

KINGSMEN RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

This discussion and analysis of financial position and results of operation is prepared as at November 22, 2024 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2024 of Kingsmen Resources Ltd. (the "Company"). The following disclosure and associated financial statements are presented in accordance with *IFRS Accounting Standards* as issued by the *International Accounting Standards Board* and *Interpretations of the IFRS Committee*. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Company Overview

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") under the symbol "KNG" and on the OTCQB under the symbol "KNGRF". The Company is a junior mineral exploration company primarily engaged in the acquisition and exploration of precious metals on mineral properties in Mexico. The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

Directors and Officers

On August 20, 2024 Mr. Mark J. Pryor was appointed to the Company's Board of Directors. Mr. Pryor is a distinguished geologist with a 40-year track record of successfully advancing multiple precious metal projects, including a position at the Electrum Group. He has played a key role in the development of several brownfield projects, including the Los Gatos Mine, located in the central Mexican silver belt. His extensive career includes roles with major mining companies such as Electrum Group, Anglo American, Placer Dome, and Antofagasta Minerals.

As of the date of this MD&A the Officers and Directors of the Company are as follows:

Scott Emerson - President, Chief Executive Officer ("CEO") and Director
Nick DeMare - Chief Financial Officer ("CFO") and Director
Rod Johnston - Director
Kieran Downes - Director

Carlos Garza - Director
Mark J. Pryor - Director
Harvey Lim - Corporate Secretary

Las Coloradas Project

Kingsmen controls a 100% interest in a group of claims (the “Las Coloradas Project”) located in the Parral Mining District, State of Chihuahua, Mexico.

The project area is located approximately 30 kilometres southeast of the city of Hidalgo de Parral and 40 kilometers east of the mid-Tertiary polymetallic quartz sulfide vein deposits of the San Francisco del Oro and Santa Barbara mining districts which are amongst the largest Pb-Zn-Cu-Ag deposits in Mexico.

Historic mining on a small area of the project by the American Smelting and Refining Company (“ASARCO”) was conducted between 1943 - 1952 with production from the La Soledad, Santo Niño, Eva and Rosario veins. The project area has recently been consolidated and is located within a well-established mining district, with the local communities fully supportive of mining.

The Las Coloradas Project is an underground epithermal, high-grade, narrow-vein, silver-gold copper-lead-zinc project within the Carbonate Replacement Deposits belt of Chihuahua state, Mexico. Outcropping mineralization is hosted by the Mezcalera Lower Cretaceous Formation. The Mezcalera Formation is of similar age and composition to the Parral Formation that hosts the mineralization in the San Francisco del Oro and Santa Barbara districts.

The Company has reported a 1:5,000 scale geological map of the 100% owned Las Coloradas project and its structural control(s) that delivers an excellent understanding of the mineralization in the Soledad and Soledad II structures and their subsidiaries. The flexures, intersecting structures, en echelon veins, and dilation zones control the development and location of individual bodies of mineralization. The currently exposed geology, structures and mineralization are functions of erosion and imperfect exposure. The significant strike length of the Soledad and Soledad II structures indicate the structures will continue at depth with the potential for high grade silver mineralization. The structures have not been tested/explored at depth, to-date. The mineralized structures may go to significant depths as in the San Francisco del Oro and Santa Barbara district where mineralized structures persist to depths of 800 meters. In addition, the Company also acquired ground magnetic coverage of the project area. The detailed magnetic geophysical information will provide guidance for expanding the mineralization.

Three important areas of mineralization are currently recognized on the Soledad structures. The first is at the southeast end of the Soledad structure, in the area of the Rosario and Soledad shafts, where highlights of the sampling include 2 >500 g/t silver, 4 > 400 g/t silver and 9 > 100 g/t silver. The second important area is the cluster of old workings at the northwest end of the Soledad II structure where highlights of the sampling include 1 > 400 g/t silver, 1 > 300 g/t silver, 1 >200 g/t silver and 1 > 100 g/t silver. The third important area is the cluster of old workings in the NW part of the Soledad structure where highlights of the sampling include 1 > 400 g/t silver, 1 > 300 g/t silver, 1 > 200 g/t silver and 1 > 100 g/t silver. None of these areas have been drill tested.

