



# **ARANJIN RESOURCES**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024**

The following Management’s Discussion & Analysis (“MD&A”) of Aranjin Resources Ltd. (the “Company” or “Aranjin”) for the three and nine months ended September 30, 2024 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last management’s discussion & analysis, being the Management’s Discussion & Analysis (“June 2024 MD&A”) for the period ended June 30, 2024. This MD&A does not provide a general update to the June 2024 MD&A, or reflect any non-material events since the date of the June 2024 MD&A.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the December 31, 2023 MD&A, consolidated financial statements of the Company for the year ended December 31, 2023 together with the notes thereto, and unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2024, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company’s unaudited condensed interim consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee (“IFRIC”). The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of November 25, 2024, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the “Board”), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Aranjin common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from [www.sedarplus.ca](http://www.sedarplus.ca).

**Caution Regarding Forward-Looking Statements**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company’s current expectations; the Company will be able to obtain funding when required.	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being favourable for funding resulting in the Company not being able to obtain financing when required or on acceptable terms.

The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the three and nine months ended September 30, 2024, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel; government regulations will change in a negative manner towards exploration activities for junior mining companies.
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Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

### **Description of Business**

The Company was incorporated on November 14, 2012, under the Business Corporations Act (British Columbia).

The records and registered office of the Company are located at Suite 202, 2438 Marine Drive, West Vancouver, British Columbia, V7V 1L1, Canada. The Company has five direct subsidiaries; FSD Holdings Limited (incorporated in the British Virgin Islands), FSD Brazil Limited (incorporated in the British Virgin Islands), Aranjin Resources LLC (incorporated in Mongolia), 1030301 BC Ltd (incorporated in Canada) and Diamond Blockchain Limited (incorporated in Canada).

The Company's common shares trade on the TSX-V under the symbol "ARJN".

The Company is engaged in the exploration and development of mineral properties in Mongolia and Australia.

### **Corporate Highlights**

During the three and nine months ended September 30, 2024 and as at the date of this MD&A, the following corporate activities had occurred.

### **Share Consolidation**

On June 17, 2024, the Company completed a consolidation of its common shares ("share consolidation") on the basis of one post-consolidation common share for every ten pre-consolidation common shares held (40-to-1). All references contained herein to issued and outstanding common shares, warrants, per share amounts, and exercise prices, have been retrospectively restated to reflect the effect of the share consolidations.

## **Exploration update**

The Victory Discovery is one of approximately 25 nickel copper geochemical discoveries on the Baavhai Uul Exploration Licence associated with ultramafic and mafic intrusives (differentiated mafic sills) and is only the first to be followed up by 50m x 50m grid spaced shallow auger geochemical drilling. This type of mineralization and host lithology hosts many known deposits in northern China including the giant Jinchuan Deposit.

On January 10, 2024, the Company completed analysis of auger geochemical and ground geophysical data across the Victory intrusive at the Victory Nickel Copper Discovery in Mongolia. This has highlighted numerous targets for further exploration. The Company has currently planned a program of eight 200m deep diamond core drill holes for a total of 1,600m planned to target priority nickel copper geochemical and IP anomalies at Victory.

### **Highlights**

- A very strong correlation in auger geochemistry where nickel and copper are separately both above 100ppm and are situated directly on a defined ground magnetic low in the center of the Victory intrusive. This has defined a clear high priority drill target for the Company.
- Drill target area is approximately 400m x 400m and is circular in shape.
- A total of six 200m deep diamond core drill holes have been planned to test the target across two east west drill traverses with three drill holes per line.
- A further two 200m drill holes will test IP chargeable anomalies with overlying anomalous nickel copper auger geochemistry.
- Drilling is set to commence on completion of the dual listing on the ASX
- Additional auger geochemistry has been planned across the Victory gabbro intrusive and elsewhere on the Victory license where multiple other nickel copper targets have been identified by the Company.

At Bayan Undur, the Company has planned a single drill hole on an interpreted porphyry copper target in the southeast of the license area that has never been drilled. The target is in the centre of a large area of alteration classical to the porphyry copper style and the drill hole is testing an induced polarisation geophysical anomaly.

## **Board/Key Management Personnel Changes and ASX dual listing plans**

On July 3, 2024, the Company announced plans to pursue a dual listing on the ASX and concurrently announced a change in Chief Financial Officer. Jeremy South, Chief Financial Officer since 2018, has stepped down from the role and the role has been assumed by Joe Graziano. Based in Perth, Western Australia, Joe has over 35 years' experience providing financial and strategic advice to small cap unlisted and listed public companies and privately owned businesses in Western Australia's resource industries.

