

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

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Dated: December 30, 2024

**OVERVIEW**

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The following management discussion and analysis (“MDA”) of the financial position of Iconic Minerals Ltd. (“Company”) and results of operations should be read in conjunction with the audited consolidated financial statements for the year ended August 31, 2024. All monetary amounts referred to herein are in Canadian dollars unless otherwise stated. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Additional information related to the Company is available for view on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca), on the Company’s website at [www.iconicmineralsltd.com](http://www.iconicmineralsltd.com), or by requesting further information from the Company’s head office in Vancouver.

**FORWARD LOOKING STATEMENTS**

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Information contained in this MDA that is not historical fact may be considered “forward looking statements”. These forward looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company’s objectives, goals or plans are forward looking statements. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors, including such variables as new information regarding recoverable reserves, changes in commodity demand and prices, legislative, environmental and other regulatory or political changes, competition in areas where the Company operates, and other factors discussed herein. Readers are cautioned not to place undue reliance on this forward looking information.

**DESCRIPTION OF BUSINESS**

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Iconic Minerals Ltd. (TSX-V: ICM) is a mineral exploration company focused on acquiring and exploring gold and lithium properties in Nevada and Canada leading to NI43-101 compliant mineral resources in the near term. Although its Canadian properties were impaired in prior fiscal years, the Company continues to investigate new Canadian properties to acquire and explore.

In September 2011 the Company entered into an earn-in agreement to acquire up to a 70% interest in a lease in the Hercules property located in Lyon County, Nevada. During fiscal 2014, the Company amended the earn-in agreement to obtain an additional 30% interest in the lease of the property (for a total of 100%). In August 2019 the Company entered into an agreement with Great Basin Resources Inc., Eclipse Gold Mining Corporation and Hercules Gold USA, a subsidiary of Eclipse, on the Hercules property. The terms of the amended underlying lease agreement are disclosed in the consolidated financial statements.

In December 2015, the Company entered into a property option agreement with a related party to acquire a 100% interest in certain Lithium claims located in Nye County, Nevada.

The Company holds highly prospective gold exploration properties in Nevada with the potential to host both Carlin-type and Round Mountain style gold/silver deposits. The Company, through option agreements, has acquired 50% interests in the New Pass and Midas South properties located in Nevada.

In October 2016, the Company entered into an option agreement to acquire a 100% interest in placer mining claims acres in the Smith Creek property located in Nevada.

In January 2018 the Company entered into an exclusive definitive licensing agreement with St-Georges Eco-Mining Corp. (“St-Georges”) to utilize its proprietary lithium extraction, purification and processing technology.

The Agreement grants the Company the exclusive right to a site license within the state Nevada, to use St-Georges’ proprietary and related technology, products, patents and future improvements for the purpose of extracting,

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

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processing and selling lithium. Pursuant to the Agreement, St-Georges has agreed to provide engineering and technical services on all licensed production sites.

In consideration for the licensing rights, the Company has agreed to issue St-Georges a total of 5,000,000 common shares in its capital stock in stages over a 36 months period, subject to performance benchmarks outlined below:

- 2,000,000 common shares upon Stage 1 Benchmark completion: which is defined by the delivery of an independent laboratory report currently commissioned by St-Georges, indicating positive viable lithium recoveries; (In July 2019, 2,000,000 common shares valued at \$234,000 were issued to St-Georges.)
- 1,500,000 shares upon Stage 2 Benchmark completion: which is defined by independent report describing results of initial pilot mining operations and the processing of a minimum of one metric ton in a simulated industrial environment; and
- 1,500,000 shares upon Stage 3 Benchmark completion: which is defined by the reception of a Preliminary Economical Assessment Report or at commercialization decision or the third-year anniversary mark of this Agreement assuming other issuance have been completed.

The Company has agreed to pay a Net Revenue Interest Royalty (NRI) of 5% on all minerals produced and sold on all production sites licensed with St-Georges' technologies. The Company is entitled to receive 20% of royalties received by SX from other operations within a specified area.

In August 2023, the Company entered into a letter of intent with a related party to acquire a 100% interest in the Grass Valley lithium property located in Lander County, Nevada.

In March 2024, the Company filed an amended NI 43-101 technical reports for the Smith Creek and Grass Valley lithium properties. Work to date indicates that both projects have high potential to host lithium brine. A drill program in 2024 will target those deeper brine zones.

## **UNITED STATES**

### **Lithium Project, Nevada**

#### **Bonnie Claire**

In December 2015, the Company entered into a property option agreement with a related party (Richard Kern, CEO) ("Vendor") to acquire a 100% interest in certain Lithium claims located in Nye County, Nevada.

