



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Year ended December 31, 2024

This Management's Discussion & Analysis ("MD&A") of GFM Resources Limited (the "Company") is for the year ended December 31, 2024, and up to the date of this report, and it should be read together with the audited consolidated financial statements for the year ended December 31, 2024 and 2023, and related notes thereto, which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Unless otherwise indicated, all amounts are expressed in Canadian dollars.

1.- Date of this report: February 27, 2025.

2.- Overall performance and events

a) Description of Business

GFM Resources Limited is an emerging mineral exploration company focused on the acquisition and development of high-potential exploration properties in Mexico. Its shares are listed on the NEX Board of the TSX Venture Exchange ("TSX-V") under the symbol GFM.H. The Company was incorporated under the laws of British Columbia, Canada in 1987. During the year ended December 31, 2000, the Company continued its operation into the Yukon Territory, Canada, under the Business Corporation Act of Yukon, and registered as an extra-provincial company in British Columbia under the laws of British Columbia.

The Company's majority shareholder is Compañía Minera Autlán, S.A.B. de C.V. ("Autlan"), a Mexican company listed on the Mexican Stock Exchange - *Bolsa Mexicana de Valores* – and controlled by Mr. José Antonio Rivero Larrea, a current advisor and former director of the Company.

Autlan is active in manganese and ferroalloy operations in Mexico and owns a gold-producing mine in the state of Sonora, Mexico.

b) Financings

On November 17, 2017:

- The Company entered into a loan agreement (the "Loan Agreement") with Autlan with effect from August 1, 2017. Under the terms of the Loan Agreement, Autlan will make available to the Company a line of credit of up to USD \$2,000,000 per year. Advances made under the Loan Agreement bear annual simple interest calculated on the Secured Overnight Financing Rate ("SOFR", which replaced the London Interbank Offered Rate - LIBOR) plus 2%, calculated daily on the outstanding balance. The principal outstanding, together with any accrued but unpaid interest will become due and payable on demand, but such demand shall not to be made unless the Company has sufficient funds to repay the loan. There are no convertibility features on this Loan Agreement.

During the year ended December 31, 2024, the weighted-average interest rate was 7.25% (2023 – 7.14%).

- The Company's Mexican subsidiary GFM Resources de Mexico, S.A. de C.V. (the "Subsidiary") entered into a separate loan agreement with Autlan (the "Subsidiary Agreement"), with retroactive effect from August 1, 2017. Under the terms of the Subsidiary Agreement, Autlan will make available to the Subsidiary a line of credit of



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up to MXN \$40,000,000 (approximately USD \$2,000,000) per year. Advances made under the Subsidiary Agreement bear annual simple interest calculated on the Bank of Mexico's inter-bank loan rate (TIIE for its acronym in Spanish – *Tasa de Interés Interbancaria de Equilibrio*) plus 2%, calculated daily on the outstanding balance. The full principal amount of this loan, together with interests outstanding to June 30, 2023, were repaid during the year ended December 31, 2023. The remaining interest outstanding up to December 31, 2023, was repaid during January of, 2024, and thus there are no amounts outstanding pursuant to this Subsidiary Agreement.

The following table summarizes the new loans with Autlan (expressed in Canadian dollars):

	Principal	Interest			Mexican IVA value-added tax (net)	Total
		accrued	repaid	net		
	\$	\$	\$	\$	\$	\$
Balance, December 31, 2022	1,482,519	221,131	(171,533)	49,598	3,500	1,535,617
Loan Agreement	732,898	91,622	(67,072)	24,550	-	757,448
Subsidiary Agreement	(383,708)	56,292	(52,162)	4,130	828	(378,750)
Foreign exchange adjustment	(29,831)	6,632	(5,346)	1,286	329	(28,216)
Balance, December 31, 2023	1,801,878	375,677	(296,113)	79,564	4,657	1,886,099
Loan Agreement	392,112	156,009	(127,347)	28,662	-	420,774
Subsidiary Agreement	-	-	(29,077)	(29,077)	(4,654)	(33,731)
Foreign exchange adjustment	181,232	(1,845,417)	1,850,326	4,909	(3)	186,138
Balance, December 31, 2024	2,375,222	(1,313,731)	1,397,789	84,058	-	2,459,280

Interest is invoiced to the Company by Autlan on a bi-annual basis. During the year ended December 31, 2024, the Company repaid 127,347 of interest pursuant to the Loan Agreement, of which \$51,448 was due on December 31, 2023, and \$75,899 at June 30, 2024. The Company also repaid \$29,077 of interest due pursuant to the Subsidiary Agreement that was due on December 31, 2023, effectively extinguishing the Subsidiary Agreement loan.