On March 22, 2024, the Company appointed David Wheeler to the Board as non-executive Director. Mr. Wheeler is a founding Director and Partner of Pathways Corporate Advisory firm, that undertakes assignments on behalf of family offices, private clients, and ASX listed companies. Mr. Wheeler has more than 30 years of Senior Executive Management, Directorships, and Corporate Advisory experience. He has engaged in business projects in the USA, United Kingdom, Europe, New Zealand, China, Malaysia, Singapore and the Middle East. He has been a fellow of the Australian Institute of Company Directors (FAICD) since 1990.

On November 1, 2024 the Company announced that plans to dual list shares on the ASX have been placed on hold until further notice. The Company further announced that Joe Graziano has resigned as CFO and corporate secretary to be replaced by Robert Payment. Robert is a CPA, CA with over 16 years of experience in Canadian capital markets. He has expertise in equity financings, financial reporting, and public company administration. Robert has served as Chief Financial Officer and consultant to several companies listed on both the TSX-V and CSE providing services across the natural resource, technology, and retail sectors.

## **Victory Nickel Project – Mongolia**

On October 10, 2023, the Company announced that it had formalized its 80% ownership interest in the Victory Nickel Project further to the announcement on February 1, 2022, whereby the Company set out the terms for an exploration joint venture with Lithium ION Energy Ltd (“ION”).

Following exploration work by both parties in 2022, and 2023, the parties agreed to formally separate their ownership of the Baavhai Uul project previously wholly owned by ION. The split of the Baavhai Uul license was approved by the Mineral Resource and Petroleum Authority of Mongolia on November 6, 2023. Under the Joint Venture, Aranjin will own an effective 80% interest in the Victory Nickel project and relinquish rights to the remainder of the license comprising the Baavhai Uul project.

The Company appointed a leading nickel specialist consulting firm in Australia, NEWEXCO, to assist in reviewing the work completed to date on the Victory nickel project and to plan ongoing work programs including additional electromagnetic geophysical programs and targeting of drill holes. An auger drilling program will soon commence with the intention of completing geochemical coverage across the Victory intrusive which hosts the known nickel copper geochemical anomaly. Additional follow up of over 20 additional nickel and copper targets has also been completed across the Victory license. Rock chip samples have been collected and sent for analysis. Additional auger geochemical drilling across these anomalies is currently being planned and will commence on completion of the drilling program at the main Victory discovery anomaly.

## **Australian Transaction**

On October 5, 2023, the Company entered into three separate Tenements Interests Purchase and Joint Venture Agreements (the "Tenement Agreements"), with Metals of Australia Pty Ltd. ("MoA") and also with Western Wood Capital Pty Ltd. ("WWC"), whereby the Company will acquire an 80% interest in twelve exploration licences (the "Australian Projects") and enter into unincorporated joint ventures with MoA and WWC to explore the Australian Projects, subject to the terms and conditions of the Tenement Agreements (the "Australian Transaction").

Upon transfer of the tenements interest to the Company under the Tenement Agreements, the Corporation has issued an aggregate of 1,000,000 common shares of the Company to MoA and 375,000 common shares to WWC, or to a nominee as directed by MoA and WWC, at a deemed issue price of \$0.60 per common share, and granted to MoA a 4% net smelter returns royalty in the Bangemall and Gawler projects and to WWC a 3% net smelter returns royalty in the Western Wood project. A full review of existing technical data has commenced with drilling and geophysical programs currently being planned with the intention of commencing exploration programs in summer of 2024, subject to funding.

On February 22, 2024, the Company received the final approval from TSXV to acquire 80% interest in Bangemall, Gawler and the Western Wood copper projects in Australia and issued 1,000,000 common shares of the Company to Metals of Australia Pty Ltd. and 375,000 common shares to Western Wood Capital Pty Ltd. as a consideration for completion for the Australian Transaction.

## **Summary of Australian Assets**

### *Bangemall Project - Western Australia*

The Bangemall Project is located 800km north of Perth in the Gascoyne region of Western Australia and consists of five granted exploration licenses. The Bangemall Project covers Proterozoic rocks of the Capricorn Orogen, a belt of Archean to Proterozoic rocks, 1,000km wide and 500km long, between the Pilbara and Yilgarn Cratons. The tenements are underlain by sedimentary rocks of the Edmund and Collier Basins, the youngest sediments of the Capricorn Orogen, which host the Abra lead-silver deposit, Western Australia's largest sediment hosted base metal deposit.

