



RACKLA METALS INC

(the “Company”)

INTERIM MANAGEMENT’S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the Nine Months Ended September 30, 2024

General

This interim Management’s Discussion and Analysis (“Interim MD&A”) supplements, but does not form part of, the unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2024. The following information, prepared as of November 26, 2024, should be read in conjunction with the Company’s unaudited condensed interim financial statements for nine months ended September 30, 2024 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with IFRS Accounting Standards (“IFRS”). In addition, the following should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2023 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The September 30, 2024 condensed interim financial statements have not been reviewed by the Company’s auditors.

Additional information relevant to the Company’s activities can be found on SEDAR+ at www.sedarplus.ca.

Forward-looking Information

This Interim MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation (“Forward-looking Statements”). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this Interim MD&A include, without limitation, statements relating to the Company’s plans for exploration of its properties; the sufficiency of the Company’s cash position; and its ability to raise equity capital or access debt facilities. Often, but not always, these Forward-looking Statements can be identified by the use of words such as “anticipates”, “believes”, “plans”, “estimates”, “expects”, “forecasts”, “scheduled”, “targets”, “possible”, “strategy”, “potential”, “intends”, “advance”, “goal”, “objective”, “projects”, “budget”, “calculates” or statements that events, “will”, “may”, “could” or “should” occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:

- risks associated with mineral exploration and development activities;
- due diligence investigations on potential investments not identifying all relevant facts;
- fluctuations in commodity prices, foreign exchange rates, and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to pandemics, epidemics and public health crises, and the impact they might have on the Company's business, operations, financial condition and share price;

as well as those factors referred to in the "Risks and Uncertainties" section in this Interim MD&A.

Forward-looking Statements contained in this Interim MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- due diligence investigations on potential investments will reveal all relevant facts;
- there being no significant disruptions affecting operations, whether relating to labour, supply, power, damage to equipment or other matters;
- permitting, exploration and/or development activities proceeding on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates; and
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels.

These Forward-looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward-looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward-looking Statements.

Business of the Company

The Company is a Vancouver-based junior gold exploration company with projects in the Northwest Territories ("NWT") and Yukon, Canada. Since 2022, the Company has been consolidating an extensive land position in the eastern Tombstone Gold Belt, part of the Tintina Gold Province, that extends through the southeast Yukon and into the NWT.

Financings

In May and June 2024, the Company completed a non-brokered private placement financing to raise total gross proceeds of \$4.65 million (the "Unit Offering"). The Unit Offering was comprised of a hard-dollar unit offering at a price of \$0.15 per unit, a flow-through unit offering (the "FT Offering") at a price of \$0.17 per unit, and a charity flow-through unit offering (the "CFT Offering") at a price of \$0.21 per unit. Of the total proceeds raised, \$3.76 million are flow-through funds.