The on-going field programs along with the technical data continue to expand our understanding of the deposit and will help identify the strongest drill targets preparatory to drilling.

The La Plata and Silvia zones contain elevated to anomalous Ag values together with pathfinder element concentrations in variable combinations including Au, As, Sb, Pb, Zn, Cu, Hg, Mo, Te and Tl. The different combinations of pathfinder elements likely represent different stages or pulses of mineralization. Their distributions provide evidence for district-wide, structurally controlled mineralization.

The La Plata zone contains a broadly N-trending intrusive body with AgEq values ranging from 8 to 303g/t . The curvilinear aspect of this and nearby intrusives may be reflecting a buried quartz porphyry intruding the volcanic country rock that is generating the mineralization.

The Soledad and Soledad II structures/vein systems as well as the La Plata and Silvia zones are situated on the southeast flank of a prominent aeromagnetic high interpreted to be a buried felsic intrusive body. Felsic intrusives associated with the La Plata and Silvia zones, the Soledad and Soledad II structures and other structures are likely linked to this body. The setting is favourable for porphyry, skarn and epithermal vein mineralization.

Qualified Person

The scientific and technical disclosure in this MD&A has been reviewed and approved by Kieran Downes, Ph.D., P. Geo., a Qualified Person as defined by National Instrument 43-101. Mr. Downes is a Director of the Company.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

| Three Months Ended | Fiscal 2024 | | | Fiscal 2023 | | | Fiscal 2022 | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Sep. 30 2024 \$ | Jun. 30 2024 \$ | Mar. 31 2024 \$ | Dec. 31 2023 \$ | Sep. 30 2023 \$ | Jun. 30 2023 \$ | Mar. 31 2023 \$ | Dec. 31 2022 \$ |
| Operations: | | | | | | | | |
| Revenues | Nil |
| Expenses | (110,476) | (130,942) | (130,128) | (181,819) | (96,007) | (136,801) | (98,267) | (116,316) |
| Other items | 5,485 | 6,818 | 11,691 | (348) | 12,546 | 12,780 | 8,386 | 3,071 |
| Net loss and comprehensive loss | (104,991) | (124,124) | (118,437) | (182,167) | (83,461) | (124,021) | (89,881) | (113,245) |
| Basic and diluted loss per share | (0.01) | (0.01) | (0.01) | (0.01) | (0.00) | (0.01) | (0.01) | (0.00) |
| Dividends per share | Nil |
| Statement of Financial Position: | | | | | | | | |
| Working capital | 473,215 | 604,553 | 741,077 | 877,592 | 1,101,829 | 1,239,104 | 1,450,664 | 766,453 |
| Total assets | 946,372 | 1,024,772 | 1,182,397 | 1,268,932 | 1,402,248 | 1,498,498 | 1,646,596 | 940,615 |
| Total long-term liabilities | Nil |

Results of Operations

Three Months Ended September 30, 2024 Compared to Three Months Ended June 30, 2024

During the three months ended September 30, 2024 (“Q3”) the Company reported a net loss of \$104,991 compared to a net loss of \$124,124 for the three months ended June 30, 2024 (“Q2”), a decrease in loss of \$19,133. The decrease in loss was primarily due to a \$20,466 decrease in general and administrative expenses, from \$130,942 in Q2 to \$110,476 in Q3.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

During the nine months ended September 30, 2024 (the “2024 period”) the Company reported a net loss of \$347,552 compared to a net loss of \$297,363 for the nine months ended September 30, 2023 (the “2023 period”), an increase in loss of \$50,189. The increase in loss is mainly due to a \$40,471 increase in general and administrative expenses, from \$331,075 in the 2023 period to \$371,546 in the 2024 period. This increase in expenses was partially offset by a \$16,542 decrease in interest income, from \$44,028 in the 2023 period to \$27,486 during the 2024 period and a \$6,842 decrease in foreign exchange loss from a loss of \$10,316 to a loss of \$3,492 in the 2024 period. Significant fluctuations in expenses are as follows:

