuit of mineral exploration activities in Fiji. As such, the Company is exposed to some foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar and Fijian dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. The Company may reduce its foreign currency risk as needed by substituting Canadian vendors as required. Foreign currency risk is considered low relative to the overall financial operating plan.

### *Interest Rate Risk*

The Company has been exposed to interest rate risk on its cash. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases. As at September 30, 2023, the Company maintained all of its cash balance on deposit in chequing accounts with a major Canadian bank and a major Fijian bank.

### *Fair Value of Financial Instruments*

The Company's cash, amounts receivable, exploration advances, accounts payable and accrued liabilities are carried at amortized cost and approximate fair value due to their short-term nature.

## **Risk and Uncertainties**

Risks of the Company's business include the following:

### ***Mining Industry***

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

### ***Government Regulation***

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

### ***Permits and Licenses***

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

### ***Environmental Risks and Hazards***

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability.

Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial

actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.

### ***Commodity Prices***

The profitability of mining operations is significantly affected by changes in the market price of copper, gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of copper, gold and other minerals has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable. Depending on the price of copper, gold and other minerals, cash flow from mining operations may not be sufficient. Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of copper, gold and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

### ***Land Title***

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

### ***Conflicts of Interest***

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Additional information relating to the Company is available on [sedarplus.ca](http://sedarplus.ca).