The Company may earn its 100% interest in the property by: (a) reimbursing expenses not to exceed US\$20,000 for the property (paid); (b) expending initial claim filing fees and expenses estimated to be US\$76,500 (paid); and (c) expending US\$100,000 (incurred) for the first-year exploration development program, and by thereafter completing additional work requirements for the second (US\$200,000-incurred), third (US\$400,000-incurred) and fourth (US\$600,000) year totaling US\$1,200,000.

The Vendor will retain a 4.5% NSR royalty, 1.5% of which the Company shall have the right to buy back within 90 days of the property going into production for US\$2,000,000, and an additional 1.5% of which the Company shall have the right to buy back within 180 days of the property going into production for US\$4,000,000; and (b) a cash payment of US\$1,000,000 to be made by the Company to the Vendor upon the property attaining commercial production.

On November 30, 2020, the Company and its wholly owned subsidiary, Bonaventure, entered into an option agreement ("NL Option Agreement") with Nevada Lithium Corp. ("Nevada Lithium"), which provides for the earn-in by Nevada Lithium of an up to 50% interest in the Bonnie Claire lithium property and the subsequent formation of a joint venture among the Company, Bonaventure and Nevada Lithium ("NL Joint Venture").

Pursuant to the NL Option Agreement, Nevada Lithium exercised the Option in the three stages by funding US\$5,600,000 in cumulative exploration expenditures on the Bonnie Claire Property. Upon the exercise of the Option, Nevada Lithium has fully earned its option for an aggregate 50% ownership in the Bonnie Claire property.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

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**Bonnie Claire – Disposition**

On March 24, 2023, the Company and Nevada Lithium entered into a definitive arrangement agreement, whereby Nevada Lithium will acquire the remaining 50% interest in the Bonnie Claire property by way of a plan of arrangement, which was completed on July 10, 2023.

Pursuant to the completion of the arrangement, Nevada Lithium issued an aggregate of 66,912,827 common shares as consideration for the arrangement, of which 60,221,528 shares valued at \$18,969,781 were distributed to the shareholders of the Company, and 6,691,299 were received by the Company valued at \$2,107,759.

During the year ended August 31, 2023, the Company recorded a net gain on disposal of \$18,624,214 being the proceeds in excess of property carrying value and refundable reclamation bond, and Nevada Lithium also paid \$497,282 to the Company for a structuring fee.

Nevada Lithium also issued an aggregate of 4,000,000 warrants to the Company at an exercise price of \$0.20 per share for two years from the closing of the arrangement. The value of the warrants was \$882,665 and included as a gain on disposal of the Bonnie Claire property during the year ended August 31, 2023.

As at August 31, 2024, the Company recorded \$nil (2023 - \$186,192) management fee income from the Bonnie Claire property during the year ended August 31, 2024.

As of August 31, 2024, the Company recorded \$333,592 (2023 - \$335,191) receivables for a refundable reclamation bond pursuant to the disposal of Bonnie Claire.

**Smith Creek**

In October 2016, the Company entered into a lithium property option agreement with a company related via a common director (Richard Kern, CEO) to acquire a 100% interest in placer mining claims acres in Nevada. The Company has an option to acquire a 100% interest in the property by: (a) reimbursing the vendor for all documented expenses, not to exceed US\$40,000; (b) expending initial and annual claim filing fees and expenses being, US \$133,100, and (c) also expending for exploration in the first year US\$200,000 (Partially unexpended), second year US\$500,000, third year US\$500,000 and fourth year US\$1,000,000, totaling US\$2,000,000. The next claims fees of approximately US\$28,322 are due in August 2025.

In March, 2017, the company completed an interpretation of the Magneto Telluric (MT) geophysical survey. The Survey was conducted along the long axes of the valley to determine the presence and the extent of the brine. The survey identified two probable brines. There is a thin, near surface anomaly that correlates with brine drilled by the USGS in a 1989 hydrology study of the basin. The USGS did not include an analysis of lithium within this study. The Survey also identified a deeper probable brine averaging 400 meters in interpreted thickness, which dips gently to the south and extends beyond the Survey to the north. The top layer of this brine anomaly occurs 200-500 meters below the surface. There were two major interpreted faults identified also.

In June 2021, the Company initiated permitting its Smith Creek Lithium property for drilling. The Notice of Intent will permit the drilling of 5 RC holes to a depth of 122 meters. These holes are designed to test the sediments and ground waters for lithium. All proposed holes are on a mud flat devoid of vegetation which should limit environmental concerns and provide easy access.