Two exploration licences relating to Bangemall Project have been relinquished after detailed review. Further, the Company is also in the process of relinquishing another exploration license in Abra North area.

### *Gawler Project - South Australia*

The Gawler Project consists of three exploration licences in South Australia, within the Precambrian Gawler Craton which hosts major base metal deposits at Olympic Dam, Prominent Hill, and Carrapateena.

Two exploration licences are located in the Campoona area of the Eyre Peninsula, approximately 250km NW of Adelaide, within a sequence of sedimentary and meta-igneous rocks. Geological mapping of the Gawler Project area has been undertaken by the SA Geological Survey which provides a useful base map. The Campoona exploration licences subsequent to NewExco review have been relinquished.

The third Exploration Licence is located in the Mabel Creek area approximately 80km NW of Coober Pedy and 850km NNW of Adelaide. Previous exploration has shown that the area is covered by sedimentary sequences ranging from 40 to 100m deep. In 2012, AngloGold Ashanti Limited covered the area with detailed aeromagnetics identifying four high priority targets. They undertook significant ground exploration on one of the defined targets, the Coronation Bore Prospect, including ground gravity, ground magnetics, and 1,740m of diamond drilling. Three remaining untested gravity/magnetic anomalies on Mable Creek remain prospective for IOCG mineralisation.

### *Western Wood Project - New South Wales*

The Western Wood Project includes four granted exploration licences in the state of New South Wales with two licences located in the Broken Hill area and two being located in the Cobar area, both prolific mineral fields.

Exploration license 8551 covers a magnetic anomaly which is hosted in a basement of Early Palaeozoic rocks of the Thompson Orogen, which are covered by Cretaceous sediments of the Eromanga Basin. Regional water bore and stratigraphic drilling indicate depths to basement of 70m to 200m. The shape and intensity of the anomaly suggests a moderately magnetic intrusive body as the source. Cobar style base metal mineralisation is the target.

Exploration license 8552 covers a 5km long oval, NNE trending magnetic anomaly in an area of unconsolidated sand, silt and clay cover up to 100m thick. Basement geology is interpreted to be part of the Neoproterozoic to Cambrian Delamerian Orogen. The shape and intensity of the anomaly suggests a moderately magnetic intrusive body as the source.

### **Trends**

Management regularly monitors economic conditions and estimates their impact on the Company's investments and incorporates these estimates in both short-term operating and longer-term strategic decisions. During the three and nine months ended September 30, 2024, and to the date of this MD&A, equity markets in the junior resource sector, particularly the TSXV, have been extremely challenging. However, companies with good projects continue to access the capital markets to fund their operations.

### *Russian invasion of Ukraine*

Mongolia is land-locked between China and Russia and on February 24, 2022, Russia invaded Ukraine. The war between the two countries continues to evolve as military activity proceeds and sanctions on Russia remain in place. The war has affected economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption. Specifically for Mongolia, it imports all its fuel from Russia. Its financial system relies on access to certain Russian banks and financial institutions, and there has been disruption in the supply of US Dollars, certain foodstuffs as well as mining equipment. As with many other countries, Mongolia has suffered from increased energy costs, higher inflation, increased interest rates and pressure on foreign currency exchange rates.

Management of the Company closely monitors the events in Ukraine, however the degree to which it may be affected by them are largely out of management's control and depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

As discussed in previous MD&A, during 2022, the Company has been in a dispute with the Mineral Resource and Petroleum Authority of Mongolia (MRPAM) concerning the Company's Sharga licence. MRPAM identified a delay in the license renewal for 2022 and launched an inquiry into the license renewal. In the interim, the license has been suspended. A Notice of Intent to

submit a Claim to Arbitration was filed with the Government of Mongolia on May 25, 2023. There are no further updates to report on this matter.

Apart from these factors and the risk factors noted under the heading "Risk Factors" below, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

### Selected Consolidated Quarterly Information

To date, the Company has not earned any revenues from its mining properties and is in the exploration and development stage. The ability to ensure continuing operations is dependent on the discovery of economically recoverable reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development and advance to production.

The Company is providing the following selected quarterly information with respect to the Company's financial statements for the quarter ended September 30, 2024, and the seven preceding quarters. The financial statements for these periods were prepared in accordance with IFRS and interpretations of the International Financial Reporting Interpretations Committee and are expressed in Canadian dollars.

