

DRYDEN GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) of the operations, results, financial position and outlook of Dryden Gold Corp. (the “Company”) should be read in conjunction with the Company’s financial statements for the nine months ended September 30, 2024 and 2023 the notes attached thereto, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All financial results presented in this MD&A are expressed in Canadian dollars and are current as of November 26, 2024.

Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com

FORWARD LOOKING STATEMENTS

This MD&A contains or may refer to certain statements that may be deemed “forward-looking statements”. Forward-looking statements include estimates and statements that describe the Company’s future development plans, objectives or goals, including words to the effect that the Company expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Forward-looking statements are not a guarantee of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for mineral commodities; exploration successes; new opportunities; continued availability of capital and financing; general economic, market or business conditions; and litigation, legislative, environmental or other judicial, regulatory, political and competitive developments. These and other factors should be considered carefully and readers should not place undue reliance on the Company’s forward-looking statements. Dryden Gold Corp. does not undertake to update any forward-looking statement that may be made from time to time by Management or on its behalf, except in accordance with applicable public disclosure rules and regulations. Readers are cautioned not to place undue reliance on forward looking statements.

This MD&A includes but is not limited to, forward looking statements regarding: the potential and planned exploration on the Company’s properties; the Company’s ability to meet its working capital needs for the next twelve months; the plans, costs, capital and timing of future exploration and development of the Company’s property interests.

DESCRIPTION OF BUSINESS

Dryden Gold Corp. (the “Company” or “Dryden”) was incorporated under the Business Corporations Act (British Columbia) on November 19, 2021. The Company’s registered office is located at 25th floor, 700 West Georgia Street, Vancouver, BC V7Y 1K8.

The Company is an exploration and development stage natural resource company engaged in the evaluation, acquisition, exploration and development of natural resource projects. The Company is currently focused on gold projects near Dryden, Ontario, Canada.

The recoverability of costs capitalized to royalties and mineral properties and the Company’s future financial success is dependent upon the extent to which economic gold mineralized bodies can develop into producing entities and these producing entities can discover additional economic ore bodies. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty. Many of the key factors for advancing the Company’s projects to production are dependent on outside factors, such as, obtaining the necessary rights and permitting which need to be granted from certain local and governmental agencies located in the jurisdictions that the Company operates in. Additional risk factors that may affect the financial success of the Company and its financial statements and the risk factors related to mineral exploration and development are set out under the heading “Risks and Uncertainties” listed below.

HIGHLIGHTS

- On April 19, 2024, the Company issued 6,377,551 shares with a fair value of \$1,000,000 in relation to the acquisition of the Company’s interest in the Manitou property.
- On March 12, 2024, the Company issued 208,074 shares with a fair value of \$50,000 in relation to the acquisition of the Company’s interest in the Tremblay property.
- On February 26, 2024, the Company issued 400,000 shares with a fair value of \$48,000 in relation to the acquisition of the Company’s interest in the Cross River claims.
- On February 7, 2024, the Company issued 4,056,795 shares with a fair value of \$1,000,000 in relation to the acquisition of the Company’s interest in the Manitou property.
- During the nine months ended September 30, 2024, the Company expended \$1,610,594 in exploration expenditures on its mineral properties.
- As at September 30, 2024, the Company had a cash balance of \$2,779,341 and working capital of \$3,110,522.

Events subsequent to September 30, 2024:

- On October 2, 2024, the Company completed a private placement financing and issued 17,611,548 hard dollar units (each a “HD Unit”) at \$0.11 per HD Unit for gross proceeds of \$1,937,269. Each HD Unit was comprised of one common share of the Company and one-half share purchase warrant.

- On October 2, 2024, the Company completed a charity flow-through private placement financing and issued 8,272,727 units (each a “CFT Unit”) at \$0.15 per CFT Unit for gross proceeds of \$1,240,909. Each CFT Unit was comprised of one common share of the Company and one-half non-flow-through share purchase warrant.
- On October 2, 2024, the Company completed a flow-through private placement financing and issued 14,756,294 common shares at \$0.13 per common share for gross proceeds of \$1,918,318.
- As at September 30, 2024, the Company had received proceeds of \$2,411,452 relating to the financings that closed on October 2, 2024, which is included in cash & cash equivalents in the financial statements.