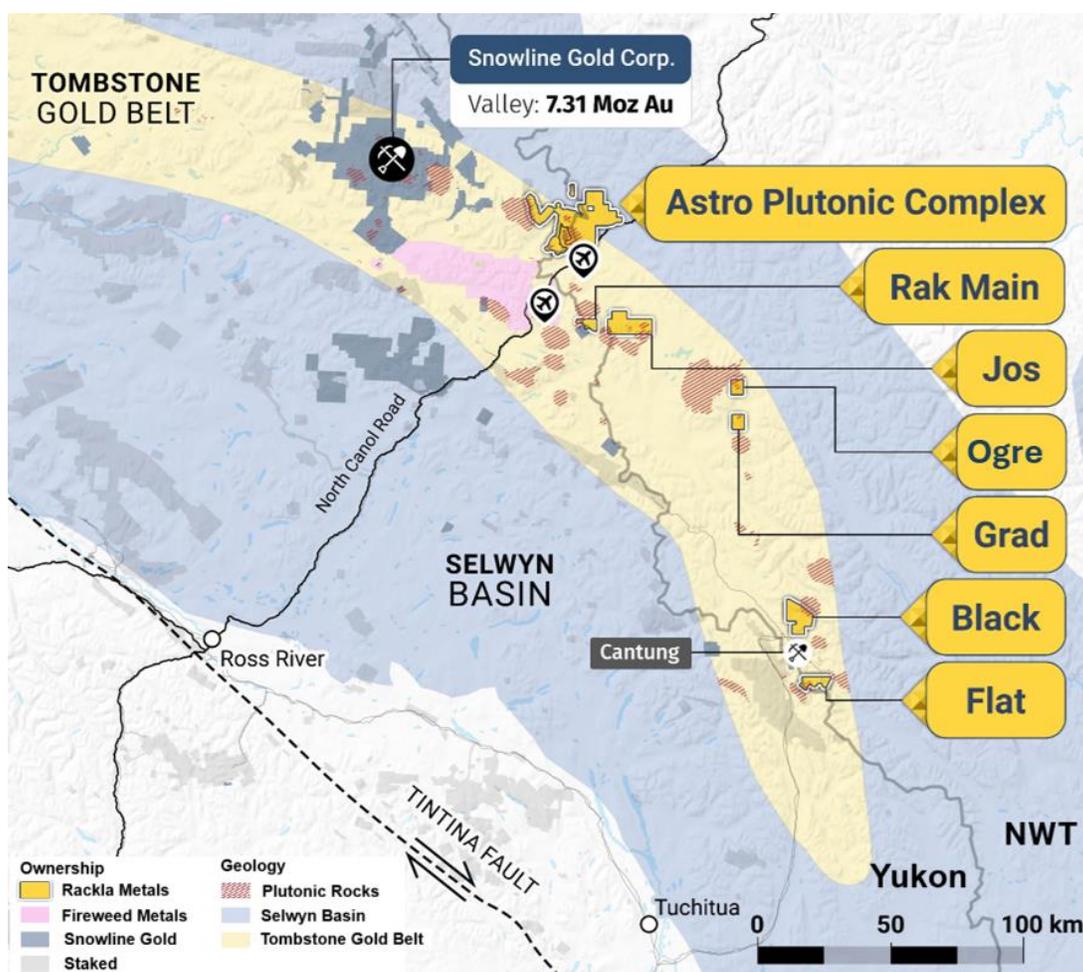
Each unit consists of one common share of the Company and one warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.20 for one year following the closing of the applicable Unit Offering. Each common share issued in the FT Offering and CFT Offering qualifies as a "flow-through share" within the meaning of the Income Tax Act (Canada).

In November 2024, the Company completed a non-brokered private placement of 10 million common shares at \$0.12 each, to raise hard dollar proceeds of \$1.2 million.

Management intends to use the proceeds from the above-noted financings for conducting exploration and drilling on the Company's Tombstone Gold Belt properties within the Selwyn Basin, for continuing investigations of additional mineral properties for acquisition, and for general working capital and corporate purposes.

Property Review

The Company's primary properties are set out in the following location map:



Following the significant intrusive-related gold discovery made by Snowline Gold Corp. at the Rogue project within the Tombstone Gold Belt, Yukon, the Company's team has used their historic experience in the district to identify similar geological settings 75 kilometres southeast at the Yukon-NWT border. As a result of this work, the Company has acquired interests in several gold properties located in the Tombstone Gold Belt which lies within the Selwyn Basin and is prospective for Reduced Intrusion-related Gold Systems ("RIRGS").

In 2023, the Company completed exploration work, including a drill program, on its properties. The bulk of the 2023 program focused on the Astro Plutonic Complex which is comprised of the Astro West Project on the Yukon side of the border (formerly referred to as the HIT and SER properties) and the Astro East Project on the NWT side of the border (formerly referred to as the Astro property).

During 2024, the Company completed further exploration and drilling of its properties (see "2024 Exploration and Drilling Programs") below.

The Company's current property holdings are described below, and more detailed information is available on the Company's website.

Tombstone Gold Belt Projects – Eastern Yukon and Western NWT

Grad Property, NWT

In the summer of 2024, the Company staked the Grad Property in NWT, totalling five claims covering approximately 5,525 hectares. The Company has identified this area as prospective for RIRGS deposits. The Grad Property is centered on the North Nahanni Pluton, a Cretaceous-aged, Mayo Suite felsic intrusion in the eastern Tombstone Gold Belt in the NWT. The pluton measures 1.8 by 1 kilometres with a sizable, intensely altered, contact aureole expressed as hornfelsed and iron stained gossanous Earn Group sediments.

Ogre Property, NWT

In the summer of 2024, the Company staked the Ogre Property in NWT, totalling two claims covering approximately 2,000 hectares. The Company has identified this area as prospective for RIRGS deposits. The Ogre Property covers a portion of the southeastern extent of the O'Grady Pluton, a Cretaceous-aged, Tombstone Suite felsic intrusion in the eastern Tombstone Gold Belt in the NWT. The pluton measures 23 by 20 kilometres with a contact aureole of intensely altered and hornfelsed sediments.