	Quarter ended			
	Sep-30 2024 (Q3)	Jun-30 2024 (Q2)	Mar-31 2024 (Q1)	Dec-31 2023 (Q4)
Net (loss)	(15,064)	(72,540)	(53,446)	(121,819)
(Loss) per share, basic	(0.0001)	(0.0002)	(0.0000)	(0.0003)
Working capital	(1,147,672)	(1,126,124)	(961,055)	(875,633)
Total assets	1,944,229	1,942,563	1,977,443	1,190,460
Shareholders' equity	753,700	772,631	842,904	56,472
Avg. number of shares outstanding	11,064,831	11,064,831	11,064,836	9,689,836

	Quarter ended			
	Sep-30 2023 (Q3)	Jun-30 2023 (Q2)	Mar-31 2023 (Q1)	Dec-31 2022 (Q4)
Net profit/(loss)	(128,989)	(364,993)	(303,551)	(4,508,240)
Profit/(Loss) per share, basic	(0.0004)	(0.0013)	(0.0011)	(0.0145)
Working capital	(654,501)	(4,793,182)	(4,371,258)	(4,083,902)
Total assets	1,286,376	846,806	757,524	830,312
Shareholders' equity	176,159	(4,044,629)	(3,742,926)	(3,436,478)
Avg. number of shares outstanding	7,305,997	6,798,071	6,798,071	6,760,759

### Financial Highlights

The following tables set forth selected unaudited condensed interim consolidated financial information of the Company as at three and nine months ended September 30, 2024 and 2023. Financial information for the year ended December 31, 2023 has been audited.

This financial information is derived from, and should be read in conjunction with, the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2024 and 2023 and the notes thereto.

Financial information presented below is prepared in accordance with accounting policies and IFRS unless otherwise stated.

**Balance sheet review**

	As at	
	September 30, 2024	December 31, 2023
	\$	\$
Total Assets	1,944,229	1,190,460
Cash	25,920	250,110
Current Liabilities	(1,190,529)	(1,133,988)
Total Liabilities	(1,190,529)	(1,133,988)
Shareholders' Equity	753,700	56,472

As at September 30, 2024, the Company's total assets were \$1,944,229 (December 31, 2023: \$1,190,460), mainly comprising of cash balance of \$25,920 (December 31, 2023: \$250,110) and deferred exploration and evaluation expenditures related to the Bayan Undur Project, Baavhai Uul Project and Australian Projects of \$1,901,372 (December 31, 2023: \$932,105).

Key movements in the balance sheet are as follows:

- The increase in assets and Shareholder's equity mainly resulted from the company's acquisition of an 80% interest in the Bangemall, Gawler and the Western Wood copper projects in Australia. The Company issued fifty five million common shares of the Company to Metals of Australia Pty Ltd. and Western Wood Capital Pty Ltd. (\$825,000) as consideration for the Australian Transaction.

**Off Balance Sheet Arrangements**

As of the date of this filing, the Company does not have any off-balance-sheet arrangements.

**Income statement review**

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$	\$	\$	\$
Net (loss)/profit	(15,064)	425,051	(141,051)	(243,492)

**Three months ended September 30, 2024 compared to three months ended September 30, 2023**

During the three months ended September 30, 2024, the Company generated a net loss of \$15,064 (three months ended September 30, 2023: \$425,051). The loss for the three months ended September 30, 2024, include the following material items:

- Accounting, audit and tax consulting fees of \$9,088 have been recorded in three months ended September 30, 2024 (three months ended September 30, 2023: 26,886).
- Financing cost has been decreased to \$Nil due to both Convertible debentures have been converted into common shares during the fiscal year 2023.
- Consultant and director fees of \$3,813 have been recorded in three months ended September 30, 2024 (three months ended September 30, 2023: \$13,385). The decrease in 2024, is related to the decision to cease accruing management fees starting from July 1, 2023. The Company has not paid any management fees in cash since June 2022. Professional consulting fees includes fees relating to management of mining tenements in the three months ended September 30, 2024.

**Nine months ended September 30, 2024 compared to nine months ended September 30, 2023**

During the nine months ended September 30, 2024, the Company incurred a net loss of \$141,051 (nine months ended September 30, 2023: \$ 243,492). The expenses for the nine months ended September 30, 2024, include the following material items:

- Public company costs of \$31,571 have been recorded in nine months ended September 30, 2024 (nine months ended September 30, 2023: \$29,761).
- Accounting, audit and tax consulting fees of \$46,623 have been recorded in three months ended September 30, 2024 (three months ended September 30, 2023: \$57,032).
- Advertising and marketing expenses of \$22,893 (nine months ended September 30, 2023: \$104,906) recorded in the nine months ended September 30, 2024.

