



# **SAGA METALS CORP.**

## **Management's Discussion and Analysis**

*(Expressed in Canadian Dollars, unless otherwise noted)*

For the year ended July 31, 2024

## **Saga Metals Corp.**

Management Discussion and Analysis

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(Expressed in Canadian Dollars)

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

This management discussion and analysis ("MD&A") of the financial condition and results of Saga Metals Corp. (formerly Saga Lithium Corp., "SAGA" or the "Company"). The Company changed its legal entity name from Saga Lithium Corp. to Saga Metals Corp. on January 15, 2024. This MD&A is provided to assist our readers to assess our financial condition, material changes in our financial condition and our financial performance, including our liquidity and capital resources, for the year ended July 31, 2024. The information in this MD&A is current as of November 27, 2024 and should be read in conjunction with the audited annual financial statements for the year ended July 31, 2024. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

### **FORWARD-LOOKING STATEMENTS**

This discussion contains "forward-looking statements" that are not historical facts and involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

This MD&A contains forward-looking statements that reflect the Company's current expectations and projections about its future results and plans, including, but not limited to, statements around the Company's anticipated future drill targets, statements regarding perceived merit of properties, timing regarding the commencement or completion and costs of exploration programs, estimates and plans in respect of LCT readings on the Company's properties, anticipated results and expectations relating to exploration and drill results, plans and goals for the Company's properties, including the Double Mer Property, the Legacy Lithium Property, the Radar Titanium-Vanadium Property and the North Wind Iron Project, goals and expectations in respect of the planned exploration programs on the Company's properties, the Company's future plans for its business, and such other statements that are not historical facts. When used in this MD&A, words such as "will", "estimate", "intend", "expect", "anticipate", "plan", "potential", "anticipates", "goal" or the negative thereof and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks and uncertainties include, but are not limited to: the availability of sources of income to generate cash flow and revenue; the dependence on management and directors; conflicts of interest; risks relating to the receipt of the required licenses and permits; risks relating to additional funding requirements; due diligence risks; a downturn in general economic conditions; impact of political and economic instability relating to international conflicts; a decreased demand or price of precious and base metals; delays in the start of projects with respect to property interests; potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges; and other factors beyond the Company's control that are described in the Company's continuous disclosure materials on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The forward-looking statements contained herein are based on certain key expectations and assumptions, including: (i) expectations and assumptions concerning timing and completion of the Company's initial public offering and listing of the Company's common shares for trading on the TSX Venture Exchange; (ii) expectations and assumptions concerning the success of the operations of the Company; (iii) management's current expectations, estimates and assumptions about current property interests; (iv) assumptions respecting the global economic and political environment, financial markets and the market price and demand for uranium and lithium; (v) the Company's ability to manage its property interests and operating costs; (vi) the Company's future cash requirements and the ability to raise the funding necessary to carry out the Company's planned work programs; (vii) the Company's ability to attract and retain key staff; and (viii) that the characteristics of samples from certain of the Company's mineral properties are reflective of the deposit as a whole.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

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Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. Except as required by applicable law, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **COMPANY OVERVIEW**

SAGA is a public entity incorporated under the BC Business Corporations Act on January 10, 2023. The Company is focused on the acquisition, exploration and development of resource properties in Canada. The Company is considered to be in the exploration stage. The Company's head office and records offices are located at suite 2501 – 550 Burrard Street, Vancouver, BC, Canada, V6C 2B5.

The Company is a diversified critical mineral exploration company whose principal business is the acquisition and exploration of mineral assets that support the global green energy transition. The Company currently has interests in five mineral projects in Canada:

- (1) the Double Mer Project, a uranium exploration project consisting of an aggregate of 1,024 claims covering an area of 25,600 hectares in eastern central Labrador; 90 km northeast of Happy Valley, Goose Bay, which is the subject of the Double Mer Uranium Technical Report;
- (2) the Legacy Lithium Project, an LCT spodumene pegmatite lithium exploration project consisting of an aggregate of 663 claims covering an area of 34,243.76 hectares in the Eeyou Istchee James Bay region of Quebec, which is the subject of the Legacy Lithium Technical Report and the Rio Tinto option to joint venture agreement;
- (3) The Amirault Lithium Project, covering 611 claims spanning 31,605.44 hectares contiguous to the Legacy Lithium Project and increases the Company's foothold of the striking paragneiss trend;
- (4) the Radar Titanium-Vanadium Project, a titanium-vanadium layered mafic intrusion exploration project consisting of an aggregate of 690 claims covering an area of 17,250 hectares in Cartwright, Goose Bay region of Labrador; and
- (5) the North Wind Iron Project, consisting of 255 claims comprising 6,375 hectares, located in west central Labrador.

The Company's material properties are the Double Mer Uranium Property, which is the subject of the Double Mer Uranium Technical Report, and the Legacy Lithium Property, which is the subject of the Legacy Lithium Technical Report.