In May 2023, the Company completed a new MT survey. The 7 lines interpreted by Fritz Geophysics, revealed a low resistivity zone roughly 1000 feet (305 meters) below surface that may indicate a brine system or salty sediments. This was the target of the MT survey, and the spatial definition of this large, low resistivity layer is now much better understood. In several MT sections, the lower resistivity target is interpreted to be at least 700 feet (213 meters) thick.

In response to the encouraging results of the MT survey, the claim block at Smith Creek increased to 818 claims, and now covers an area of roughly 26 square miles (67 square kilometers). While the new MT lines have enhanced understanding of the low resistivity zone's extents and properties, additional MT, along with other geophysical methods including active or passive seismic, are being evaluated to better define the target.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

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On November 4, 2022, the Company entered into a binding term sheet with Lithium of Nevada Pty Ltd. (“Lithium of Nevada”), to grant to Lithium of Nevada the option to earn up to a 50% interest in the Company’s Smith Creek lithium property.

In February 2023, the Company and Lithium of Nevada entered into a definitive property option agreement. Lithium of Nevada can exercise the option by making cash earn-in payments to the Company in the aggregate amount of US\$5,600,000. The earn-in payments will be used to fund work programs on the Smith Creek property during the term of the option and will be payable as follows:

- US\$1,750,000 on or before March 19, 2023 (received an aggregate amount of US\$533,333);
- US\$1,250,000 on or before May 31, 2023;
- US\$1,500,000 on or before June 30, 2023;
- US\$1,100,000 on or before September 30, 2023.

In August 2023, the option agreement was terminated when Lithium of Nevada failed to fund the first expenditure funding commitment within the time periods set out in the option agreement. During the year ended August 31, 2023, the Company recorded a gain of \$106,426 on the transaction termination.

During the year ended August 31, 2024, the Company recorded \$nil (2023 - \$28,955) management fee income from the Smith Creek property. Additionally, as at August 31, 2024, the Company recorded a reclamation bond of US\$19,209 (2023 - \$19,209).

### **Grass Valley**

On August 19, 2023, the Company signed a letter of intent with a party related by virtue of a common director to acquire 100% interest in the Grass Valley lithium property located in Lander County, Nevada from a company related to the Company by a common director. The property is subject to 3% NSR. The Company has the option to reduce the NSR to 2% for a cash payment of US\$1,000,000.

In consideration of the option, the Company will commit to exploration expenditures of US\$200,000 in 12 months.

The Grass Valley lithium property comprises 997 claims, and it is approximately 64 kilometers long and 29 kilometers wide. Geochemical sampling of sediments returned highly anomalous lithium values up to 510 ppm. An NI 43-101 technical report was completed in January 2022 on the property and approximately US\$1,086,663 has been spent to date on exploration and development of the property, which included drilling and Magneto telluric (MT) Surveys.

The next claims fees of approximately US\$14,542 are due in August 2025.

### **Hercules**

The Company is a party to an earn in agreement, subsequently amended, with a company related by virtue of a common director, on certain claims in Lyon County, Nevada.

On August 9, 2019, the Company entered into an agreement (“Hercules Option Agreement”) with Great Basin Resources Inc., Eclipse Gold Mining Corporation (“Eclipse”) and Hercules Gold USA, LLC (“HGU”), a subsidiary of Eclipse, in respect of the Hercules property.

On February 12, 2021, the Company entered into an amending agreement with Great Basin Resources Inc., Eclipse, Hercules, and Elevation Gold Mining Corporation (formerly Northern Vertex Mining Corp.) (“Elevation Gold”) to add Elevation Gold as a party to the agreement and to agree that rather than Eclipse issuing to the Company the remaining 3,000,000 option shares, Elevation Gold will issue to the Company 3,270,000 pre-consolidation common shares of Elevation Gold.

During the year ended August 31, 2023, the Company recorded the final payment under the Hercules option agreement of 181,667 shares of Elevation Gold valued at \$34,517. Shares received were recorded as a gain on disposal of the Hercules property.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

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**New Pass**

In April 2006 the Company received a mineral resource report on the New Pass property compiled by Sam S. Arentz III, P.E. of Sierra Environmental Engineers, Inc., Reno, Nevada. The report was prepared using NI 43-101 guidelines and standards and is identified as an addendum to the NI 43-101 report filed on SEDAR.

According to the Arentz report the New Pass property contains an Inferred Mineral Resource of 11.5 million tons (10.5 million tonnes) averaging 0.0226 oz/t (0.78 g/t) gold and 0.2214 oz/t (7.59 g/t) silver. This is equivalent to approximately 260,000 ounces of gold and 2.546 million ounces of silver. The shallow and largely oxidized nature of the resource indicates it may be amenable to open pit heap-leach mining methods.

