

MINERAL HILL INDUSTRIES LTD.

Management Discussion and Analysis

For the nine months ended  
September 30, 2024

**Management's discussion and analysis of financial results  
For September 30, 2024  
Containing information up to and including November 29, 2024**

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The following is Management's Discussion and Analysis ("MD&A") of the financial condition of Mineral Hill Industries Ltd. (the "Company" or "MHI") and the financial performance for the nine months ended September 30, 2024. This discussion and analysis should be read in conjunction with the consolidated financial statements and related notes as at, and for the nine months ended September 30, 2024 and 2023. Reference should also be made to the Company's filings with Canadian securities regulatory authorities, which are available at [www.sedarplus.ca](http://www.sedarplus.ca).

This MD&A is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure directly and through its audit committee. The majority of the audit committee is comprised of independent directors who review and, prior to its publication, approve, pursuant to the authority delegated to it by the Board of Directors, this disclosure.

All amounts are in Canadian dollars unless otherwise noted and prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### **Current market conditions**

Certain global economic conditions are still causing financial uncertainties and have a negative impact on the general economic environment. Although the Company returned its focus actively on the precious metal exploration and has completed the first part of its initial exploration work, access to public financing is still limited especially to junior exploration companies. If the current market conditions continue, the Company's ability to operate may be adversely impacted and the trading volume of the Company's shares could be restrained.

### **Overview**

The Company is a reporting issuer in Alberta and British Columbia and its common shares are trading on the TSX Venture Exchange (the "TSXV" or "Exchange") under the symbol "MHI" and are also co-listed on the Frankfurt quotation platform in Germany under the symbol "MLN" and OTC Markets in the USA under the symbol "MHIF".

Up to the end of 2014, MHI was actively engaged in the acquisition and exploration of natural resource projects within the mineral industry segment. During the years from 2014 to 2016 the Company experienced extreme difficulties in raising sufficient funds for mining exploration due to the economic climate within that sector at that time.

After a previous sincere consideration to change its business direction, the Company decided to stay within the mineral industry segment and announced on December 24, 2020, that it had entered into a definitive Earn-In Option Agreement ("EIO Agreement") with Cardinal Geoconsulting Ltd. ("Owner") to acquire up to a 100% interest in Owner's Dot-Apex Claim Group ("Apex Claims") and the Master-ACE Claim Group ("ACE Claims"), located in south-western British Columbia. The Apex Claims consist of contiguous claim cells totaling 2,406.13 hectares and the ACE Claims totaling 695.09 hectares.

On August 26, 2021 the Company announced the closing of its initial private placement offerings of Flow-Through shares ("FTS"), referred to as PP1b under its executed Earn-In Option Agreement (the "EIO-Agr"). PP1b was dedicated for exploration and development

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expenses of the Dot-Apex Claim Group. The proceeds from PP1b amounted to \$101,010 and MHI issued 336,700 Flow-Through shares at a price of \$0.30 per share qualifying as "flow-through mining expenditures" under the Income Tax Act (Canada), which were renounced to the purchasers of such shares in an aggregate amount no less than the proceeds raised from the issuance of the Flow-Through Shares of PP1b. As at December 31, 2022, the Company had used \$77,404 and \$23,606 remained unspent. The remaining flow through share premium liability of \$5,902 was replaced with a provision of \$12,275 with an indemnity on flow through shares of \$6,373 recorded on the statement of loss and comprehensive loss. As at December 31, 2023, the Company had reimbursed a total of \$6,373 to the investors in the flow through share financing and reduced the remaining provision to \$Nil.

On advice of the Company's geologist, further exploration of the Apex Claims was put on hold in August 2022. The Company's understanding is that the "Kanacka Bar Indian Band" is in the final stages of an application process with the Federal and Provincial Governments regarding a proposal to reclaim their traditional territories. The Company has been updated by Cardinal Geoconsulting Ltd., that the Kanacka Bar Indian Band's, and the present Provincial Government's negotiations in respect to the possible jurisdictional outcome for the Apex Claims have been concluded and will be finalized after the provincial election scheduled for October 19, 2024.

The Company also closed the initial tranche of \$106,796 for the private placement offering of Non-Flow-Through security units ("NFTS"), announced on August 16, 2021 as PP1a, and issued 474,648 units at a price of \$0.225 per unit. Each unit of PP1a consisted of one NFTS common share and one transferable share purchase warrant (the "Warrant") with an overall exercise period of two (2) years. The Warrants expired on September 7, 2023.