- (i) during the 2024 period the Company incurred \$23,124 (2023 - \$31,400) for accounting and administrative services provided by Chase Management Ltd., a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare;
- (ii) during the 2024 period the Company incurred \$6,069 (2023 - \$12,591) for transfer agent fees. In the 2023 period the Company incurred increased services due to the Company’s consolidation of its share capital conducted in March 2023;
- (iii) professional fees for corporate advisory services rendered during the 2024 period were \$82,883 compared to \$41,844 in the 2023 period;
- (iv) during the 2024 period director and officer compensation increased \$30,250, from \$105,500 in the 2023 period to \$135,750 in the 2024 period. See “Related Party Disclosures”;
- (v) a \$5,983 decrease in regulatory fees, from \$29,037 in the 2023 period to \$23,054 in the 2024 period. During the 2023 period the Company paid additional filing fees required by the TSXV; and

- (vi) during the 2024 period legal fees decreased by \$9,728, from \$10,595 in the 2023 period to \$867 in the 2024 period. During the 2023 period the Company incurred legal expenses for services required for the Company's consolidation of its share capital conducted in March 2023.

Financings

No financings were conducted during the 2024 period. See also "Financial Condition / Capital Resources".

During the 2023 period the Company completed a non-brokered private placement for 5,333,500 common shares for proceeds of \$800,025.

Financial Condition / Capital Resources

As at September 30, 2024 the Company had working capital in the amount of \$473,215. In addition, in November 2024 the Company completed a non-brokered private placement of 4,000,000 units for proceeds of \$1,000,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of \$0.40 per share for a period of two years from closing. Although management considers that the Company has adequate resources to maintain its core operations, make option or property payments as required, conduct planned exploration programs on its existing exploration and evaluation assets and discharge its obligations as they become due in the next twelve months, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

Contractual Commitments

Other than its property agreements, the Company has no other contractual commitments. See "Las Coloradas Project".

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

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 of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the December 31, 2023 audited annual consolidated financial statements.

Changes in Accounting Policies

There were no changes in accounting policies.

A detailed summary of the Company's significant accounting policies is included in Note 3 to the December 31, 2023 audited annual consolidated financial statements.

Related Party Disclosures

Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Key management

personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

- (a) During the 2024 and 2023 period the following amounts were incurred with respect to its key management personnel:

| | 2024 \$ | 2023 \$ |
|---|----------------|----------------|
| Mr. Emerson - CEO and director | 112,500 | 85,500 |
| Mr. DeMare - CFO and director | 4,500 | 4,500 |
| Mr. Johnston - director | 4,500 | 4,500 |
| Mr. Henstridge - former director ⁽¹⁾ | - | 2,500 |
| Mr. Downes - director ⁽²⁾ | 14,550 | 15,550 |
| Mr. Garza - director ⁽²⁾ | 4,500 | 2,000 |
| Mr. Pryor - director ⁽³⁾ | 750 | - |
| Mr. Lim - Corporate Secretary | 4,500 | 4,500 |
| | <u>145,800</u> | <u>119,050</u> |

(1) Mr. Henstridge did not stand for re-election at the AGM on June 2, 2023.

(2) Messrs. Downes and Garza were elected as directors at the AGM on June 2, 2023.

(3) Mr. Pryor was appointed as a director on August 20, 2024.

During the 2024 period the Company incurred total compensation of \$145,800 (2023 - \$119,050) to key management personnel of which \$135,750 (2023 - \$105,500) was expensed to director and officer compensation and \$10,050 (2023 - \$13,550) was capitalized to exploration and evaluation assets.

As at September 30, 2024 \$19,216 (December 31, 2023 - \$3,500) remained unpaid.

- (b) During the 2024 period the Company incurred a total of \$23,124 (2023 - \$31,400) to Chase, a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at September 30, 2024 \$1,850 (December 31, 2023 - \$3,100) remained unpaid.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at November 22, 2024 there were 23,349,919 common shares issued and outstanding, 4,000,000 warrants outstanding at an exercise price of \$0.40 per share and 1,690,000 share options outstanding at an exercise price of \$0.36 per share.