**Cash Flow**

Net cash used in operating activities for the nine months ended September 30, 2024, was \$115,500 (nine months ended September 30, 2023: net outflow of \$418,022). Operating activities were mostly affected by payments to the suppliers.

Net cash used in investing activities during the nine months ended September 30, 2024, was \$108,690 comprising of exploration and evaluation expenses for Baavhai Uul and Australian projects (nine months ended September 30, 2023: \$(194,648)).

There are no cash flows from financing activities for the nine months ended September 30, 2024 (nine months ended September 30, 2023: \$(906,579)).

**Liquidity and Financial Position**

The activities of the Company, principally the acquisition and exploration of prospective mineral properties are financed through the completion of equity transactions such as equity offerings, loans and the exercise of warrants and stock options. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Risk Factors" below.

The Company has no operating revenues and therefore must utilize its current cash reserves, funds obtained from the issuance of share capital, exercise of warrants and stock options and other financing transactions to maintain its capacity to meet ongoing operating activities. As of September 31, 2024, the Company had 11,064,836 common shares issued and outstanding.

The current liabilities has increased marginally to \$1,190,529 as at September 30, 2024, compared to \$1,133,988 as at December 31, 2023.

The Company's cash balance of \$25,920 as at September 30, 2024 is not sufficient to pay the current liabilities. However, the Company continues to pay its debts as they fall due and in some cases relies on deferral arrangements with its creditors.

As at September 30, 2024, the Company had a working capital deficit of \$1,147,672, compared to working capital deficit of \$875,633 as at December 31, 2023, an increase in working capital deficit of \$272,039. The Company had cash and cash equivalents of \$25,920 as at September 30, 2024, compared to \$250,110 as at year ended December 31, 2023, a decrease of \$224,190. The increase in working capital deficit was mainly due to reduction in cash and equivalents and increase in liabilities for expenses incurred during the nine months ended September 30, 2024.

The Company will continue to monitor its working capital requirements closely to ensure the Company meets its commitments and continues to move forward on development. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favourable to the Company. See "Risk Factors" below and "Forward Looking Statements" above.

### **Related Party Transactions**

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

Related parties include members of the board of directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

No payments were made to any related parties during the three and nine months ended September 30, 2024.

There were outstanding balances of \$327,857 owing to the management as at September 30, 2024, compared to \$252,244 owed to the management as at year ended December 31, 2023. The Company has not paid any management fees in cash since June 2022 and ceased accrual of management fees effective June 30, 2023.

### **Outlook**

In Mongolia, the Company continues advance activities at the Victory Nickel Project which will be the main focus for the near term. The Company has identified some promising exploration targets in the Australian Assets and it plans to pursue these in 2025, subject to available financing.

It has further plans for drilling at the Bayan Undur project and this is planned for later in 2024 when funds allow.

Although there can be no assurance that additional funding will be available to the Company, management is of the opinion that the market will be favourable, and hence it may be possible to obtain additional funding for its projects. Notwithstanding, the Company is mindful that the market could fall with little or no warning. Accordingly, its plans for the near term are to recommence drilling programs at its projects once funding is secured. See "Risk Factors".

### **Risks and Uncertainties**

The exploration, development and mining of mineral resources are highly speculative in nature and are subject to significant risks. In addition to the usual risks associated with an investment in a business at an early stage of development, management and the directors of the Company believe that, in particular, the following risk factors should be considered by prospective investors. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

#### **Development Stage Company and Exploration Risks**

The Company is a junior resource company focused primarily on the acquisition, exploration and development of mineral properties located in Mongolia and Australia. The Company's properties have no established mineral reserves. There is no assurance that any of the Company's projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors. The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct,

complete and install mining and processing facilities on those properties that are actually developed.

### Commodity Markets

The price of the Company's securities, its financial results, and its access to the capital required to finance its exploration activities may in the future be adversely affected by declines in the price of precious and base metals. Precious metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors adversely affect the price of the precious and base metals that are the subject of the Company's exploration efforts, the market price of the Company's securities may decline.