On September 8, 2010, the Company filed an NI 43-101 technical report which included updated information on all of the drilling since the 2006 resource report. A Plan of Operation was granted in July, 2009 and bonded in November, 2009. In a news release dated June 11, 2013, the Company announced the results of the 11 holes exploration program completed during the period at the Company's New Pass property.

During fiscal 2016 the Company decided to concentrate its resources and efforts towards its Bonnie Claire and Hercules properties, and accordingly impaired the New Pass Property to a nominal value, but continues to hold the rights to further explore this property. The next claims fees of approximately US\$10,000 are due in August 2025.

On May 3, 2024, the Company entered into a property option agreement with Gold Basin Resources Corporation (TSXV: GXX) ("Gold Basin"), whereby Gold Basin can acquire from the Company and its wholly owned subsidiary a 50% interest in and to the New Pass gold property, which consisting of 107 unpatented mineral claims.

Pursuant to the option agreement, the Company granted to Gold Basin the exclusive option to acquire an undivided 50% right, title and interest in and to the unpatented mineral claims comprising the property, in consideration of the payment of an aggregate of \$750,000 in cash and the delivery of an aggregate of \$750,000 in common shares in the capital of Gold Basin.

**Midas South**

The Midas South (previously Squaw Creek) property is located in the Ivanhoe Mining District, four miles northwest of the Hollister Deposit and is 15 miles southeast of the Ken Snyder Deposit in the Midas Mining District. Both the Ivanhoe Mining District and the Midas Mining District lie on the northwest strike projection of the Carlin Trend and within the Northern Nevada Rift. The Midas Mining District lies at the northwest end of a line of gold deposits, which extends to the southeast to the Rain deposit, south of Carlin. The property is a joint venture with McEwen Mining Inc. (Formerly White Knight Resources Ltd.).

According to the NI 43-101 report on the property, strongly anomalous gold mineralization has been consistently intersected in drill holes over an area 3 miles long by 1 mile wide. The Company conducted a geophysics survey of the property and a 3 holes deep core drilling program. The primary target is a high-grade vein deposit like the Ken Snyder mine or the deeper part of the Ivanhoe (Hollister) mine.

During fiscal 2012 the Company decided to concentrate its resources and efforts towards its Hercules property, and accordingly impaired the Midas South Property to a nominal value, but continues to hold the rights to further explore this property. The next claims fees of approximately US\$10,000 are due in August 2025.

**Proposed Transaction**

On August 18, 2020, the Company announced a spin-out transaction. The Company will transfer its 50% interest in each of the New Pass and Midas South gold properties to a wholly-owned subsidiary of the Company, Goldnev Exploration Ltd. ("Goldnev"),

The Company intends to distribute the common shares in the capital of Goldnev to the shareholders of the Company on a pro rata basis and to apply to list the Goldnev shares on the TSX Venture Exchange ("TSX"). The number of Goldnev shares to be distributed to each shareholder of the Company under the spin-out has not yet been determined. There will be no change in the shareholdings of individual shareholders of the Company as a result of the spin-out.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

Further details of the spin-out will be announced in the near future. Shareholders of the Company are cautioned that the final details of the spin-out are still to be determined and there is no certainty that the spin-out or the listing will be completed on the terms currently proposed or at all. The spin-out and the listing are subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX and any applicable securities regulatory and authorities.

The New Pass and Midas South gold assets are not reflected in the Company's current share price and see the spin-out as a way to create additional value for the shareholders of the Company. The spin-out will allow the SpinCo to evaluate opportunities in the gold sector, while the Company retains its primary focus on its Bonnie Claire and Smith Valley Creek lithium properties.

The spin-out and the listing are subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX and any applicable securities regulatory authorities.

**CANADA**

In a prior year, the Company impaired its Canadian property, but continues to seek opportunities to acquire and explore new properties.

Richard Kern, CPG #11494 and President/CEO of the Company, is the QP responsible for the technical disclosure contained in this document.

**SELECTED ANNUAL INFORMATION**

The following table provides a brief summary of the Company's financial operations for the prior three fiscal years.

For more detailed information, refer to the Company's financial statements for the years then ended.