PROJECT UPDATES

Tremblay Property, Ontario, Canada

On February 8, 2022, the Company entered into a definitive option agreement with the Tremblay partners, as amended on February 16, 2022, whereby the Company can acquire a 100% interest in the Tremblay property by making \$625,000 in aggregate payments to the Tremblay partners and fund a minimum of \$1,200,000 in exploration expenditures within five years of the execution date of the option agreement, as follows:

Annual Payments:

- On effective date – \$75,000 cash payment (paid) and the issuance of 800,000 common shares (issued with a fair value of \$40,000).
- On first anniversary – \$100,000 payable at a minimum of 50% in shares with the remaining balance paid in cash. During the year ended December 31, 2023, the Company paid \$37,500 cash and issued 625,000 shares with a fair value of \$62,500.
- On second anniversary – \$100,000 payable at a minimum of 50% in shares with the remaining balance paid in cash. During the nine months ended September 30, 2024, the Company paid \$50,000 cash and issued 208,074 common shares with a fair value of \$50,000.
- On third anniversary – \$100,000 payable at a minimum of 50% in shares with the remaining balance paid in cash.
- On fourth anniversary – A final payment of \$250,000 payable at a minimum of 50% in shares with the remaining balance paid in cash. At which point, the Company will own 100% of the Tremblay project.

Minimum exploration expenditures:

- \$200,000 prior to the first anniversary - expended
- \$200,000 prior to the second anniversary - expended
- \$800,000 prior to the fourth anniversary

Royalty:

- Upon earning the 100% in the Tremblay property, the Tremblay partners will retain a 2% Net smelter royalty (“NSR”), of which 1% can be purchased by the Company for \$1,000,000.

During the nine months ended September 30, 2024, the Company staked additional claims for \$11,350 (December 31, 2023 - \$9,100).

Manitou Property, Ontario, Canada

On April 20, 2022, the Company entered into a definitive option agreement with Manitou Gold Inc. (now, Alamos Gold Inc. “Alamos”), as amended on May 17, 2022, January 19, 2023 and November 21, 2023, whereby the Company can acquire a 100% interest in the Manitou property by making \$7,000,000 in aggregate payments to Alamos, issuing 4,000,000 shares and funding a minimum of \$1,400,000 in exploration expenditures within three years of the execution date of the option agreement, as follows:

Aggregate Payments:

- On effective date – \$1,000,000 cash (paid)
- On effective date – issued 4,000,000 shares at a deemed price of \$0.25 with a fair value of \$1,000,000 (paid).
- On or prior to January 31, 2023 – \$500,000 cash (paid January 30, 2023) (paid)
- On or prior to December 31, 2023 – \$1,500,000 payable as \$500,000 cash (paid) and \$1,000,000 in shares if the Company completes an initial public offering (“IPO”) before the due date. On February 7, 2024, the Company issued 4,056,795 shares at a deemed price of \$0.2403 with a fair value of \$1,000,000 (paid)
- On second anniversary – \$2,000,000 payable as 50% cash and 50% shares if the Company completes an IPO before the due date. On April 19, 2024, the Company paid \$1,000,000 in cash and issued 6,377,551 shares at a deemed price of \$0.1568 with a fair value of \$1,000,000 (paid)
- On third anniversary – A final payment of \$2,000,000 payable as 50% cash and 50% shares. At which point, the Company will own 100% of the Manitou project.

Shares issuances shall be priced at the volume weighted average price (“VWAP”) of the Company’s shares on the principle stock exchange upon which the Company will trade for the 20 trading days immediately preceding the respective payment date.

Minimum exploration expenditures:

- | | |
|---|----------------------|
| • On or prior to December 31, 2023 | \$600,000 - expended |
| • On or prior to the second anniversary | \$400,000 - expended |
| • On or prior to the third anniversary | \$400,000 - expended |

Upon exercising the option on the Manitou property, Alamos will retain a 1% net smelter return royalty (“NSR”), one-half of which may be purchased, aside from certain claims, for a cash payment of \$500,000.