During the year ended December 31, 2024, the Company was informed by its tax advisors of the requirement to withhold taxes on interest paid in cash to Autlan pursuant to the Loan Agreement, as required by Part XIII of the Income Tax Act. The Company should have withheld 10% of the interest repaid to Autlan, and remit that to the Canada Revenue Agency. Autlan could in turn use the amount withheld in their own Mexican income tax returns. However, as the Mexican fiscal system is strictly tied to cash movements, withholding amounts corresponding to periods paid in the past will have to be absorbed by the Company as a Part XIII one-time tax in the amount of \$22,710, which includes the withholding requirement inclusive of late filing interest and other penalties. On a going-forward basis, the Company will withhold 10% of any interest payment and remit it to the Canada Revenue Agency. Included in Prepaid expenses and deposits is \$1,639 overpayment to the CRA, which will be used against future Part XIII income tax withholdings.



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c) Board of Directors and Officers

As at the date of this MD&A, the following are the Directors and Officers of the Company:

Pedro Rivero González	Director, Chairman and Chief Executive Officer	(Mexico)
	Audit Committee member	
Roberto Rivero Larrea	Director, President	(Mexico)
Esteban Rivero González	Director, Audit Committee member	(Mexico)
James Robertson, P.Eng.	Director, Audit Committee Chair	(Vancouver)
Salvador Miranda	Chief Financial Officer & Corporate Secretary	(Vancouver)

* Mr. Pedro Rivero González was appointed to the Board on February 29, 2024, upon resignation of Mr. Horacio Alcocer, and elected as director and appointed Chairman and CEO on May 14, 2024. Mr. Roberto Rivero Larrea was elected as Director at the annual general meeting of shareholders of May 14, 2024, and appointed President. Mr. José Antonio Rivero Larrea, long-time director and chairman, stepped down from the Board to become senior advisor to the Company.

d) Mineral exploration

La Casita, Durango, Mexico

On May 13, 2008, the Company entered into a formal Purchase and Sale Agreement (the "Property Agreement") to acquire from Grupo Ferrominero, S.A. de C.V. ("Grupo", a company controlled by a director of the Company) the "La Casita" mineral property, formerly known as El Rodeo property ("the Acquisition") in the State of Durango, Mexico, consisting of three mineral claims.

The Company is keeping the property under care and maintenance, with related costs charged to the consolidated statement of loss and comprehensive loss. The conclusions from earlier exploration programs on the property indicated that further exploration would be merited. The Company is analyzing different possibilities for this property, as well as considering other mineral properties as possible acquisition targets.

Dany II, Guanajuato, Mexico

During the year ended December 31, 2019, the Company issued a bid to the Mexican mining authorities for the potential acquisition of the Dany II concession in the state of Guanajuato, Mexico. The Company's majority shareholder, Autlan, owns other concessions in this area. While the bid was successful, the Mexican Ministry of Mines in Mexico has not issued the concession title. Furthermore, there is no assurance that the Mexican Ministry of Mines will extend issue new concession titles, in which case the Company would attempt to request a refund. If the title is issued, the Company will add this concession to its portfolio of properties for potential exploration.

The following concession payments for La Casita have been incurred:

Expensed	
Year ended December 31	
2024	2023
\$	\$
37,687	36,677

The Company drew down on its Loan Agreement and funded its Mexican subsidiary in order to make these payments.