	Years ended August 31,	2024	2023	2022
		- \$ -	- \$ -	- \$ -
Net income (loss)		(2,279,590)	17,578,552	(1,045,592)
Basic and diluted income (loss) per share		(0.02)	0.13	(0.01)
Total assets		2,133,032	4,263,571	9,011,309
Total long-term liabilities		26,971	27,099	1,556,794
Total equity		610,665	2,872,874	1,566,187

**Year ended August 31, 2024**

The Company recorded a net loss for the year of \$2,279,590 compared to a net income of \$17,578,552 in 2023. Significant variances in costs between the two years include business development, consulting fees, interest expenses, professional fees, share-based compensation and unrealized loss on investments.

Business development decreased to \$201,142 (2023 - \$361,411), consulting fees decreased to \$107,447 (2023 - \$301,856), professional fees decreased to \$119,845 (2023 - \$440,895), interest expenses decreased to \$nil (2023 - \$34,607), and transfer agent and regulatory fees decreased to \$41,173 (2023 - \$100,837). Share-based compensation decreased to \$17,381 (2023 - \$564,193) due to granting of stock options during the prior year. Unrealized loss on investments increased to \$1,269,991 (2023 - \$114,312) as the general market changes in the investments during the year.

At year end, there was a working deficiency of \$721,816 (2023 - 1,629,206 capital). Net cash used in operations was \$222,804 (2023 - \$3,320,895), net cash used in investing activities totaled \$60,416 (2023 - \$160,150), net cash used in financing activities was \$nil (2023 - \$16,537), and \$nil (2023 - \$62,388) effect of foreign exchange on cash.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

**Year ended August 31, 2023**

The Company recorded a net income for the year of \$17,578,552 compared to a net loss of \$1,045,592 in 2022. Significant variances in costs between the two years include business development, consulting fees, interest expenses, management fees, professional fees, share-based compensation, gain on disposal of Bonnie Claire property, management fee income from administration services and structuring fees in the Bonnie Claire property, and gain on Smith Creek property termination agreement.

Business development increased to \$361,411 (2022 - \$230,948), consulting fees increased to \$301,856 (2022 - \$118,190), professional fees increased to \$440,895 (2022 - \$208,502), management fees increased to \$103,233 (2022 - \$54,550) and transfer agent and regulatory fees increased to \$100,837 (2022 - \$47,464). Share-based compensation increased to \$564,193 (2022 - \$nil) due to granting of stock options during the current year. Loss on sale of investments decreased to \$239,950 (2022 - \$303,852). Unrealized loss on investments increased to \$114,312 (2022 - \$50,437 gain) as the general market changes in the investments during the year. A gain of \$34,517 (2022 - \$118,084) on sale of Hercules property in the current year, a gain of \$18,624,214 (2022 - \$nil) on sale of Bonnie Claire property and a gain of \$106,426 (2022 - \$nil) on Smith Creek property termination agreement.

At year end, there was a working capital of \$1,629,206 (2022 - \$1,920,130 deficiency). Net cash used in operations was \$3,320,895 (2022 - \$1,701,958 provided by), net cash used in investing activities totaled \$160,150 (2022 - \$174,703), net cash used in financing activities was \$16,537 (2022 - \$316,183), and \$62,388 (2022 - \$171,640) effect of foreign exchange on cash.

**Summary of quarterly financial results:** The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for eight quarters ending August 31, 2024:

	August 31, 2024	May 31, 2024	February 29, 2024	November 30, 2023
<i>Three months ending</i>	- \$ -	- \$ -	- \$ -	- \$ -
Total assets	2,133,032	2,461,838	2,694,181	3,845,207
Exploration and evaluation assets	1,359,452	1,288,126	1,283,778	1,274,177
Working capital (deficiency)	(721,816)	(243,276)	131,014	1,304,598
Long term liabilities	26,971	27,399	27,128	27,146
Shareholders' equity	610,665	1,017,451	1,387,664	2,551,629
Net income (loss)	(373,555)	(371,889)	(1,165,905)	(368,241)
Income (loss) per share	(0.00)	(0.00)	(0.01)	(0.00)

	August 31, 2023	May 31, 2023	February 28, 2023	November 30, 2022
<i>Three months ending</i>	- \$ -	- \$ -	- \$ -	- \$ -
Total assets	4,263,571	5,427,759	6,100,951	7,245,837
Exploration and evaluation assets	1,270,767	4,765,492	4,743,173	4,730,439
Working capital deficiency	1,629,206	(2,040,681)	(2,160,808)	(2,019,219)
Long term liabilities	27,099	54,372	1,579,754	1,569,045
Shareholders' equity (deficiency)	2,872,874	2,819,967	1,152,089	1,344,783
Net income (loss)	19,866,066	(1,287,579)	(203,048)	(796,887)
Income (loss) per share	0.14	(0.01)	(0.00)	(0.01)