The property is subject to net smelter return royalties in amounts ranging from 0.125% to 2.5% on certain mining claims and a one-time payment of \$2,000,000 in the event a National Instrument 43-101 technical report indicates a measured and indicated mineral resource of or exceeding 2,000,000 gold ounces or gold equivalent ounces on certain mining claims comprising the Manitou property.

On June 1, 2023, the Company entered into a purchase and sale agreement a private individual to acquire a 100% interest in certain mining claims in the Gold Rock Mining District of Ontario, Canada. The Company acquired its 100% interest by paying \$4,500 cash.

On October 13, 2023, the Company entered into a purchase and sale agreement with the Gold Cliff Partners to acquire a 100% interest in certain mining claims in the Gold Rock Mining District of Ontario, Canada. The Company acquired its 100% interest by paying \$40,000 cash (paid) and by issuing 50,000 shares (issued with a fair value of \$5,000) to the Gold Cliff Partners.

On October 18, 2023, the Company entered into a purchase agreement with Cross River Ventures Corp. (“Cross River”), as amended on November 21, 2023, whereby the Company can acquire a 100% interest in certain mining claims contiguous to the Manitou Project (the “Cross River Claims”) by making \$175,000 in aggregate cash payments and issuing 400,000 shares to Cross River as follows:

Cash payments:

- On closing – \$175,000 cash payment (paid),

Share payment:

- At the time of transferring the claims to the Company – 400,000 shares (issued).

Royalty:

- Applicable to certain claims within the Cross River claims, a 1.5% NSR was granted (“Manitou Fault Royalty”), of which 50% can be purchased for a cash payment of \$500,000.
- Applicable to certain claims within the Cross River claims, a 1.5% NSR was granted (“Lower Manitou Royalty”), of which 50% can be purchased for a cash payment of \$500,000.

Per the agreement, if during the TSXV listing process (Note 6), the Exchange determines the acquisition of the Cross River Claims constitutes the acquisition of a business, for which audited financial statements are required under Exchange policies, the purchase agreement will be terminated. During the TSXV listing process the Exchange determined the acquisition of the Cross River Claims to be an acquisition of a business and as such the agreement was terminated and the cash payment of \$175,000 was written off in the statement of operations during the year ended December 31, 2023.

On February 2, 2024, the Company entered into a second mineral claim purchase agreement with Cross River to acquire the Cross River Claims by issuing 400,000 common shares on closing of the transfer of the Cross River Claims to the Company. On February 22, 2024, the Company entered into a Closing Agreement with Cross River whereby the Cross River Claims were transferred to the Company and the Company issued 400,000 common shares with a fair value of \$48,000.

During the nine months ended September 30, 2024, the Company staked additional claims for \$5,450 (December 31, 2023 - \$3,200).

SELECTED ANNUAL INFORMATION

The following table summarizes information regarding the Company's operations on a yearly basis since inception in accordance with IFRS. The Company's reporting currency is Canadian dollars.

Fiscal Year ended	Year ended December 31, 2023	Year ended December 31, 2022
Total revenue	\$nil	\$nil
Net loss	(\$3,769,860)	(\$282,441)
Basic loss per common share	(0.11)	(0.02)
Total assets	\$7,971,627	\$2,339,432
Total liabilities	\$1,029,744	\$27,269

RESULTS OF OPERATIONS

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

The Company recorded net loss of \$2,361,143 for the nine months ended September 30, 2024 (the "current period") compared to a net loss of \$635,493 for the nine months ended September 30, 2023 (the "prior period"), an increase of \$1,725,650, as explained in the following paragraphs.