### **Double Mer Uranium Project**

In December 2023, the Company staked the flagship Double Mer Uranium project which has seen significant exploration at different periods of time between 1970 through 2008. The Uranium radiometrics highlight an 18 km east-west linear trend averaging approximately 500 meters in width. With millions of dollars in historical work spent on Double Mer, SAGA has confirmed a 14km strike of anomalous rock samples and further verified the property's uranium radiometric trend producing multiple Counts per Second (CPS) readings above 5,000 CPS, with notable peaks of 22,000 CPS in an outcrop and 27,000 CPS in a sub-rounded boulder—surpassing the historical 21,000 CPS benchmark. SAGA's exploration efforts during the 2024 field season identified three key zones along the prospective trend that represent the highest potential for further uranium exploration: Luivik, Nanuk and Katjuk zones. The Company will focus its efforts on an initial drill program over the Luivik zone in early 2025.

The property sits within the northeastern part of the Grenville Structural Province and contains similarly linked geology to the Central Mineral Belt located just north of the property boundary and host to other notable Uranium projects including Atha Energy and Paladin Energy.

Legacy Lithium Property:

SAGA owns the Legacy Lithium Property in Quebec's Eeyou Istchee James Bay region which is comprised of two projects: Legacy Lithium Project and Amirault Project. The Legacy Lithium project is being developed

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in partnership with Rio Tinto. In July 2024, the Company announced an option to joint venture agreement with Rio Tinto Exploration Canada. The Legacy Lithium project was further expanded through the acquisition of the Amirault Lithium Project. Together, these properties cover 65,849 hectares and share significant geological continuity with other major players in the area, including Rio Tinto, Winsome Resources, Azimut Exploration, and Loyal Lithium.

In addition to the uranium and lithium projects, SAGA owns a 17,250 hectare land package just 10 kms away from the coastal city of Cartwright, Labrador, known as the Radar Titanium-Vanadium Project as well as a 6,375 hectare land package southwest of Shefferville in Labrador, known as the North Wind Iron Project.

**Radar Titanium-Vanadium Project**

The Radar Titanium-Vanadium Project holds tremendous potential as a layered mafic intrusive ore body and has been mapped as a gabbro to norite mafic body. The 2024 Radar Ti-V exploration program focused on expanding prospecting, geological mapping, and soil sampling in areas near previously identified geophysical anomalies. These efforts have produced encouraging results that reinforce Radar's potential for hosting high grade titanium and vanadium mineralization with grades up to 11.1% TiO<sub>2</sub> and 0.66% V<sub>2</sub>O<sub>5</sub>.

Assay results have confirmed the magnetic anomalies within both the Hawkeye and Trapper zones are mineralized, establishing a combined 8km strike length between the two zones. Preliminary indications suggest a possible connection between the trends through a transitional zone, which increases the mineralized strike to 9.5km through verified samples.

**North Wind Iron Ore Project**

The North Wind Iron Ore project sits within the Labrador Trough, an extensive 1,100-kilometer suite of Proterozoic rocks, is renowned for hosting world-class iron ore deposits and is a major hub for iron ore exploration. The project contains 8 historical drill holes which made up part of the New Millennium Iron's resource estimate 43-101 in 2013. The average grade of the drill holes which now sit within the North Wind Iron property was 20.74% Fe over the complete 8 drill holes and total 590 meters drilled with the highest graded stratigraphy being the LRGC averaging 24.76% Fe over the total 277 meters of this stratigraphic unit drilled and intercepted over 8 holes.

During the 2024 field season, SAGA's exploration team took 24 samples from the Sokoman Formation and returned assays ranging from 4.88% to 84.57%. The highest grades concentrated in the middle and lower iron formation members, spanning over a 4km NW-SE trend with an impressive 600–700 meters in combined width. SAGA further ran Davis Tube separation techniques confirming the presence of magnetite-rich taconite ore, along with high-purity hematite, limonite, and goethite. These results are comparable to regional resources at the KéMag, Sheps Lake, and Perrault Lake deposits, which boast strong resource estimates.

SAGA's focus is on its material assets and may commit to conducting exploration programs on the Radar and North Wind projects to satisfy the required annual claims maintenance.

**Capital Expenditure**

The Company has no commitments for capital expenditures.