In the quarter ending August 31, 2024, the Company recorded an unrealized loss of \$179,494 on investments and a loss of \$18,203 on impairment of exploration and evaluation assets. In the quarter ending February 29, 2024, the Company recorded an unrealized loss of \$977,398 on investments and a loss of \$85,230 on sale of investments. In the quarter ending August 31, 2023, the Company recorded a gain of \$18,624,214 on disposal of Bonnie Claire property, a gain of \$106,426 on Smith Creek property termination agreement, and a gain of \$658,488 on debt settlements. In the quarter ending May 31, 2023, the Company's net loss increased to \$1,287,579 due to the increase in professional fees to \$724,497 for the Bonnie Claire arrangement and a loss of \$70,645 on sale of investments. In the quarter ending February 28, 2023, the Company's net loss decreased to \$203,048 due to a gain on sale of a

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

previously impaired asset recorded on the Hercules property as the Company received 181,667 shares of Elevation Gold at a fair value of \$34,517, unrealized gain of \$93,659 on the hold investments, and management fee income of \$163,120 on the administration services in Bonnie Claire and Smith Creek properties.

Total assets, working capital and shareholders' equity increased in the quarter ending August 31, 2023, as a result of the Smith Creek property termination agreement, disposal of Bonnie Claire property and debt settlements.

**In the year ended August 31, 2024 and 2023:**

The Company had a net loss of \$2,279,590 in the year compared to a net income of \$17,578,552 in the prior comparable year. Most expenses were similar in both years, with the most significant variances explained in the following table:

<i>Year ended</i>	August 31, 2024 - \$ -	August 31, 2023 - \$ -
Consulting fees	107,447	301,856
<i>The decrease in consulting fees is due to the decrease advisor and consultant services in corporate communications, and potential acquisitions in the current year;</i>		
Foreign exchange	149	63,965
<i>The change was due directly to the US dollar exchange rate changes over the comparative years applied to the outstanding US dollar accounts payable;</i>		
Interest expenses	-	34,607
<i>The Company settled the remaining undiscounted principal of \$2,000,000 long-term debt by the issuance of 11,001,100 shares of the Company in the prior year;</i>		
Professional fees	119,845	440,895
<i>The decrease in professional fees is due to the increase legal services in Bonnie Claire arrangement with Nevada Lithium, Smith Creek property agreement and Grass Valley agreement in the prior year;</i>		
Share-based compensation	17,381	564,193
<i>The decrease in share-based payment is due to the granting of stock options in the prior year, and there was a repricing in current year;</i>		
Unrealized loss on investments	1,269,991	114,312
<i>The change is due to a change in the market values in the comparative years applied to the investments;</i>		
Loss on sale of investments	216,402	239,950
<i>The Company recognized a loss of \$115 upon the sale of 15,000 shares of St-Georges, a loss of \$16,200 upon the sale of 181,667 shares of Elevation Gold, and a loss of \$200,087 upon the sale of 1,317,500 shares of Nevada Lithium in the current year. The Company recognized a gain of \$26,170 upon the sale of 250,000 shares of St-Georges, a loss of \$180,303 upon the sale of 218,000 shares of Elevation Gold, and a loss of \$85,817 upon the sale of 2,113,500 shares of Nevada Lithium in the prior year;</i>		
Other Income	-	(215,147)
<i>The Company recorded \$186,192 income from administration services in the Bonnie Claire property and \$28,955 in the Smith Creek property in the prior year;</i>		
Gain on sale of Hercules property	-	(34,517)
<i>The Company received shares of \$34,517 on the Hercules option agreement in the prior year;</i>		
Gain on disposal of Bonnie Claire property	-	(18,624,214)
<i>The Company recorded a gain of \$18,624,214 on disposal of the Bonnie Claire property in the prior year;</i>		
Gain on Smith Creek property termination agreement	-	(106,426)
<i>The Company recorded a gain of \$106,426 on the Smith Creek termination agreement in the prior year;</i>		
Structuring fees	-	(497,282)

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

*The Company received \$497,282 for a structuring fee on disposal of Bonnie Claire property in the prior year;*

Gain on debt settlements - (658,488)

*The Company issued a total of 17,263,273 shares at a fair value of \$2,157,910 to settle \$3,127,157 outstanding debt and recorded a gain of \$658,488 on the settlement in the prior year.*

**In the three months ended August 31, 2024 and 2023:**

The Company had a net loss of \$373,555 in the period compared to a net income of \$19,866,066 in the prior comparable period. Most expenses were similar in both periods, with the most significant variances explained in the following table:

<i>Three months ended</i>	August 31, 2024 - \$ -	August 31, 2023 - \$ -
Business development	48,038	206,294
<i>The decrease in business development fees is due to the decrease advisor services in business development in the current period;</i>		
Foreign exchange gain	(7,637)	(13,225)
<i>The change was due directly to the US dollar exchange rate changes over the comparative periods applied to the outstanding US dollar accounts payable;</i>		
Unrealized loss on investments	179,494	265,483
<i>The change is due to a change in the market values in the comparative periods applied to the investments;</i>		
Loss on sale of investments	64,290	85,817
<i>The Company recognized a loss of \$64,290 upon the sale of 338,500 shares of Nevada Lithium in the current period and a loss of \$85,817 upon the sale of 2,113,500 shares of Nevada Lithium in the prior period;</i>		
Impairment of exploration and evaluation assets	18,203	18,228
<i>The Company recorded impairment of exploration and evaluation assets of \$18,203 on Midas South property in the current period, and \$18,228 in the prior period;</i>		
Gain on disposal of Bonnie Claire property	-	(18,624,214)
<i>The Company recorded a gain of \$18,624,214 on disposal of the Bonnie Claire property in the prior period;</i>		
Gain on Smith Creek property termination agreement	-	(106,426)
<i>The Company recorded a gain of \$106,426 on the Smith Creek termination agreement in the prior period.</i>		

**LIQUIDITY AND CAPITAL RESOURCES**

The Company has financed its operations to date primarily through the issuance of common shares, exercise of stock options and related party advances. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

As at August 31, 2024, the Company had a working capital deficit of \$721,816 (2023 - \$1,629,206 working capital) and a cumulative deficit of \$33,733,420 (2023 - \$31,453,830). Management considers its cash-on-hand is not sufficient to fund its recommended exploration work, planned acquisition program and corporate overhead through the next twelve months. Accordingly, the Company is continuing to seek additional funds from existing shareholders and potential investors.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

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To address these issues, the Company has performed or is performing the following:

Pursuant to the Hercules Option Agreement, during the year ended August 31, 2023, the Company received 181,667 shares of Elevation Gold valued at \$34,517, and the Company recorded it as recovery to profit or loss.

Pursuant to the Bonnie Claire Option Agreement, during the year ended August 31, 2023, the Company received 6,691,299 shares of Nevada Lithium valued at \$2,107,759, and 4,000,000 warrants of Nevada Lithium valued at \$882,665.

With the farm out of the Hercules and Bonnie Claire properties the Company has brought in additional funding which will be used to develop the Smith Creek, Grass Valley and New Pass properties. The Midas South property will be further explored once this property is advanced.

On September 7, 2022, the Company granted stock options to certain eligible directors, officers and consultants to purchase a total of 8,000,000 common shares. The stock options vest immediately and are exercisable, in whole or in part, at an exercise price of \$0.11 per share on or before September 7, 2025. The grant date fair values of the options granted above were based on the following assumptions: share price at grant date of \$0.10; exercise price of \$0.11; expected life of 3 years; expected volatility of 121%; risk free interest rate of 3.57%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

On December 12, 2022, 2,500,000 common shares were cancelled due to incomplete transfer of funds for warrants exercise included as subscription receivable as at August 31, 2022.

On June 30, 2023, the Company issued 11,001,100 shares at a fair value of \$1,375,138 to settle the remaining undiscounted principal of \$2,000,000 long-term debt.

On June 30, 2023, the Company issued 6,262,173 shares at a fair value of \$782,772 to settle debts in the amount of \$1,127,157.

On November 7, 2023, the Company amended an aggregate of 8,000,000 incentive stock options previously granted on September 7, 2022 to reduce exercise price to \$0.05 per share from \$0.11.

If the Company is unable to raise sufficient funds through the above items, it is likely that these properties may be impaired or lost. Management anticipates that these issues will be resolved in this fiscal year.

The Company's future capital requirements will depend on many factors, including costs of exploration and development of the properties, cash flow from operations, costs to complete additional exploration, and competition and global market conditions. The Company's recurring operating losses and growing working capital needs will require that it obtain additional capital to operate its business.