With the funds raised under PP1a the Company exercised its option to acquire an initial 20% interest in the Apex Claims by: (a) paying to the Owner \$10,000 cash and (b) issuing 100,000 common shares to the Owner as well as (c) completing its initial exploration commitment under the EIO Agreement in respect to the Apex Claims.

The Company's Dot-Apex exploration program was led by Daniel G. Cardinal, P. Geo., F.G.A.C and the final 43-102 Technical Report dated April 9<sup>th</sup>, 2021, was prepared and submitted by W.B Lennan, BSc., P.Geo.

In the fourth quarter of 2021, the Company received the analytical lab results from its Phase I exploration program conducted on the Dot-Apex property (the "Apex-Property") and its Management was very pleased that a number of the rock and soil samples are anomalous and contain elevated gold and silver values. The 2021 exploration program consisted of soil and rock sampling surveys, limited geophysical VLF-EM survey and reconnaissance scale geological mapping, designed to investigate positive gold results documented in a National Instrument 43-101 technical report, dated September 9, 2021 as publicized in the Company's news release on January 12, 2022.

As at November 26, 2023, the second anniversary of the Effective date of the EIO Agreement, the Company had not exercised its second option to acquire a further 80% interest in the Apex Claims or 100% in the Ace Claims. However, there is a verbal

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understanding to negotiate a possible extension and update of the EIO Agreements subject to the final outcome of the application process between the "Kanacka Bar Indian Band" and the Provincial Governments in respect to reclaiming their traditional territories.

As of August 20, 2024 MHI is under new ownership control and management, as a result the new Board of Directors is reviewing and analyzing all previous exploration contracts/agreements and all other agreements. As of yet, no final decisions have been made.

**Highlights of Events**

The following are highlights of events occurring during the nine months ended September 30, 2024 and subsequent thereto:

Between November 2021 and December 2022 the Company was approached by overseas corporations for possible mergers or reversed takeover ("RTO") acquisitions and was actively engaged in raising additional working capital and additional bridge financing in order to fund its due diligence on those possible projects.

On December 9, 2022, the Company announced the closing of such initial funding via a private placement with "PP-2212-Investor", whereby Merfin Management Limited ("MRF"), the Company's present controlling shareholder, beneficially owned by the Company's president and CEO, Dieter, Peter, agreed to grant a "Call-Option" of up to 11,000,000 of MRF's owned common shares of MHI ("MRF-MHI-Shares") to Echos Holding AG ("Echos"), a company affiliated to the private placement investor, subject to Regulatory Approval and the approval of the Company's disinterested shareholders. At the Company's Special Shareholders Meeting held on February 21, 2023, disinterested shareholders unanimously approved the "Call-Option". As the completion of the "Call-Option" will trigger a change of control, TSXV approval is required and was obtained on March 6, 2023.

The Call Option to Echos expired in 2023 and it was agreed between new parties that a company affiliated with the PP-2212-Investor (the "FCAG-grp") will continue with the possible RTO and acquisition of MRF's control block of MHI's common shares. As of August 2, 2024, no final agreement has been executed.

As of August 20, 2024 MHI is under new ownership control and management, as a result the new Board of Directors is reviewing and analyzing all previous exploration contracts/agreements and all other agreements. As of yet, no final decisions have been made.

***Overall Performance***

**Financing**

On December 21, 2022, the Company announced the closing of the Non-Brokered Private Placement with a company in Switzerland ("PP-2212-Investor") and its acceptance by the TSXV. Through PP-2212, the Company raised \$150,000 comprised of 600,000 common shares at \$0.25 per share to be used as general working capital.

**Results of Operations**

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

Net loss and comprehensive loss for the nine months ended September 30, 2024, was \$53,222 (loss per share - \$0.00) compared to a net loss and comprehensive loss of \$52,546 (loss per share - \$0.00) for the corresponding period in 2023. Being at the exploration stage, the Company did not generate any revenue from operations. The increase in loss of \$676 was mainly attributable to:

1. A decrease of \$134 in bank charges and interest from \$1,946 in 2023 to \$1,812 in 2024;
2. An increase of \$1,388 in investor relations from \$1,768 in 2023 to \$3,156 in 2024;
3. A decrease of \$1,035 in professional fees from \$31,844 in 2023 to \$30,809 in 2024;
4. A decrease of \$352 in interest income from \$510 in 2023 to \$158 in 2024;
5. An increase of \$3,405 in transfer agent and filing fees from \$13,141 in 2023 to \$16,546 in 2024;
6. An increase of \$1,590 in adjustment write-off from \$Nil in 2023 to \$1,590 in 2024;
7. A decrease of \$290 in office and miscellaneous from \$1,599 in 2023 to \$1,309 in 2024.