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3.- Selected annual information

The following are the main figures for the Company's most recent three-year period:

	Years ended December 31		
	2024	2023	2022
	\$	\$	\$
Interest accrued on Loan Agreement and Subsidiary Agreement with Metallorum	156,009	147,914	74,569
Interest repaid on Loan Agreement and Subsidiary Agreement with Metallorum	(156,424)	(119,234)	(38,145)
Loss for the year	(662,843)	(335,107)	(305,201)
Per share, basic & diluted	(0.03)	(0.02)	(0.02)
Total comprehensive loss for the year	(578,369)	(403,322)	(357,711)
Per share, basic & diluted	(0.03)	(0.02)	(0.02)
Loand advances received	392,112	732,898	221,191
Principal amounts repaid	-	(383,708)	-
Total assets	9,530	33,171	57,516
Total liabilities	2,489,965	1,939,777	1,560,800
Shareholders' deficiency	(2,480,435)	(1,906,606)	(1,503,284)
Cash dividends declared	Nil	Nil	Nil

Interests accrued on the loans referred to in Section 2(b) have increased due to the larger amount of principal outstanding as well as the general increase in interest rates have taken pace from 2022 to 2024. The Company's continued operations are dependent upon the availability of such loans from its majority shareholder.

Interest is invoiced by Autlan on a biannual basis and repaid accordingly.

Please refer to the next section, *Results of operations*, for a discussion on the items integrating the annual losses.

During 2024 completed the payment of the remaining interest of the Subsidiary Loan, which is no longer in use by the Company's Mexican subsidiary and has been extinguished.

Total assets vary from year to year mostly depending on the amount of cash available at the end of each period.

The increase in total liabilities is mostly due to the increased debt to Autlan related to the outstanding loans described in Section 2(b).

Finally, as no recent equity financing activities have taken place, the shareholders' deficiency is increasing as the Company continues its operations depending on the loans provided by its majority shareholder.



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4.- Results of operations

a) Year-to-date

	Year ended December 31				
	2024	% of	2023	% of	% change
	\$	expenses	\$	expenses	
<u>Cash expenses</u>					
Administration and accounting	60,000	27.04%	60,000	28.28%	0.00%
Audit and legal	44,450	20.03%	72,352	34.10%	-38.56%
Property examination costs	37,687	16.98%	36,677	17.28%	2.75%
Directors' fees	24,000	10.82%	24,000	11.31%	0.00%
Part XIII tax	22,710	10.23%	-	0.00%	0.00%
Filing and transfer agent fees	19,804	8.92%	11,914	5.61%	66.22%
Office and sundry	8,712	3.93%	7,262	3.42%	19.97%
Share-based payments	4,540	2.05%	-	0.00%	0.00%
	221,903	100.00%	212,205	100.00%	4.57%
<u>Non-cash (income) expenses</u>					
Interest on loans	156,009		147,914		
Foreign exchange loss (gain)	279,117		(34,183)		
Mexican value-added tax written off	5,814		9,171		
	440,940		122,902		
Loss for the year	(662,843)		(335,107)		
Exchange differences on translating foreign operations, net of tax	84,474		(68,215)		
Total comprehensive loss for the year	(578,369)		(403,322)		

The significant amounts from the comparative periods were as follows:

- Administration and accounting consists of a monthly fee of \$5,000 paid to a company controlled by the Chief Financial Officer of the Company.
- While audit fees were marginally higher during 2024 as compared to 2023, the legal fees were substantially smaller in 2024. During 2023, the Mexican subsidiary incurred significant legal fees in connection to legal challenges to a proposed Mexican Mining Law legislation that would jeopardize the renewal of claims and the acquisition of new ones, as well as the obtention of exploration and mining permits.
- Property examination costs relate to the maintenance of the La Casita concessions, as detailed in the prior section. Concession maintenance fees have an annual increase which is reflected in the above figure, which is also affected by foreign exchange re-expression from Mexican pesos to Canadian dollars.
- The one-time Part XIII tax payment was explained above under (b) *Financings*.
- Filing fees include transfer agent and quarterly fees paid to the TSX Venture Exchange. They were consistent with the prior year's figure.
- Directors' fees: a \$2,000 monthly stipend is paid to a director of the Company in his capacity of Chair of the Audit Committee.
- Office expenses are consistent with those of the comparative period of the prior year.
- Share-based payments relates to the straight-line vesting of stock options granted during the current period. It's a non-cash expense calculated pursuant to the Black-Scholes option pricing model.