Astro West Project, Yukon (formerly HIT and SER properties)

The Company owns a 100% interest, subject to a 2.5% NSR royalty, in the Hit claims and in a second claim group, the 376 SER claims, in the Mayo Mining District, Yukon, along the NWT border. Together, these two properties are now referred to as the Astro West Project.

The Astro West Project is strategically located adjacent to the Astro East Project but on the Yukon side of the border and surrounds portions of three Cretaceous felsic intrusions in the Tombstone Gold Belt, each with anomalous stream sediment geochemistry and magnetic low anomalies making the ground prospective for RIRGS.

Astro East Project, NWT (formerly Astro property)

The Company owns a 100% interest, subject to a 2.5% NSR royalty interest, in the Astro East gold project, a 288 square kilometre exploration property located in the NWT along the Yukon border, close to the Canol Road. The Project was generated from a two-year US\$1.8 million regional alliance between Orogen Royalties Inc. (formerly Evrim Resources Corp.) and Newmont Mining Corporation that identified gold mineralization associated with an intrusive stock during a regional stream sampling survey. Their work on the property identified outcropping gold mineralization in a ten-kilometre-long structural corridor in the hornfelsed aureole flanking the Border Pluton, a Tombstone Suite quartz-monzonite intrusion. Gold mineralization consists of gold-arsenic-antimony bearing quartz veins, gold-bismuth skarn and gold associated with disseminated sulphides in siltstone.

Black and Flat Claims, NWT

The Company owns 100% of two claim blocks known as the Black Claims and Flat Claims totalling nine claims covering approximately 9,500 hectares in the Tungsten District of the Tombstone Gold Belt, NWT. The Company has identified this area as prospective for RIRGS deposits in the vicinity of the Cantung Mine.

The Company completed a short program of stream sediment sampling and prospecting and flew an airborne geophysical survey in the summer of 2023. Over the winter of 2023-24, the Company compiled historic work on the properties and identified significant gold anomalies from rock and trench sampling on the Black property. Thirty-seven of 77 (48%) of surface rock and trench samples returned >0.5 g/t Au, with a peak value of 27.5 g/t Au from quartz-arsenopyrite veins.

RAK Main and Jos Projects, NWT

The Company owns 100% of the RAK Main and Jos claim groups targeting gold mineralization within the extension of the Tombstone Gold Belt in the Northwest Territories. The two properties comprise 13 claims covering approximately 10,100 hectares and are located 11 to 26 kilometres east of the Canol Road and Macmillan Pass airstrip, providing access to the properties.

Multiple intrusive bodies belonging to the Cretaceous-age Tombstone, Tungsten and Mayo plutonic suites have intruded the Selwyn basin sediments within the Company's claims. Several large, polyphase plutons to 10 kilometres in diameter are accompanied by smaller stocks with surface exposures less than a kilometre. Conspicuous zones of contact metasomatism surround most of the intrusions within the area of the claims.

Previous work by operators in the Yukon side of the divide has recorded significant stream sediment gold anomalism that appears to be draining several of the intrusive bodies within the NWT. Recent mapping has identified stockwork veining within these intrusive bodies, especially so in the recessive valleys.

The intrusive bodies and gossanous contacts within the Company's claims are relatively unexplored. The Company did not do any work on the claims in 2024.

Other Projects*Gossan Property, Yukon*

The Company owns a 100% interest in 36 quartz claims covering approximately 7.5 square kilometres or 753 hectares in the Dawson Range Belt, Yukon. These claims are known as the Gossan Property and are located 100 kilometres west of Carmacks or 235 kilometres northwest of Whitehorse.

The Dawson Range Belt hosts the world class Casino porphyry copper-gold-molybdenum deposit, the Freegold Mountain porphyry-epithermal deposits, the Klaza epithermal deposit and numerous other porphyry-epithermal mineral occurrences. These deposits are associated with late-Cretaceous intrusions of the Casino Suite.

The Gossan property covers a large (1.8 x 1.0 km) orange-red, gossanous, colour anomaly. Regional geochemical sample data from government sources have returned moderately anomalous values for copper, molybdenum and gold from streams draining the southern edge of the gossan. Enhanced interpretation of the Weighted Sums Model for Porphyry Copper Deposits indicates that these samples are within the 90-95th percentile for the porphyry copper-molybdenum deposit type.