## SELECTED ANNUAL INFORMATION

	For the year ended July 31, 2024	Period from incorporation from January 10, 2023 to July 31, 2023
	\$	\$
Net loss and comprehensive loss for the period	(1,174,272)	(211,358)
Basic and diluted loss per share	(0.07)	(0.10)

  

	July 31, 2024	July 31, 2023
	\$	\$
<b>Working capital (deficiency)</b>	<b>397,715</b>	<b>1,143,405</b>
Total assets	3,368,624	1,634,485
Total liabilities	502,086	92,975
Shareholders' equity (deficiency)	4,195,168	1,695,868
Deficit	(1,385,630)	(211,358)

## SUMMARY OF QUARTERLY RESULTS

Three-months period ended	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023
	\$	\$	\$	\$
Net loss and comprehensive loss	610,446	349,860	78,975	134,991
Basic and diluted loss per share	0.04	0.02	0.00	0.02

  

Three-months period ended	July 31, 2023	April 30, 2023	January 31, 2023	\$
	\$	\$	\$	\$
Net loss and comprehensive loss	165,324	38,534	7,500	-
Basic and diluted loss per share	0.33	0.08	7,500.00	-

The Company was incorporated on January 10, 2023 and there were only three fiscal quarters observed during fiscal 2023 with year-ended July 31, 2023. Net loss and comprehensive loss observed throughout the three fiscal quarters of fiscal 2023 is comprised of management and consulting fees incurred during the fiscal quarters. Throughout the fiscal quarters in fiscal 2024, net loss and comprehensive loss was primarily driven by management fees, professional fees, listing expenses, and share-based compensation in support of the Company's corporate activities, including undergoing an initial public offering which completed subsequent to the year-end July 31, 2024.

## RESULTS OF OPERATIONS

### For the three months ended

	July 31, 2024	July 31, 2023	\$ Movement	% Movement
<b>Operating Expenses</b>				
Advertising and marketing	\$ 15,400	\$ 6,662	8,738	131%
Bank fees	197	346	(149)	-43%
Communications	1,635	1,283	352	27%
Consulting fees	86,645	39,125	47,520	121%
Depreciation	1,420	1,135	285	25%
Dues and subscriptions	1,371	-	1,371	100%
Exploration and evaluation expense	21,905	42,363	(20,458)	-48%
Fuel	1,315	5,110	(3,795)	-74%

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	July 31, 2024	July 31, 2023	\$ Movement	% Movement
Listing expense	206,956	-	206,956	100%
Insurance	7,844	-	7,844	100%
Meals and entertainment	4,095	14,522	(10,427)	-72%
Office expenses	587	4,531	(3,944)	-87%
Professional fees	81,881	26,906	54,975	204%
Rent	3,000	2,438	562	23%
Share based compensation	138,462	-	138,462	100%
Transfer agent and regulatory expense	1,849	-	1,849	100%
Travel expenses	35,884	20,903	14,981	72%
<b>Net loss and comprehensive loss</b>	<b>\$ (610,446)</b>	<b>\$ (165,324)</b>		

During the three-months ended July 31, 2024, the Company incurred various operating costs all in support of either on-going corporate activities, including an Initial Public Offering (“IPO”), or activities in connection with executing its exploration strategies over its mineral properties based in Quebec and Newfoundland and Labrador respectively. Consulting fees relate to various members of key management including the CEO, CFO, and Chief Geological Officer (“CGO”). The Company incurred share-based compensation expenses in connection with the granting of Performance Stock Units to members of management in connection with the IPO process. Overall, operating expenses are inline with management’s expectations; the Company continued to increase investor awareness ahead an IPO which closed subsequent to the year ended July 31, 2024.

**For the year ended July 31, 2024**

	Year ended July 31, 2024	Period from January 10 to July 31, 2023	\$ Movement	% Movement
<b>Operating Expenses</b>				
Advertising and marketing	\$ 53,004	\$ 6,662	46,342	696%
Bank fees	444	374	70	19%
Communications	5,297	1,283	4,014	313%
Consulting fees	299,973	69,125	230,848	334%
Depreciation	5,419	1,135	4,284	377%
Dues and subscriptions	2,230	-	2,230	100%
Exploration and evaluation expense	31,090	42,363	(11,273)	-27%
Fuel	3,637	5,110	(1,473)	-29%
Listing expense	289,422	-	289,422	100%
Insurance	7,844	-	7,844	100%
Meals and entertainment	11,447	14,522	(3,075)	-21%
Office expenses	3,116	4,531	(1,415)	-31%
Professional fees	153,837	41,412	112,425	271%
Rent	10,750	3,938	6,812	173%
Share based compensation	225,000	-	225,000	100%
Transfer agent and regulatory expense	2,111	-	2,111	100%
Travel expenses	69,651	20,903	48,748	233%
<b>Net loss and comprehensive loss</b>	<b>\$ (1,174,272)</b>	<b>\$ (211,358)</b>		

During the year months ended July 31, 2024, the Company incurred various operating costs all in support of either on-going corporate activities, including an IPO, or activities in connection with executing its exploration strategies over its mineral properties based in Quebec and Newfoundland and Labrador respectively. Consulting fees relate to various members of key management including the CEO, CFO, and CGO. As the Company was incorporated on January 10, 2023, there were less operating days observed in the comparative period from January 10 to July 31, 2023. Therefore, the increase in operating expense between the two periods is partially due to the Company recognizing a full twelve months of operating activity in fiscal 2024. The Company incurred share-based compensation expenses in connection with the

granting of Performance Stock Units to members of management in connection with the IPO process. Overall, the operating expenses in the current period are in line with management's expectation; the Company continues to increase investor awareness ahead of an intended go public transaction and continues to explore its existing mineral properties.