- Consulting fees were \$274,043 higher in the current period (\$374,616) when compared to the prior period (\$100,573). The Company entered into consulting agreements with management during the third quarter of 2023 as a result of the Company's increased operations.
- Exploration expenses were \$1,244,059 higher in the current period (\$1,610,594) when compared to the prior period (\$366,535). The Company completed a multi-phased drill program in the current period.
- Professional fees were \$49,746 higher in the current period (\$160,247) when compared to the prior period (\$110,501). The Company incurred additional legal fees in the current period as a result of becoming an issuer on the TSX Venture Exchange in January 2024.
- Share-based payments, a non-cash expense, were \$231,973 higher in the current period (\$231,973) when compared to the prior period (\$nil). Share-based payments relate to the vesting of incentive stock options, which the company granted in the fourth quarter of 2023 and the nine months ending September 30, 2024.
- Travel and promotion expenses were \$490,517 higher in the current period (\$523,900) when compared to the prior period (\$33,383). The Company incurred travel and promotion expenses in the current period as a result of increased operations and an increase in shareholder engagement activities since becoming a reporting issuer on the TSX Venture Exchange in January 2024.
- Interest income was \$58,197 higher in the current period (\$58,197) when compared to the prior period (\$nil). The majority of the Company's cash balance is earning interest in cashable GIC's with major Canadian banks.

- Recovery on settlement of flow through liability was \$375,610 higher in the current period (\$375,610) when compared to the prior period (\$nil). The Company's recognized a settlement on flow through liability as it incurred eligible exploration expenditures in the current period.
- The exploration grant was \$200,000 higher in the current period (\$200,000) when compared to the prior period (\$nil) as a result of the Company receiving a non-repayable exploration grant in the current period.

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

The Company recorded net loss of \$1,008,681 for the three months ended September 30, 2024 (the "current quarter") compared to a net loss of \$396,803 for the three months ended September 30, 2023 (the "prior quarter"), an increase of \$611,878 as explained in the following paragraphs.

- Consulting fees were \$99,293 higher in the current quarter (\$177,866) when compared to the prior quarter (\$22,000). The Company entered into consulting agreements with management during the third quarter of 2023 as a result of the Company's increased operations.
- Exploration expenses were \$90,149 higher in the current quarter (\$212,251) when compared to the prior quarter (\$78,573). The Company completed a multi-phase drill program in the current quarter.
- Professional fees were \$31,470 lower in the current quarter (\$15,955) when compared to the prior quarter (\$47,745). The Company incurred additional legal fees in the prior quarter.
- Share-based payments, a non-cash expense, were \$80,325 higher in the current quarter (\$231,973) when compared to the prior quarter (\$nil). Share-based payments relate to the vesting of incentive stock options, which the company granted in the fourth quarter of 2023 and in the nine months ending September 30, 2024.
- Travel and promotion expenses were \$250,242 higher in the current quarter (\$263,729) when compared to the prior quarter (\$13,487). The Company incurred travel and promotion expenses in the current quarter as a result of increased operations and an increase in shareholder engagement activities since becoming a reporting issuer on the TSX Venture Exchange in January 2024.
- Interest income was \$10,360 higher in the current quarter (\$10,360) when compared to the prior quarter (\$nil). The majority of the Company's cash balance is earning interest in cashable GIC's with major Canadian banks.
- Recovery on settlement of flow through liability was \$90,597 higher in the current quarter (\$90,597) when compared to the prior quarter (\$nil). The Company's recognized a settlement on flow through liability as it incurred eligible exploration expenditures in the current quarter.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The material components of exploration and evaluation expense are:

	September 30, 2024	September 30, 2023
Exploration and evaluation costs		
Geological consulting	\$ 291,644	\$ 108,223
Geology	134,786	111,456
Drilling/assays	932,219	27,892
Geophysics	28,156	47,686
Field expense	113,876	22,094
Claim maintenance	62,391	26,469
Travel and camp costs	47,522	22,715
	\$ 1,610,594	\$ 366,535

SUMMARY OF QUARTERLY RESULTS (unaudited)

The following table summarizes selected information from the Company's unaudited condensed interim consolidated financial statements, prepared in accordance with IFRS, for the last eight quarters.

For the quarters ended

	Sept 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023
Total revenues	\$nil	\$nil	\$nil	\$nil
Loss for the quarter	\$(1,008,681)	\$(545,149)	\$(807,313)	\$(3,134,367)
Loss per share	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.00)

	Sept 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022
Total revenues	\$nil	\$nil	\$nil	\$nil
Loss for the quarter	\$(396,803)	\$(194,042)	\$(44,648)	\$(84,396)
Loss per share	(\$0.01)	(\$0.01)	(\$0.00)	(\$0.01)

The Company earns interest income from its cash and cash equivalents, which will vary from period to period depending on the prevailing cash and cash equivalents balance in the period.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2024, the Company had cash of \$1,302,551 (December 31, 2023 - \$4,338,604) and working capital of \$1,572,426 (December 31, 2023 - \$3,748,040). The Company has sufficient cash and cash equivalents to fund its operations for the next twelve months.