<b>Summary of Annual Results</b>	<b>December 31 2023</b>	<b>December 31 2022</b>	<b>December 31 2021</b>
	\$	\$	\$
<b>Net revenue</b>	-	-	-
<b>Income (loss) from operations</b>			
- in total	(52,324)	(59,218)	(75,357)
- on a per-share basis	(0.00)	(0.00)	(0.00)
- on a diluted per-share basis	(0.00)	(0.00)	(0.00)
<b>Net income (loss)</b>			
- in total	(52,324)	(59,218)	(75,357)
- on a per-share basis	(0.00)	(0.00)	(0.00)
- on a diluted per-share basis	(0.00)	(0.00)	(0.00)
<b>Total Assets</b>	182,558	245,469	149,309
<b>Total long-term financial Liabilities</b>	-	-	-
<b>Cash dividends declared per share</b>	-	-	-

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**Selected Quarterly Information**

Three months ended	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Total assets	130,073	146,549	154,161	182,558	187,203	189,826	219,600	245,469
Exploration and evaluation assets	109,904	109,904	109,904	109,904	109,904	109,904	109,904	109,904
Working capital deficit	(124,473)	(107,913)	(100,994)	(71,541)	(71,763)	(70,074)	(49,206)	(19,217)
Shareholders' equity (deficiency)	(14,569)	1,991	9,200	38,653	38,431	40,120	60,988	90,977
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income/(loss)	(16,561)	(7,209)	(29,453)	222	(1,689)	(20,868)	(29,989)	(10,664)
Earnings (loss) per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Liquidity**

The Company's working capital and deficit positions at September 30, 2024 and December 31, 2023 were as follows:

	September 30 2024	December 31 2023
Working capital (deficit)	\$ (124,473)	\$ (71,541)
Deficit	\$ (19,173,147)	\$ (19,119,925)

The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance that the Company will be able to obtain required financings in the future on acceptable terms. The Company has presently limited financial resources, has presently no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company had been successful in the past in financing its activities through the sale of securities and support

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from insiders. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions, the commodity prices and the Company's production and exploration success. The global securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

**Capital Resources**

At September 30, 2024, there were 21,324,807 (December 31, 2023: 21,324,807) common shares outstanding without par value, and an accumulated deficit of \$19,173,147 (December 31, 2023: \$19,119,925), resulting in a shareholders' deficiency of \$14,569 (December 31, 2023: equity of \$38,653).

**Additional Disclosure for Venture Issuers without Significant Revenue**

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's consolidated statements of comprehensive loss included in its consolidated financial statements for the nine months ended September 30, 2024 and 2023, which are available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

**Related Party Transactions**

During the nine months ended September 30, 2024, the Company entered into the following transactions with related parties.

The Company charged, as a recovery of office expenses 50% of the office expenses to The Eelleet Network Corp., a non-listed public company related by common directors and officers, a total amount of \$539 (2023: \$1,337).

As at September 30, 2024, the Company recognized due from related parties, being companies with common directors, of \$Nil (2023- \$290) as well as \$2,654 (2023 - \$Nil) due from The Eelleet Network Corp. recorded in accounts receivable.

**Off Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements.

**Directors and Officers**

Reno J Calabrigo	CEO, President and Director
Herb Markgraf	CFO
Dieter Peter	Director
Clemens Franz-Walter Convents	Director
Yves Kandel	Director

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**Outstanding Share Data as at November 29, 2024**

	Number outstanding
Common shares	21,324,807

**Future Developments**

For 2024 and 2025, the Company is focusing on raising adequate capital to either complete its payments and the second phase of its exploration plans of the DOT-Apex claim group and possibly renegotiate the required conditions under its exclusive option for the acquisition of the previously announced Master ACE claim group in good standing and acquire additional resource properties in British Columbia available through the IFCAG-grp.

The Company has not exercised its initial intent to acquire certain rights to the waste-to-clean-energy technology ("EnviroX") of its subsidiary Global Environomic Systems Corp ("GSC"). Since the Company assumed control over GSC in February 2016, GSC remained total inactive as Mineral Hill is presently still focusing on its natural resource projects. Management has never put any material value on GSC and may consider transferring its ownership or spinning GSC off as an independent company in order to align the Company's corporate structure.