## OUTSTANDING SHARE DATA

As of the date of this MD&A the Company has the following outstanding equity securities outstanding:

Type	# Outstanding
Common shares	30,583,181
Share purchase warrants	11,524,047
Stock options	725,000

### Authorized share capital

#### a) *Common Shares*

As at July 31, 2024, the Company is authorized to issue an unlimited number of common shares without par value.

Issued and outstanding common shares	Number of Shares	Amount
<b>Balance at January 10, 2023 and July 31, 2023</b>	<b>1</b>	<b>\$ 1</b>
Common shares issued on private placement (i)(ii)	13,067,999	1,360,200
Common shares issued on exercise of share purchase warrants (i)	3,000,000	300,000
Share issuance costs (i)	-	(60,148)
Common shares issued to acquire mineral property rights (iii)	271,266	40,690
Common shares issued to settle of debt (iv)	367,500	55,125
<b>Balance at July 31, 2023</b>	<b>16,706,766</b>	<b>\$ 1,695,868</b>
Common shares issued to acquire mineral property rights	5,025,000	1,966,250
Common shares issued on exercise of share purchase warrants	1,070,165	321,050
Share issuance costs	-	(13,000)
Common shares issued on exercise of PSUs	1,500,000	225,000
<b>Balance at July 31, 2024</b>	<b>24,301,931</b>	<b>\$ 4,195,168</b>

(i) During April and May of 2023, the Company completed a private placement financing resulting in the issuance of 6,000,000 Units (each a "Unit") at a subscription price of \$0.05 per Unit for aggregate proceeds of \$300,000. Each Unit is comprised of one common share and one warrant (each a "Warrant") of the Company. Each Warrant is exercisable into one common share of the Company at an exercise price of \$0.10 per common share for a period ending on the earlier of:

- three years following the Closing Date (as defined herein), or
- two years following the date on which the Company's common shares are first listed for trading on any recognized stock exchange in Canada or the United States

On June 15, 2023, the Company authorized a warrant incentive program ("Incentive Program") to solicit early exercise of the Warrants, issued as part of the Unit offerings in April and May 2023 (the "Eligible Warrants"). For a 90-day period beginning June 15, 2023 (the "Incentive Period"), for exercise of each Eligible Warrant, the Company grants one warrant of the Company (each an "Incentive Warrant") exercisable at a price of \$0.10 per Incentive Warrant for a period of 24 months from the issuance date.

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During the Incentive Period, 3,000,000 Eligible Warrants were exercised for gross proceeds of \$300,000 and the Company recorded an obligation to issue 3,000,000 Incentive Warrants. The Incentive Warrants were accounted for as a share issuance cost with a fair value of \$57,000, measured using the Black Scholes option pricing model and the following weighted average inputs and assumptions:

	Period from incorporation on January 10, 2023 to July 31, 2023
Share price at grant date	\$0.05
Exercise Price	\$0.10
Expected annual volatility	100%
Expected life (in years)	2.00
Expected dividend yield	0%
Risk-free interest rate	4.61%
Fair value per Incentive Warrant	\$0.019

As at July 31, 2023, the Incentive Warrants have not been formally granted and has been presented as an obligation to issue warrants on the Company's Statement of Financial Position. During the year ended July 31, 2024, the Company formally granted the Incentive Warrants and subsequently reclassified \$57,000 from obligation to issues warrants to contributed surplus.

- (ii) On July 19, 2023, the Company completed a private placement financing resulting in the issuance of 7,067,999 Units (each a "Unit") at \$0.15 per Unit for gross proceeds of \$1,060,200. Each Unit is comprised of one common share and one-half of a warrant (each whole warrant a "Warrant") of the Company. Each Warrant is exercisable into one common share of the Company at a price of \$0.30 per common share for a period of 24 months from the date of issuance.  
In connection with the private placement, the Company incurred legal expenses of \$3,147 which were recognized as share issuance costs.
- (iii) On July 3, 2023, the Company issued 271,266 common shares with a fair value of \$0.15 per common share in relation to acquisition of the Radar Property.
- (iv) The Company issued 367,500 common shares with a fair value of \$55,125 in relation to settlement of a balance of \$55,125 payable to the CEO of the company.
- (v) In November and December 2023, the Company issued 175,000 common shares with a fair value of \$0.15 per share in relation to acquisition of the Radar Property and the 2024 Radar TTA's.