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- Interest related to the Loan Agreement and Subsidiary Agreement are described above in Section 2(b). Interest on loans increased due to both the higher amount of principal outstanding and general increases in interest rates during 2024 and 2023. All interest accrued and outstanding up to December 31, 2023, has been repaid, as well as the total principal amount of the Subsidiary Agreement.
- Changes in foreign exchange are due to external factors, including changes in interest rates, monetary policy and economic situation of each jurisdiction, etc., affecting both the foreign exchange loss and the exchange differences on translating foreign operations.

b) Most recent quarter:

	Three months ended December 31				
	2024	% of	2023	% of	% change
	\$	expenses	\$	expenses	
<u>Cash expenses</u>					
Administration and accounting	15,000	35.28%	15,000	36.54%	0.00%
Property examination costs	8,726	20.52%	9,316	22.69%	-6.33%
Audit and legal	6,949	16.34%	6,866	16.72%	1.21%
Directors' fees	6,000	14.11%	6,000	14.61%	0.00%
Filing and transfer agent fees	2,449	5.76%	2,445	5.95%	0.16%
Office and sundry	1,948	4.58%	1,432	3.49%	36.03%
Share-based payments	1,450	3.41%	-	0.00%	0.00%
Total cash expenses	42,522	100.00%	41,059	100.00%	3.56%
<u>Non-cash expenses</u>					
Interest on loans	39,659		40,810		
Foreign exchange loss (gain)	144,510		(25,513)		
Mexican value-added tax written off	(132)		5,861		
Total non-cash expenses	184,037		21,158		
Loss for the period	(226,559)		(62,217)		
Exchange differences on translating foreign operations, net of tax	(5,758)		(4,490)		
Total comprehensive loss for the period	(232,317)		(66,707)		

The decrease in audit and legal expenses for this quarter relates to lower legal fees in Mexico; during 2023 the Company incurred legal costs related to concession challenges to a proposed Mexican mining legislation, as explained in the previous section.

The remaining lines are either comparable and consistent with those of the prior period, or low in materiality.



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5.- Summary of quarterly results:

	Quarter ended (three-month figures) (\$)							
	31-Dec 2024	30-Sep 2024	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023
Loss before other expenses	(187,032)	(76,109)	(151,697)	(63,472)	(15,546)	(97,323)	(33,298)	(31,855)
Per share, basic and diluted	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Loss for the period	(226,559)	(117,795)	(212,620)	(105,869)	(62,217)	(136,052)	(72,706)	(64,132)
Per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)
Other comprehensive income (loss)	(5,758)	58,366	63,707	(31,841)	(4,490)	(2,747)	(18,733)	(42,245)
Per share, basic and diluted	(0.00)	0.00	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total comprehensive loss	(232,317)	(59,429)	(148,913)	(137,710)	(66,707)	(138,799)	(91,439)	(106,377)
Per share, basic and diluted	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)
Total assets	9,530	16,039	11,334	36,017	33,171	20,287	81,164	38,515
Total liabilities	2,489,965	2,265,607	2,203,518	2,080,333	1,939,777	1,860,186	1,782,264	1,648,176
Shareholders' deficiency	(2,480,435)	(2,249,568)	(2,192,184)	(2,044,316)	(1,906,606)	(1,839,899)	(1,701,100)	(1,609,661)
Cash dividends declared	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

During the fourth quarter of 2024, the Company received \$28,235 (USD \$20,000) in loan advances from Autlan pursuant to the Loan Agreement and incurred interest on its loan of \$39,658 (USD \$28,355). As the principal amount of the loan keeps growing, the interest accrued is now the highest contributor to the Company's loss.

During the third quarter of 2024, the Company received \$17,521 (USD \$13,000) in loan advances from Autlan pursuant to the Loan Agreement. The loss was smaller than during the third quarter of 2023 due to lower Mexican legal costs, as explained in prior sections.

During the second quarter of 2024, there was a very large variation in the foreign exchange, and in opposite direction as in the same quarter of 2023. This was the main contributing factor to the significantly larger figure of loss before other expenses. The rest of the discussion of this quarter is the same as the disclosure made in the previous section. The increase in total liabilities is tied to the increase in amounts due to Autlan pursuant to the Loan Agreement, on which the Company depends for the continuance of its operations.

During the first quarter of 2024 the Company repaid the outstanding interest on pursuant to the Subsidiary Agreement, effectively extinguishing this loan. The higher loss is mostly due to higher interest rates on its Loan Agreement as both the principal amount and the interest rates rise, and higher legal and audit costs than in the same quarter of 2023.