**Risks and Uncertainties**

The Company had been mainly engaged in the exploration of natural resources in the past and has decided to continue its original business direction through careful due diligence by establishing an experienced and knowledgeable operation team. Nevertheless, the Company cannot assure its investors and shareholders that it will be able to operate such to be acquired projects successfully or profitable and complete additional suitable investments resulting in attractive risk-adjusted returns to its shareholders which over the long term will generate sufficient cash flow and generate capital appreciation.

The following are some of the key risks and uncertainties identified; however, there may be other risks and uncertainties that would include:

- the availability of investment opportunities;
- an increase in competition to acquire suitable projects throughout the world or other adverse circumstance may make it not possible for the Company to finance additional acquisitions and/or the Company may be unable to invest its proceeds from future financings on acceptable terms;
- additional new laws, amid the present pandemic, that are unfavorable to the business of the Company may be enacted and current favorable laws related to resource business may be modified or eliminated in future;
- the Company is dependent on key personnel and key advisors for the success of any transaction. The departure of any of its executive officers or key personnel could have a material adverse effect on the Company's business as additional costs will be incurred to find replacements or additional availability of experts;

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- the Company's growth will still depend to a great deal on external sources of capital, which may not be available at acceptable terms or at all. In addition, financial institutions may be reluctant to enter into lending transactions with the Company.
- the Company expects that most of its initial acquisitions will be start-up prospects and may be unable to pay subsequent development funds, which could adversely affect the Company's investments funds available for any mine development or otherwise impair the value of investments for its shareholders;
- compliance with environmental laws could materially increase the Company's operating expenses.

### **Financial Instruments**

The Company's present financial instruments consist of cash and equivalents, receivables, due from related parties, and accounts payable and accrued liabilities and, in the future, possibly corporate bonds and other financial instruments. Unless otherwise noted, it is management's opinion that the Company is presently not exposed to significant interest payments, currency or credit risks arising from any financial instruments generated from non-arms-length parties.

### **Credit risk**

Credit risk is the risk of potential loss to the Company if the counterparty 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 and equivalents, receivables, and amounts due from related parties. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash and equivalents with high-credit quality financial institutions.

Amounts due from related parties are discussed in Note 6 of the consolidated financial statements.

### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities and may lose its right to acquire the exploration projects under its "Earn-In Option Agreement" referred to within the above "Overview" paragraph.

The Company has historically relied solely upon equity financings and loans from insiders to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance that the Company will be able to obtain required financing in the future on acceptable terms.

The Company anticipates the need of additional capital in the future to finance ongoing explorations and acquisitions, such capital cannot be derived from the exercise of outstanding stock options, warrants but more so through the completion of additional equity financings or other financing instruments available to the Company. The Company will have no operating income in the near future and has no assurance that additional funding or alternative financing instruments will be available to it for future acquisitions, although it has been successful in the past in financing its activities through the sale of equity securities and

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insider loans. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and operational success of its current mineral assets. In recent years, the securities markets in Canada and globally have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in prices for qualifying projects will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

### **Changes in Accounting Policies**

There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

### **Forward-Looking Statements**

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Certain forward-looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. These forward-looking statements are set forth principally under the heading "Property Overview" and elsewhere in Management's Discussion and Analysis and may include statements regarding perceived merit of properties; capital expenditures; feasibility study results at the Company's properties; budgets; work programs; timelines; strategic plans; or other statements that are not statement of fact. The material factors or assumptions used to develop forward-looking statements include prevailing and projected market prices and foreign exchange rates, exploitation and exploration estimates and results, continued availability of capital and financing, and general economic, market or business conditions and as more specifically disclosed throughout this document. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties, and other factors.

The Company's forward-looking statements are based on the beliefs, expectations, and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in fluctuations project values and

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currency exchange rates; uncertainties relating to interpretation of estimates of capital and operating costs and estimated economic return; the need for cooperation of government agencies in the development of project assets and the issuance of required permits; the need to obtain additional financing to develop the assets and uncertainty as to the availability and terms of future financing; the possibility of delay in development programs on in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; and other risks and uncertainties disclosed on the Company's other information released by the Company and filed with the applicable regulatory agencies.

The reader should not place undue reliance on these forward-looking statements. These statements reflect the Company's current view of future events and are subject to certain risks and uncertainties as contained in the Company's filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company's actual results could differ materially from those anticipated in these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that such expectations will materialize. The forward-looking statements made in this MD&A describe the Company's expectations as at November 29, 2024.

*"Reno J Calabrigo"*  
On behalf of the Board  
Reno J Calabrigo, Chief Executive Officer  
November 29, 2024