**b) Warrants**

The Company's warrants outstanding as at July 31, 2024 and the changes for the year ended July 31, 2024 are as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance at January 10, 2023</b>	-	\$ -
Issued	12,533,995	0.16
Exercised	(3,000,000)	0.10
<b>Balance at July 31, 2023</b>	<b>9,533,995</b>	<b>\$ 0.17</b>
Exercised (i)	(1,070,165)	0.30
<b>Balance at July 31, 2024</b>	<b>8,463,830</b>	<b>\$ 0.16</b>

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- (i) The Company received net proceeds of \$321,050 from the exercise of 1,070,165 share purchase warrants during May and June 2024.

Warrants issued and outstanding as at July 31, 2024 are as follows:

Number of Warrants Outstanding	Number of Warrants Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
1,500,000	1,500,000	\$0.10	April 21, 2026	1.72
1,500,000	1,500,000	\$0.10	May 11, 2026	1.78
2,463,830	2,463,830	\$0.30	July 19, 2025	0.97
3,000,000	3,000,000	\$0.10	June 26, 2025	0.90
<b>8,463,830</b>	<b>8,463,830</b>			<b>1.22</b>

## Share Based Compensation

### Equity incentive plan

On February 16, 2024, the Company implemented an Equity Incentive Plan (the “EIP”) which provides for the grant to eligible consultant, directors, and employees (including officers) of share options (“Options”), Restricted Share Units (“RSU”), Deferred Share Units (“DSU”), and Performance Share Units (“PSU”). The aggregate number of common shares (“Share”) that may be subject to issuance under the Equity Incentive Plan, together with any other securities-based compensation arrangements of the Company, shall not exceed 10% of the Company’s issued and outstanding share capital from time to time.

The term or expiry date of Options is determined by the Board but cannot be greater than ten years from the date the Option is granted. Options may be earlier terminated in the event of death or termination of employment or appointment. Vesting of Options is determined by the Board. The Board has the right to accelerate the date upon which any instalment of any Option becomes exercisable. Options which are vested, remain fully vested and are exercisable until expiration or termination of the Option.

The Board shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that no RSUs shall vest until at least one year following the date of grant. The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs. Subject to the EIP except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for:

- (i) one fully paid and non-assessable Share issued from treasury to the participant or as the participant may direct; or
- (ii) a cash payment; or
- (iii) a combination of Shares and cash

in each case as determined by the Board in its discretion.

The Board may fix a portion of the Director Fees to be payable in the form of DSUs. In addition, each Director (“Electing Person”) is given the right to elect an amount (the “Elected Amount”) to be paid in the form of DSUs in lieu of cash; subject to the conditions of the EIP. The Board shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that no DSUs shall vest until at least one year following the date of grant. In no event shall a DSU be settled prior to, or later than one year following, the date of the applicable participant’s separation from service. If the DSU award agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the date of except as otherwise provided in an award agreement. On the settlement date for any DSU, the Participant shall redeem each vested DSU for:

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- (i) one fully paid and non-assessable Share issued from treasury to the participant or as the participant may direct; or
- (ii) a cash payment; or
- (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii)

in each case as determined by the Board in its discretion.

The Board may prescribe, grant PSUs to any participant in respect of services rendered in the year of grant. Each PSU consists of a right to receive a Share of the Company, cash payment, or a combination thereof upon the achievement of such performance goals during such performance periods as the Board shall establish. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a participant's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Board. The Board has the authority to determine any vesting terms applicable to the grant of PSUs, provided that no PSUs shall vest until at least one year following the date of grant while the Shares are posted for trading on a securities exchange. On the settlement date for any PSU, the Participant shall redeem each vested PSU for:

- (i) one fully paid and non-assessable Share issued from treasury to the participant or as the participant may direct; or
- (ii) a cash payment; or
- (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) in each case as determined by the Board in its discretion.

Share-based compensation is as follows:

	Year ended July 31, 2024	Period from incorporation on January 10, 2023 to July 31, 2023
PSU (a)	\$ 225,000	\$ -

**(a) Performance Share Units**

The changes in PSU are as follows:

	Number of PSU
<b>Balance at January 10, 2023 and July 31, 2023</b>	-
Issued (i)	1,500,000
Exercised (i)	(1,500,000)
<b>Balance at July 31, 2024</b>	-

- (i) On February 16, 2024, the Company granted 750,000 PSUs each to the CEO and CGO of the Company. The PSUs were valued at \$0.15 per unit, equal to the trading price of the Company's common shares. The PSUs fully vest on the date of filing of the Company's final prospectus in connection with the Company's initial public offering.

On July 15, 2024, the performance conditions of the PSU were fulfilled and 1,500,000 PSUs were exercised into 1,500,000 common shares of the Company.