The Company will depend on outside capital to complete the exploration and development of the resource properties. Such outside capital will include the sale of additional common shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

**RELATED PARTY TRANSACTIONS**

During the years ended August 31, 2024 and 2023, transactions with key management were as follows:

	<b>2024</b>	<b>2023</b>
	<b>- \$ -</b>	<b>- \$ -</b>
Management fees paid or accrued to the CEO <sup>(1)</sup> and CFO <sup>(2)</sup>	105,521	103,233
Fees paid or accrued to the CEO or Company under control by CEO included in exploration and evaluation assets	5,577	78,224
Consulting fees and business strategic development services paid or accrued to a company controlled by the corporate manager <sup>(5)</sup>	48,000	201,500
Consulting fees to a company controlled by director <sup>(6)</sup>	48,000	61,500
Fees paid or accrued to a company controlled by the corporate manager for office administration and accounting <sup>(5)</sup>	150,000	150,000
Fees paid or accrued to a company controlled by the corporate manager for business development <sup>(5)</sup>	180,000	180,000
Share-based compensation <sup>(1) (2) (3) (4) (5) (6)</sup>	32,192	416,092
<b>Total</b>	<b>569,290</b>	<b>1,190,549</b>

The amounts due to key management personnel as at August 31, 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
	<b>- \$ -</b>	<b>- \$ -</b>
Included in accounts payable are amounts due to the corporate manager, or MLTK Management Inc., or Simco Services Inc. or Simco Financial and Corporate Services Inc., companies controlled by the corporate manager <sup>(5)</sup>	281,641	144,183
Included in accounts payable are amounts due to Richard Kern, director, or Great Basin Resources Inc., companies related to him <sup>(1)</sup>	269,650	206,312
<b>Total</b>	<b>551,066</b>	<b>350,495</b>

**DIRECTORS AND OFFICERS**

<sup>1</sup> Richard Kern, President, Director and CEO

<sup>2</sup> Richard Barnett, CFO & Secretary

<sup>3</sup> Jurgen Wolf, Director

<sup>4</sup> Huitt Tracey, Director

<sup>5</sup> Joe DeVries, Corporate Manager

<sup>6</sup> Keturah Nathe, Director

During the year ended August 31, 2023, the Company issued 3,802,017 common shares at a fair value of \$475,252 to settle an aggregate of \$684,857 of indebtedness owed to a director and a company controlled by the director.

As at August 31, 2024, \$nil (2023 - \$18,576) was prepaid to the corporate manager, and \$nil (2023 - \$103,325) advanced to the company controlled by the corporate manager.

The remuneration of directors and other key management personnel, which include the amounts disclosed above for the years ended August 31, 2024 and 2023, were as follows:

	<b>2024</b>	<b>2023</b>
	<b>- \$ -</b>	<b>- \$ -</b>
Short-term employee benefits – management, administrative, and consulting fees <sup>(1) (2) (5) (6)</sup>	201,521	366,233
Share-based compensation <sup>(1) (2) (3) (4) (5) (6)</sup>	32,192	416,092

Management fees are charged by the CEO and the CFO for the overall management of the Company. Consulting fees are charged by the Corporate Manager to run the day to day operations as well as raising funds. Administration fees are charged as reimbursements for rent, accounting, securities administration, reception and other office services expended on behalf of the Company.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

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These transactions and the other related party transactions disclosed elsewhere in the financial statements were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

All of the above items are charged on a month-to-month basis and there are no long-term compensation agreements with any related parties.

**OTHER MATTERS**

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**Outstanding Share Data:** As at August 31, 2024, and at the current date, the Company has 147,509,051 common shares outstanding.

**Stock options:** As at August 31, 2024, and at the current date, the Company has 8,000,000 stock options outstanding.

**Warrants:** As at August 31, 2024, and at the current date, the Company has no warrants outstanding.

**Off-Balance Sheet Arrangements:** The Company has not entered into any off-balance sheet arrangements.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash, restricted cash and receivables are measured at amortized cost with subsequent impairments recognized in profit or loss and investments are classified as FVTPL.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable, accrued liabilities and

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED AUGUST 31, 2024**

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long-term liabilities (including current portion) are classified as other financial liabilities and carried on the statement of financial position at amortized cost.

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

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The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The accompanying consolidated financial statements are prepared by management in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

**RISKS**

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The Company is engaged in the exploration for and development of exploration and evaluation assets. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade, proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation asset that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The accompanying consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Any forward-looking information in the management discussion and analysis is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

## **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

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The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting (“ICFR”) or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. We have designed controls for this process and have conducted an evaluation which has identified potential weaknesses in such controls. Due to the limited number of staff, it is not feasible to attain complete segregation of incompatible duties. Weaknesses in the Company’s internal controls over financial reporting allow for a greater likelihood that a material misstatement would not be prevented or detected.

The company is not required to certify the design and evaluation of its ICFR and has not completed such an evaluation, and inherent limitations on the ability of the certifying officers to design and implement, on a cost-effective basis, ICFR for the company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## **DIRECTORS**

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Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.