Surprisingly, there is no record of any assessment work having been undertaken on the property. Preliminary observations on the ground have identified intense silica-pyrite alteration of the underlying volcanic rocks with disseminated pyrite content greater than 5%. The Company believes the intense orange-red gossan and silica-pyrite alteration is indicative of a porphyry-related hydrothermal alteration system at depth.

The Company completed an early summer program on the property in 2023 which consisted of stream sediment sampling, soil sampling and prospecting to evaluate the target for porphyry and/or epithermal copper-gold potential.

2024 Exploration Programs

Astro Plutonic Complex

During the summer of 2024, the Company conducted soil and talus fine sampling, prospecting, rock sampling, a photogrammetry survey and a 4-hole, 959 metre diamond drill program on the Astro Plutonic Complex (Astro West and Astro East). Results from the drill program were announced in September 2024.

The Astro Plutonic Complex is located within the Tombstone Gold Belt at the Yukon-NWT border and is accessible from the North Canol road. The Complex includes three granodiorite to granite intrusions belonging to the Cretaceous-aged Tombstone & Tungsten Suites. Cretaceous intrusions in the Tombstone Gold Belt host significant Reduced Intrusion-Related Gold System (RIRGS) gold deposits such as the Fort Knox Mine in Alaska (12.1 Moz gold), the Eagle Mine in Yukon (7.8 Moz gold) and the newly discovered Valley gold occurrence belonging to Snowline Gold Corp. (7.31 Moz gold).

Astro West Property

The Astro West Property covers the western portion of the Astro Plutonic Complex (APC) in Yukon and includes the majority of the Canol Trail Stock and Kelvin Stock and a small portion of the Border Pluton.

Canol Trail Stock is the most northerly intrusive body in the Astro Plutonic Complex and hosts the HIT Target. The Canol Trail Stock is a Tungsten Suite monzogranite that measures 2.5 kilometres in diameter. In 2024, the Company expanded on soil and talus-fine sampling that was initiated in 2023 and identified a 2.4 square kilometre Au-Bi-As anomaly. The Company drilled 604 metres in 2 holes at HIT to follow up on drill results from 2023 in holes HIT-003 and HIT-004 that intersected 129.8 metres grading 0.25 g/t gold and 45.5 metres grading 0.52 g/t gold, respectively. The 2024 holes were drilled to test the 2023 intercepts to the west, below and north. They encountered much less veining and sulphide mineralization and the best result was 6.1 metres grading 0.69 g/t gold in hole HIT-006.

The Kelvin Stock is the southernmost intrusive body in the APC and is 10 kilometres south of the Canol Trail Stock. The Kelvin Stock measures 2.2 kilometres in diameter and is a Tombstone Suite granite intrusion. It hosts the Peak and Cirque targets. In 2024, the Company expanded the soil sample grid at Peak and conducted additional prospecting and rock sampling on the western edge of the intrusion. The Company also drilled 2 holes (355 metres) on the Peak Target to test gold-bearing quartz-arsenopyrite veins observed on surface. The drill holes failed to encounter any significant mineralization.

Astro East Property

The Astro East Property is centred around the Border Pluton, a granodiorite intrusion belonging to the Cretaceous-aged Tombstone Suite. The pluton measures 6.7 by 7.0 kilometres and has an intensely metasomatized contact aureole around its margins, typical of gold-bearing Tombstone Gold Belt occurrences. Prior exploration has identified five gold-bearing skarn occurrences along the margins of the intrusion in the hornfels contact aureole (the Radio, Ultraviolet, Microwave, Gamma and Infrared occurrences). Stream sediment, soil, talus and rock sampling on the property has returned numerous samples containing anomalous gold with a strong correlation with bismuth, tellurium, arsenic and tungsten. This chemical association has led the Company to believe that the mineralizing system at Astro East is related to a RIRGS.

In 2023, the Company conducted stream sediment, soil, talus and rock sampling, prospecting, geological mapping, airborne and ground geophysics and diamond drilling (12 holes, 2,041 metres). The highlights of this program were 0.26 g/t gold over 34.1 metres in hole AST-004, 0.49 g/t gold over 12.4 metres in hole AST-005 and 3.47 g/t gold over 3.1 metres in hole AST-007.

In 2024, the exploration program on Astro East was focused on the eastern portion of the Canol Trail Stock, in NWT. The program consisted of expanding the soil and talus fine sample grid eastwards, prospecting and rock sampling. The soil sample grid identified a strong, linear, coincident gold-antimony anomaly; however, prospecting, rock sampling and mapping was not able to identify what might be causing the anomaly.