## TRANSACTIONS WITH RELATED PARTIES

### Key management compensation

Key management of the Company consist of the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”), the Chief Geological Officer (“CGO”), as well as directors of the Company. During the year ended July 31, 2024, the Company incurred the following expenses in relation to key management compensation:

<b>Key management compensation</b>	<b>Year ended July 31, 2024</b>	<b>Period from incorporation on January 10, 2023 to July 31, 2023</b>
Consulting fees paid to an entity controlled by the CEO of the Company (i)	\$ 100,000	\$ 52,500
Consulting fees paid to an entity controlled by the CFO of the Company (ii)	79,500	7,500
Consulting fees paid to an entity controlled by the CGO of the Company (iii)	120,000	-
Share based compensation (iv)	225,000	-
<b>Total key management compensation</b>	<b>\$ 524,500</b>	<b>\$ 60,000</b>

- (i) As at July 31, 2024, there was \$5,625 (July 31, 2023 - \$nil) payable to an entity controlled by the CEO of the Company.
- (ii) As at July 31, 2024, there was \$19,013 (July 31, 2023 - \$7,500) payable to an entity controlled by the CFO of the Company.
- (iii) As at July 31, 2024, there was \$38,680 (July 31, 2023 - \$nil) payable to an entity controlled by the CGO of the Company. \$22,555 of this balance is related to reimbursable expenses incurred by the CGO on behalf of the Company.
- (iv) Share-based compensation relates to Performance Share Units (“PSU”) issued to the CEO, and CGO of the Company during the year ended July 31, 2024. For the period from January 10, 2023 to July 31, 2023, the Company incurred no share-based compensation to key management personnel.

## BUSINESS OBJECTIVES

The Company intends to complete an initial public offering (the “Offering”) over the next 12 months with the net proceeds from the Offering to be used as follows:

- Complete Phase 1 of the exploration program on the Double Mer Uranium Property;
- Complete Phase IA and Phase IB of the exploration program on the Legacy Lithium Property;
- Maintain claims comprising the Radar Titanium-Vanadium Property and North Wind Iron Project for potential future exploration; and
- Corporate activities necessary to operate and maintain a publicly listed entity on the TSXV.

The Company estimates total costs associated with exploration activity described above to be \$1,153,800 and total general and administrative costs to operate the Company to be \$1,112,000. The Company does not expect any material capital expenditures to achieve its business objective.

## LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2024, the Company had working capital of \$397,715. This balance included a cash balance of \$784,365, and due from related party of \$973 to settle current liabilities of \$502,086.

The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

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The Company is committed to the following expenditures in relation to the acquisition of its mineral property rights as at July 31, 2024:

*Legacy Property*

- \$25,000 cash payable, on or before the first anniversary of the closing date of the Title Transfer Agreement (“TTA”);
- \$25,000 cash payable on or before the second anniversary of the closing date; and
- \$25,000 cash payable on or before the third anniversary of the closing date

*Amirault Property*

- Total cash consideration of \$200,000 payable in monthly cash instalments of \$10,000 until the Company completes a going public transaction (the “closing date”); remaining balance of \$200,000 unpaid on closing date is payable within 5 days following closing date.

*Adina Property*

- Cash consideration of \$50,000 after the date on which the Company grants to Rio Tinto Exploration Canada Inc. (“RIO”), an option to acquire an interest of 50% or more in the Adina Property (the “Adina Commencement Date”) – paid on August 8, 2024 subsequent to year ended July 31, 2024;
- \$50,000 cash payable on or before the first anniversary of the Adina Commencement Date; and
- \$50,000 on or before the second anniversary of the Adina Commencement Date

As of the date of this MD&A, the Company has raised and spent the following amounts:

<b>Total equity financing raised</b>	<b>\$</b>	<b>4,535,161</b>
<b>Total cash received from option to joint venture</b>	<b>\$</b>	<b>410,190</b>
<b>Total funds used:</b>	<b>\$</b>	<b>(4,021,883)</b>
Acquisition of mineral rights		(515,207)
Acquisition of equipment		(47,656)
Exploration expenses		(1,163,354)
General and admin, and marketing		(2,138,600)
Cash financing costs		(157,067)
<b>Total unused funds</b>	<b>\$</b>	<b>923,467</b>

**ANALYSIS OF CASH FLOWS**

	<b>Year ended July 31, 2024</b>	<b>Period from incorporation January 10 to April 30, 2023</b>
Cash provided by (used in):		
Operating activities	\$ (734,814)	\$ (107,634)
Investing activities	(80,096)	(313,078)
Financing activities	362,934	1,657,053
<b>Increase (decrease) in cash</b>	<b>\$ (451,976)</b>	<b>\$ 1,236,341</b>

**Operating Activities**

Cash flows from operating activities can vary significantly from period to period as a result of the Company’s working capital requirements which are dependent on corporate activities as well as exploration activities over its mineral properties. There was greater cash used in operating activities during the year ended July 31, 2024 as compared to the period from January 10 to July 31, 2023. The Company had higher exploration expenditures and corporate costs in the current year as compared to the prior period.