During the fourth quarter of 2023 the Company repaid Autlan the principal amount owed on its Subsidiary Agreement. The purpose is to eliminate this agreement once the remaining outstanding interests are paid. The expenses for this quarter were consistent with those of the fourth quarter in 2022.

Expenses of the third quarter of 2023 were higher than those of the same quarter in 2022 mostly due to higher legal fees, and higher interest rates applied to larger principal amounts on the Loan Agreement and Subsidiary Agreement.

The increase in total assets during the June 2023 quarter as compared with both prior and subsequent quarters was due to the funding received from Autlan through the Loan Agreement. Loss for the period was slightly higher than in prior quarters due to the additional payments related to the audit, preparation of tax return, and annual general meeting that included the preparation of a new stock option plan.



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6.- Liquidity and working capital

	December 31, 2024	December 31, 2023
	\$	\$
Cash and cash equivalents	5,344	30,640
Accounts receivable (Canadian GST)	1,245	1,228
Total liquidity	6,589	31,868
Prepaid expenses and deposits	2,941	1,303
Accounts payable and accrued liabilities	(30,685)	(53,678)
Loans with related party	(2,459,280)	(1,886,099)
Working capital deficiency:	(2,480,435)	(1,906,606)

Given the present level of ongoing obligations and expenses, the Company must rely on the continued financial support from Autlan in order to meet its operational obligations for the foreseeable future.

7.- Capital resources

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions, and the Company's ability to acquire new properties and to achieve certain exploration milestones. In order to attain these objectives and to meet its operational obligations, the Company will continue to rely on the financial support from Autlan. There can be no assurance the Company will be successful in achieving these goals and, accordingly, there is a material uncertainty casting significant doubt about the Company's ability to continue as a going concern.

External factors

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

The Company will take the necessary measures to renegotiate, if required, any contractual obligations with respect to potential exploration and other expenses. The Company will also examine the internal controls required for a secure operation of its computer and other electronic resources for operation from a remote location.

8.- Off-balance sheet arrangements

There are no off-balance sheet arrangements, and no contingent liabilities or other obligations.



9.- Transactions with related parties

The following transactions with related parties took place:

Year ended December 31:	2024	2023
	\$	\$
Management fees paid to InterAmerica Consulting & Development Inc. ("InterAmerica"), a company controlled by Mr. Salvador Miranda, the Chief Financial Officer of the Company:	60,000	60,000
Director's fees paid to Midas Management Inc. ("Midas"), a company controlled by Mr. James Robertson, a director of the Company and chairman of its audit committee:	24,000	24,000
Advances pursuant to the Loan Agreement (Section 2(b) above):	392,112	732,898
Repayment of the principal amount of the Subsidiary Loan (Section 2(b) above)	-	(383,708)
Interest accrued on Loan Agreement and Subsidiary Agreement:	156,009	147,914
Interest repaid on the Loan Agreement and Subsidiary Agreement (including Mexican value added tax):	(161,078)	(127,580)

The following amounts were due to related parties:

As at:	December 31, 2024	December 31, 2023
	\$	\$
Amounts owed to Autlan pursuant to Loan Agreement:	2,459,280	1,852,342
Amounts owed to Autlan pursuant to Subsidiary Agreement:	-	33,757
	2,459,280	1,886,099

Management is of the opinion that these transactions have occurred in the normal course of operations, and they are measured at the exchange amount, being the amount of consideration established and agreed to by the transacting parties.

10.- Proposed transactions

There are no specific proposed transactions as at the date of this MD&A. The Company is examining several properties as potential acquisition targets.



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11.- Critical accounting estimates and adoption of new accounting standards

Critical accounting estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results may differ from these estimates.

Adoption of new accounting standards

No new accounting standards or IFRS pronouncements were adopted during the year ended December 31, 2024. During the year ended December 31, 2023, the Company adopted amendments to IAS 1, Presentation of Financial Statements (effective January 1, 2023) requiring entities to disclose their material accounting policy information rather than significant accounting policy information. The amendments provide guidance on how an entity can identify material accounting policy information and clarify that information may be material because of its nature, even if the related amounts are immaterial. The amendments did not result in any changes to the accounting policies themselves.

New, amended and future accounting pronouncements

On April 9, 2024, the IASB issued a new standard – IFRS 18, “Presentation and Disclosure in Financial Statements” with a focus on updates to the statement of profit and loss. The new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit and loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information.

Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its “operating profit or loss”.



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12.- Financial instruments

With the adoption of IFRS 9, the Company has classified cash and cash equivalents, accounts payable and accrued liabilities, due to related parties, loans with related party and Part XIII tax liability at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency Risk

As at December 31, 2024, all of the Company's cash and cash equivalents were held either in Canadian dollars, US dollars or Mexican pesos. The Company incurs expenditures in Canada and Mexico, and as such is exposed to currency risk associated with these costs.

A change in the value of the Mexican peso by 10% relative to the Canadian dollar would affect the Company's working capital by approximately \$4,000 (December 31, 2023 - \$1,000), and its net loss for the year by approximately \$5,000 (2023 - \$12,000).

A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's working capital by approximately \$246,000 (December 31, 2023 - \$183,000), and its net loss for the year by approximately \$63,000 (2023 - \$18,000). These amounts are related to the Loan Agreement, which is denominated in US dollars.

Interest rate and credit risk

The Company has cash balances and significant debt owed to a majority shareholder. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

The Company is exposed to interest rate risk on its Loan Agreement as detailed in under *Financings*, above. A 1% change in interest rate would affect the interest by approximately \$11,600 based on the principal outstanding as at December 31, 2024 (2023 - \$9,200).

Liquidity risk

The Company will depend on the advances provided by Autlan through the Loan Agreement. The liquidity risk relates to the low cash position and the dependence on these advances. See Note 1 to the Financial Statements for further discussion regarding liquidity risks.

13.- Management's responsibility over financial information

The Company's management is responsible for presentation and preparation of the quarterly and annual consolidated financial statements and the MD&A. These financial statements have been prepared in accordance with IFRS.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators ("CSA").

The quarterly and annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the consolidated financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks, and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.



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Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended December 31, 2024, and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR+ at www.sedarplus.ca.

14.- Risk factors

Development-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. Regarding the properties under the option agreement described in Section 2, the Company's mineral properties' titles are in good standing as of the date of this report.

The price of the commodities being explored is also a significant risk factor, as a substantial decline in their price could result in a decision to abandon a specific project.

Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

At the present time, the Company has no rights to a property of merit, and therefore its ability to raise capital is limited, having to rely on funding provided by Autlan to meet its obligations, including the search for a property of merit.

Finally, operating in a specific country has legal, political and currency risk that must be carefully considered to ensure their level is commensurate to the Company's assessment of the project.



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

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15.- Forward-looking statements

Certain statements made and information contained in this MD&A and elsewhere constitute "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration, development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties, including those described under Risk Factors in each MD&A.

In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment, and sufficient labour and that the political environment within Mexico will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

16. - Other MD&A requirements

- a) The Company, as a "venture issuer", is not required to prepare an Annual Information Form at this stage.

Copies of all previously published financial statements, management discussions, meeting materials, news releases, etc., are available on the CSA's System for Electronic Document Analysis and Retrieval (SEDAR+) website at www.sedarplus.ca. Additional Company information is available on its website at www.gfm-resources.com.

- b) Information pursuant to sections of National Instrument 51-102:
- i) Section 5.3: Please refer to Sections 3 and 4 above, and to the consolidated statements of loss and comprehensive loss included with the Financial Statements, and Notes 2, 3, 11 and 12 thereto.
 - ii) Section 5.4: Share Capital: please refer to Note 7 to the Financial Statements.

As at the date of this MD&A, the Company has:

- 19,085,071 common shares issued and outstanding.
- On May 14, 2024, the Company granted an aggregate of 880,000 stock options to its directors and officers. Of the total options granted, 33% or 293,333 vested on November 14, 2024, and are thus exercisable. The remaining 33% will vest a year after the date of granting, and the final 34% two years after the date of granting. Each vested stock option will entitle its owner to purchase one common share of the Company at an exercise price of \$0.10 per share up to May 14, 2029.



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17.- Subsequent events

Subsequent to December 31, 2024, the Company:

- received \$139,383 (USD \$97,000) in loan advances pursuant to its Loan Agreement; and
- Funded its Mexican subsidiary with \$18,049 (MXN \$261,956) for the payment of the first semester of concession fees related to the La Casita concessions (note 9).

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