The Company's cash and cash equivalents are highly liquid and held at a major Canadian financial institution.

	September 30, 2024	September 30, 2023
Operating activities	\$ (2,885,915)	\$ (709,056)
Investing activities	(1,084,800)	(546,600)
Financing activities	2,411,452	1,626,991
Total Change in Cash	(1,559,263)	371,335
Cash and Cash Equivalents, Beginning of the Period	4,338,604	202,532
Cash and Cash Equivalents, End of the Period	\$ 2,779,341	\$ 573,867

Operating Activities

During the nine months ended September 30, 2024, the Company incurred \$1,610,594 (2023 - \$366,535) in exploration expenses, \$160,247 (2023 - \$110,501) in professional fees, \$68,207 (2023 - \$nil) in transfer agent and filing fees and \$523,900 (2023 - \$33,383) in travel and promotion expenditures.

Investing Activities

The Company spent \$1,084,800 (2023 - \$546,600) relating to the acquisition of mineral properties.

Financing Activities

The Company received proceeds for private placements of \$2,411,452 (2023 - \$1,188,450).

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

Remuneration for key management personnel of the Company was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Consulting fees*	\$ 115,750	\$ -	\$ 347,250	\$ 19,000
Salaries	46,250	-	138,750	-
Share-based compensation	52,026	-	146,241	-
	\$ 214,026	\$ -	\$ 632,241	\$ 19,000

* Included in consulting fees at September 30, 2024 is \$165,000 (2023 - \$55,000) in deferred compensation that is due to the Company's CEO for deferred consulting fees. The deferred compensation balance becomes due on January 1, 2026 and may be deferred in continuous three month intervals at the election of the Company's CEO.

As at September 30, 2024, \$nil was due to related parties (December 31, 2023 - \$1,989).

SHARE CAPITAL AND DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this report, the Company's fully diluted shares outstanding is as follows:

Common shares	134,528,030
Options	5,900,000
Warrants	56,174,986
<u>Fully diluted shares outstanding</u>	<u>196,603,016</u>

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

CONTRACTUAL OBLIGATIONS

The Company has no commitments, material capital lease agreements and no material long-term obligations other than what has been previously stated in this MD&A.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and has not commenced commercial operations and has no assets other than cash and mineral property agreements under option. It has no history of earnings, and it is not expected to generate earnings or pay dividends in the foreseeable future.

Precious and Base Metal Price Fluctuations

The profitability of the precious and base metal operations in which the Company has an interest will be significantly affected by changes in the market prices of precious and base metals. Prices for precious and base metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply of the precious and base metals, foreign currency exchange rates, international investments, monetary systems, speculative activities, international economic conditions and political developments. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values. Declining market prices for these metals could materially adversely affect the Company's operations and profitability.

Fluctuations in the Price of Consumed Commodities

Prices and availability of commodities consumed or used in connection with exploration, development and mining, such as natural gas, diesel, oil, electricity, cyanide and other reagents fluctuate affecting the costs of exploration in our operational areas. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on our operating costs or the timing and costs of various projects.

Competitive Conditions

Significant competition exists for natural resource acquisition opportunities. As a result of this competition, some of which is with large, well established mining companies with substantial capabilities and significant financial and technical resources, the Company may be unable to either compete for or acquire rights to

exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company will be able to acquire any interest in additional projects that would yield reserves or results for commercial mining operations.

Operating Hazards and Risks

Exploration activities may generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include, but are not limited to, the following: environmental hazards, industrial accidents, third party accidents, unusual or unexpected geological structures or formations, fires, power outages, labor disruptions, floods, explosions, cave-ins, land-slides, acts of God, periodic interruptions due to inclement or hazardous weather conditions, earthquakes, war, rebellion, revolution, delays in transportation, inaccessibility to property, restrictions of courts and/or government authorities, other restrictive matters beyond the reasonable control of the Company, and the inability to obtain suitable or adequate machinery, equipment or labor and other risks involved in the normal course of exploration activities.

Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, delayed production and resultant losses, increased production costs, asset write downs, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damages. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. Any compensation for such liabilities may have a material, adverse effect on the Company's financial position.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability of acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation or development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation or development of the Company's projects will be commenced or completed on a timely basis, if at all.

Exploration and Development

There is no assurance given by the Company that its exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body resulting in a royalty that provides future income.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

The economics of developing silver, gold and other mineral properties are affected by many factors including capital and operating costs, variations of the tonnage and grade of ore mined, fluctuating mineral markets, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the prices of silver, gold or other minerals produced, the Company may determine that it is impractical to commence or continue commercial production. Substantial expenditures are required to discover an ore-body, to establish reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, conditions for precious and

base metals, the proximity and capacity of milling and smelting facilities, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

Business Strategy

As part of the Company's business strategy, it has sought and will continue to seek new royalty opportunities as well as properties with exploration and development opportunities with the potential to generate royalties. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favorable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favorable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that any future changes in environmental regulation, will not adversely affect the Company's operations. The costs of compliance with changes in government regulations have the potential to reduce the profitability of future operations. Environmental hazards that may have been caused by previous or existing owners or operators may exist on the Company's mineral properties, but are unknown to the Company at the present.

Title to Assets

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. The Company's claims may be subject to prior unregistered agreements or transfers, or native land claims, and title may be affected by unidentified or unknown defects. The Company has conducted as thorough an investigation as possible on the title of properties that it has acquired or will be acquiring to be certain that there are no other claims or agreements that could affect its title to the concessions or claims. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company.

Uncertainty of Funding

The Company has limited financial resources, and the mineral claims in which the Company has an interest or an option to acquire an interest require financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company so as to exercise its option or to maintain its interests once those options have been exercised. Further exploration work and development of the properties in which the Company has an interest or option to acquire depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its interests in mineral properties or reduce or terminate its operations.

Agreements with Other Parties

The Company has entered into agreements with other parties relating to the exploration of its properties. The Company may in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the costs required to complete recommended programs.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors and/or officers of other public and private companies and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

There is no assurance that the needs of the Company will receive priority in all cases. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger properties and programs; (ii) acquire an interest in a greater number of properties and programs; and (iii) reduce their financial exposure to any one property or program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Third Party Reliance

The Company's rights to acquire interests in certain mineral properties may have been granted by third parties who themselves may hold only an option to acquire such properties. As a result, the Company may have no direct contractual relationship with the underlying property holder.

Assurance on Financial Statements

We prepare our financial reports in accordance with accounting policies and methods prescribed by IFRS. In the preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies and practices are described in more detail in the notes to our consolidated financial statements for the nine months ended September 30, 2024. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, we have implemented and continue to analyze our internal control systems for financial reporting. Although we believe our financial reporting and consolidated financial statements are prepared with reasonable safeguards to ensure reliability, we cannot provide absolute assurance in that regard.

General Economic Conditions

The unprecedented events in global financial markets during the last few years have had a profound effect on the global economy. Many industries, including the gold and silver mining industry, are affected by these market conditions. Some of the key effects of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity,

commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability.

Substantial Volatility of Share Price

In recent years, the securities markets have experienced a high level of price and volume volatility, and the securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports.

Potential dilution of present and prospective shareholdings

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING STANDARDS

None.

FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at September 30, 2024 the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At September 30, 2024, the Company has no sources of revenue but has a cash balance of \$2,779,341 (December 31, 2023 - \$4,338,604) to settle current accounts payable and accrued liabilities of \$318,947 (December 31, 2023 - \$544,134). As such, management feels the Company has sufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year. The Company's exposure to liquidity risk is currently negligible, however, the Company has no source of revenue and will require additional equity financings in the future.

Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

As at September 30, 2024, the Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. Cash and cash equivalents and accounts payable and accrued liabilities are classified as amortized cost. The fair value of cash and cash equivalents and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the instruments.

Additional information related to the Company is found on SEDAR at www.sedar.com.