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### **Investing Activities**

Cash flows used in investing activities can vary depending on the nature of the transactions occurring during a period. During the year ended July 31, 2024, cash used was for the acquisition of mineral property rights and equipment. This was offset by cash received as part of option to joint venture agreement executed in the year with Rio Tinto. Cash used for the period from January 10 to July 31, 2023 was also for the acquisition of mineral property rights and equipment.

### **Financing Activities**

During the period from January 10 to July 31, 2023, the Company collected \$1,357,053 and \$300,000 of net proceeds as a result of private placement unit financing and from the exercise of share purchase warrants. During the year months ended July 31, 2024, the Company raised net proceeds of \$308,050 from the exercise of share purchase warrants.

## **SUBSEQUENT EVENTS**

- On September 23, 2024, the Company completed an initial public offering (the "Offering") consisting of 2,320,750 hard dollar units of the Company (the "HD Units") at a price of \$0.40 per HD Unit, 167,166 standard flow-through units of the Company (the "Standard FT Units") at a price of \$0.48 per Standard FT Unit and 1,250,000 charity flow-through units of the Company (the "Charity FT Units") at a price of \$0.60 per Charity FT Unit for aggregate gross proceeds of \$1,758,500, pursuant to the Company's final prospectus in Manitoba and amended and restated final prospectus for British Columbia, Alberta and Ontario dated August 30, 2024 (collectively, the "Prospectus").

Each HD Unit consists of one common share of the Company and one-half of one transferable common share purchase warrant (each whole such warrant, an "HD Warrant"). Each HD Warrant will entitle its holder to purchase one common share of the Company (each, a "Warrant Share") at a price of \$0.60 per Warrant Share at any time prior to 24 months following the closing of the Offering.

Each Standard FT Unit consists of a "flow-through share" and one-half of one transferable common share purchase warrant (each whole such warrant, a "Standard FT Warrant"), which Standard FT Warrant will qualify as a "flow-through share" as defined in subsection 66(15) of the Tax Act. The Standard FT Warrants will have the same terms as the HD Warrants and are exercisable into Warrant Shares. The Warrant Share underlying the Standard FT Warrant will not qualify as "flow-through shares" under the Tax Act.

Each Charity FT Unit consists of a "flow-through share" as defined in subsection 66(15) of the Tax Act and one-half of one transferable common share purchase warrant (each whole such warrant, a "Charity FT Warrant"), which Charity FT Warrant will qualify as a "flow-through share" as defined in subsection 66(15) of the Tax Act. The Charity FT Warrants will have the same terms as the HD Warrants and Standard FT Warrants and are exercisable into Warrant Shares. The Warrant Share underlying the Charity FT Warrant will not qualify as "flow-through shares" under the Tax Act.

Research Capital Corporation (the "Agent") acted as sole agent and bookrunner for the Offering, pursuant to an agency agreement dated August 30, 2024. In connection with the Offering, the Company paid to the Agent a cash commission in the amount of \$87,400 and granted to the Agent non-transferrable warrants entitling the Agent or its subagents, as applicable, to purchase up to a total of 185,783 common shares of the Company at a price of \$0.40 for a period of 24 months following the closing of the Offering. In addition to reimbursement of certain expenses, the Agent received a corporate finance fee of \$50,000.

In connection with the closing of the Offering, the Company is pleased to announce the issuance of an aggregate of 500,000 incentive stock options (the "IPO Options") to certain directors and officers of the Company as set out in the Prospectus. Each IPO Option entitles the holder thereof to acquire one common share of the Company at a price of \$0.40 per common share for a period

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of two years from the date of grant. The Company also issued a further 225,000 incentive stock options (the "Consultant Options") to consultants of the Company with each Consultant Option entitling the holder thereof to acquire one common share of the Company at a price of \$0.40 per common share for a period of one year from the date of grant. The grant of the Consultant Options is subject to approval by the TSXV.

- On November 5, 2024, the Company completed the second and final tranche of its Offering raising aggregate gross proceeds of \$1,116,460. The second tranche consisted of an aggregate of 554,250 hard dollar units (each, a "HD Unit") at a price of \$0.40 per HD Unit, 1,030,751 standard flow-through units (each, a "Standard FT Unit") at a price of \$0.48 per Standard FT Unit and 666,667 charity flow-through units (each, a "Charity FT Unit") at a price of \$0.60 per Charity FT Unit. Each HD Unit consists of one common share of the Company and one-half of one transferable common share purchase warrant (each whole such warrant, an "HD Warrant"). Each HD Warrant will entitle its holder to purchase one common share in the capital of the Company (each, a "Warrant Share") at a price of \$0.60 per Warrant Share at any time until September 23, 2026.