### Market Fluctuation and Commercial Quantities

The market for minerals is influenced by many factors beyond the Company's control, including without limitation the supply and demand for minerals. In addition, the metals industry in general is intensely competitive and there is no assurance that, even if apparently commercial quantities and qualities of metals (such as copper) are discovered, a market will exist for their profitable sale. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure, the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, and environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital or having its mineral projects be rendered uneconomic.

### Option and Joint Venture Agreements

The Company has and may continue to enter into option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying mineral claims.

### Property Titles

The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. The Company may also experience challenges in effecting the transfer of title to certain of its mineral properties. There may be valid challenges to the title of the mineral property interests which, if successful, could impair development and/or operations.

### Financing Risks

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's properties may be dependent upon its ability to obtain financing through equity or debt, and although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could

result in the delay or indefinite postponement of further exploration and development of the Company's projects.

#### Mining Risks and Insurance

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that it may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

#### Government Regulations, Permitting and Taxation

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its activities, its various licences and permits must be obtained and kept current. There is no guarantee that the Company's licences and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licences or permits could be changed and there can be no assurances that any application to renew any existing licences will be approved. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licences that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions. Future taxation of mining operators cannot be predicted with certainty so planning must be undertaken using present conditions and best estimates of any potential future changes.

#### Health, Safety and Community Relations

The Company's operations are subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. These laws and regulations also grant the relevant authorities broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations.

The Company has made, and expects to make in the future, significant expenditure to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities near the Company's mineral properties.

#### Environmental Protection

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it more costly for the Company to remain in compliance with such laws and regulations.

#### Reliance on Key Personnel

The Company's development to date has largely depended and in the future will continue to depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of operations and financial condition. The Company has not taken out and does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

#### Competitive Industry Environment

The mining industry is highly competitive, both domestically and internationally. The Company's ability to acquire properties and develop mineral reserves in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration, of which there is a limited supply. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter competition from other mining companies in its efforts to hire experienced mining professionals. Competition could adversely affect the Company's ability to attract necessary funding or acquire suitable producing properties or prospects for mineral exploration in the future. Competition for services and equipment could result in delays if such services or equipment cannot be obtained in a timely manner due to inadequate availability and could also cause scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development, exploration or construction costs and result in project delays.

#### Global Financial Conditions

Global financial conditions may be volatile and limit access to public financing, particularly for junior mineral exploration companies, has been negatively impacted. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all.

#### Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

#### Public Company Obligations

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of non-compliance, which could have a material adverse impact on the Company's share price. The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSX Venture Exchange, and the International

Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. The Company's efforts to comply with rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities.

#### Foreign Legal and Political Matters in Mongolia

Mongolia is an emerging jurisdiction and may be subject to risks including political unrest, corruption, civil disturbances and conflicts, terrorist actions, arbitrary changes in law or policies, changes to government regulation, foreign taxation, price and currency controls, delays in obtaining or the inability to obtain necessary governmental permits, limitations on foreign ownership, limitations on the repatriation of earnings and increased financing costs.

#### Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings in Canada and Mongolia, with or without merit. While the Company is not currently involved in litigation materially impacting the Company, this may change at any time due to a change in circumstances, fact or law.

#### Cyber Security Threats

Information systems and other technologies, including those related to the Company's financial and operational management, are an integral part of the Company's business activities. Network and systems-related events, such as computer hacking, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious attacks, or any combination of the foregoing, or power outages, natural disasters, terrorist attacks or other similar events, could result in damage to the Company's property, equipment and data. These events also could result in significant expenditures to repair or replace damaged property or information systems and/or to protect them from similar events in the future. Further any security breaches, such as misappropriation, misuse, leakage, falsification or accidental releases or losses of information maintained in the Company's information technology systems, including personnel and other data, could damage its reputation and require the Company to expend significant capital and other resources to remedy any such security breach. Insurance maintained by the Company against losses resulting from such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate the Company for any disruptions to its business that may result, and the occurrence of any such events or security breaches could have a material adverse effect on the business of the Company. There can be no assurance that these events and security breaches will not occur in the future or not have an adverse effect on the business of the Company.

#### Climate Change

The Company is subject to evolving climate change legislation that may increase both compliance costs and the risks of non-compliance. New and/or future climate change legislation may affect the Company's ability to continue to operate as currently operated or planned to be operated. The Company is managing potential exposure by actively investigating energy sources and equipment that utilize less carbon input than traditional mining activities. As these technologies are available, the Company intends to be proactive in their adoption.