In connection with the second tranche of the Offering, the Company paid to the Agent a cash commission in the amount of \$69,667, a corporate finance fee of \$5,000 plus GST, and granted to the Agent non-transferrable warrants entitling the Agent or its subagents, as applicable, to purchase up to a total of 146,308 common shares of the Company at a price of \$0.40 per share until September 23, 2026.

- On September 17, 2024, the Company entered into an agreement to purchase 0.5% of the net smelter returns royalty (the "Purchased Royalty") in respect of certain mineral claims on its Radar Titanium-Vanadium property (the "Property"). A 1.5% net smelter returns royalty was granted to the vendors of the Property pursuant to the title transfer agreements under which the Company acquired the Property. The forgoing claims remain subject to a 1.0% net smelter returns royalty following the Company's acquisition of the Purchased Royalty. The remaining mineral claims that comprise the Property continue to be subject to a 1.5% net smelter returns royalty. The Company acquired the Purchased Royalty in consideration for the issuance 25,000 common shares of Company (the "Consideration Shares") and 150,000 common share purchase warrants (the "Consideration Warrants"). Each Consideration Warrant entitles the holder to acquire one common share in the capital of the Company at a price of \$0.40 per share for a period of 12 months following the date of issuance. The Consideration Shares and Consideration Warrants are subject to a statutory hold period that expires four months and one day from the date of issuance. The Consideration Shares are also subject to contractual lock-up period of two years, with 25% of the Consideration Shares being released from lock-up every six months following the date of issuance.
- On October 15, 2024, subsequent to the year ended July 31, 2024, Company completed the acquisition of the Amirault property and paid a remaining cash consideration of \$150,000 to the vendors of the Amirault property.

## OFF-BALANCE SHEET ARRANGEMENT

The Company has no off-balance sheet arrangements.

## CRITICAL ACCOUNTING ESTIMATES

These financial statements have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Refer to Note 4 of the audited annual

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financial statements for the year ended July 31, 2024 for details on critical accounting estimates and judgments.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in Note 11 of the audited annual financial statements for the year ended July 31, 2024. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to Note 2 of the audited annual financial statements for the year ended July 31, 2024.

**RISKS AND UNCERTAINTIES**

The Company is subject to a number of risk factors due to the nature of its business. These risks and uncertainties may impact the Company's ability to successfully execute its key strategies and may affect future events, performance or results. Some of these risks and uncertainties are described in this MD&A. However, the risks and uncertainties set out in this MD&A are not exhaustive. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business performance, condition, operations or strategies and plans.

**Ongoing Need for Financing**

The Company will require additional financing, including through the sale of assets and/or the issue and sale of equity or debt securities if various events alone or in combination occur. No assurance is given that the Company will be able to obtain necessary financing in a timely manner or on acceptable terms, if at all. The Company will require significant capital in order to develop its concessions and to fund its operating costs. The Company currently has no revenues from operations and is currently wholly reliant upon external financing to fund all of its capital requirements. The Company will require additional financing from external sources to meet such requirements. No assurance is given that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or debt securities of the Company, the interests of shareholders in the net assets of the Company may be diluted. Any failure of the Company to obtain required financing on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations, and liquidity, and could require the Company to cancel or postpone planned capital investments.

**Limited operating history**

The Company has a limited history of operations, is in the early stage of exploration and must be considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. No assurance is given that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in the light of its early stage of operations. The Company has no history of mining operations and gives no assurance that it will successfully produce resources, generate revenue, operate profitably or provide a return on investment in the future. Other factors mentioned in this section may also prevent the Company from successfully operating a mine.

**Potential Conflicts of Interest**

Certain directors or officers of the Company are also directors, officers, shareholders and/or promoters of other reporting and non-reporting issuers. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Company are required by law to act honestly and 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 or 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 interest and abstain from voting on such matter. Conflicts of interest, if

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any, will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

**Reliance on Others and Key Personnel**

The success of the Company will be largely dependent upon the performance of its management and key employees, as well as the talents of its outside consultants and suppliers. The Company may not have any “key man” insurance policies, and therefore there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Company. The Company also faces intense competition for qualified personnel and there can be no assurance that the Company will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities.

**Litigation**

All industries are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Company’s operations and financial position.

**Changes in Laws**

Changes to any of the laws, rules, regulations or policies to which the Company is subject could have a significant impact on the Company’s business. There can be no assurance that the Company will be able to comply with any future laws, rules, regulations and policies. Failure by the Company to comply with applicable laws, rules, regulations and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Company’s business, financial condition, liquidity and results of operations. In addition, compliance with any future laws, rules, regulations and policies could negatively impact the Company’s profitability and have a material adverse effect on its business, financial condition, liquidity and results of operations.

**Speculative investment**

An investment in the Company’s common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described above and the other information filed with the Canadian securities regulators before investing in the Company’s common shares. The risks described are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company’s business. If any of these risks occur, or if others occur, the Company’s business, operating results and financial condition could be seriously harmed and investors may lose all of their investment.