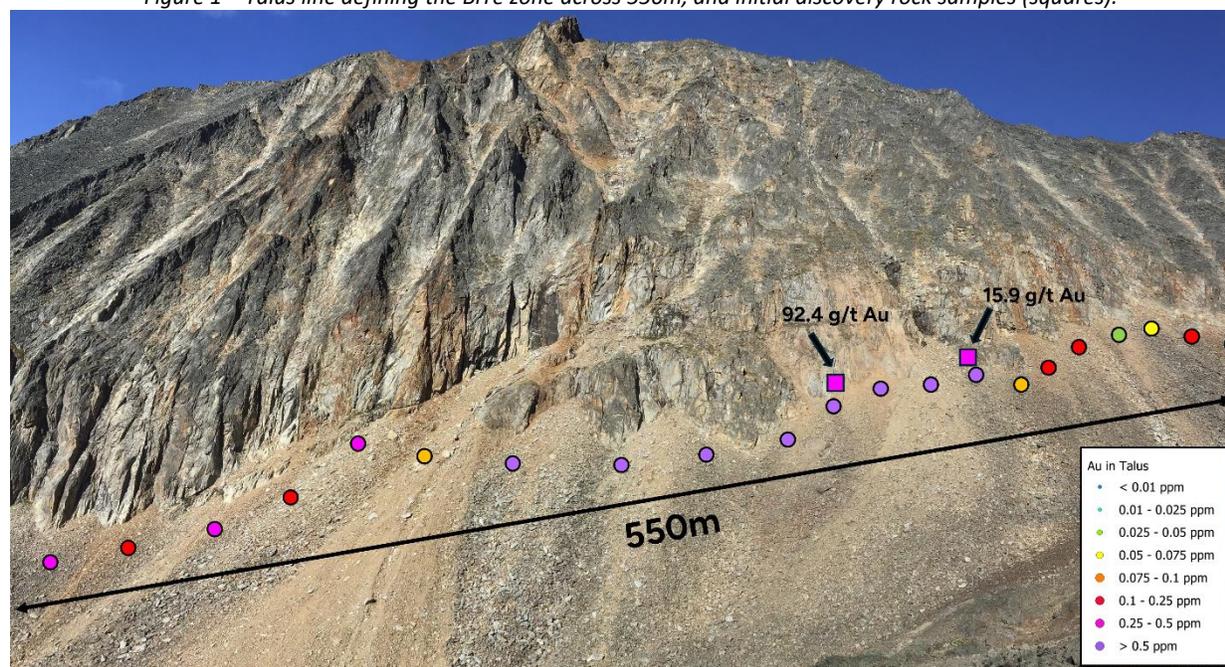
Grad Property

The Company's 2024 program at the Grad Property, NWT consisted of prospecting, rock, stream sediment and talus-fine sampling, an airborne geophysical survey and photogrammetry survey. The Property is shaping up to be an outstanding Reduced Intrusion-related Gold System (RIRGS) target that will require a significant focus during the 2025 exploration season.

The key discovery in 2024 on the Grad Property was the BiTe zone. It is located at the southern exposure of the North Nahanni Pluton where a cliff face exhibits intense silica-sericite alteration of the outcropping intrusive. Geological crews have observed a widespread array of sheeted auriferous quartz veins in the brittle carapace of the intrusion, particularly at the BiTe zone. This alteration hosts disseminated base metal sulfides and gold. Grab samples of the intrusive have graded over 2% bismuth with high tellurium and up to 92 g/t gold.

A talus line at the base of the cliff has returned multi-gram gold samples over 200 metres, with values as high as 7.5 g/t Au, within a broader interval of coincident gold-bismuth up to 550 metres wide, with bismuth values up to 2,930 ppm.

Figure 1 – Talus line defining the BiTe zone across 550m, and initial discovery rock samples (squares).



The cliff is a steep face that rises some 400 metres from the valley floor. Samples of the intrusive outcropping just above the scree slope have returned 1.8 g/t Au over a 38-metre channel sample. Results of grab samples of quartz/tourmaline veins cutting the intrusive have returned up to 15 g/t Au with over 9,000 ppm bismuth and 331 ppm tellurium. The geochemical signature of the BiTe showing is indicative of a robust RIRGS system. The results show a strong correlation of gold to tellurium and bismuth with correlation coefficients of 0.878 and 0.578, respectively. The Au-Bi-Te metal assemblage is an important characteristic of RIRGS deposits (¹Hart, 2007). The table below shows the top 18 gold values with associated bismuth and tellurium values.

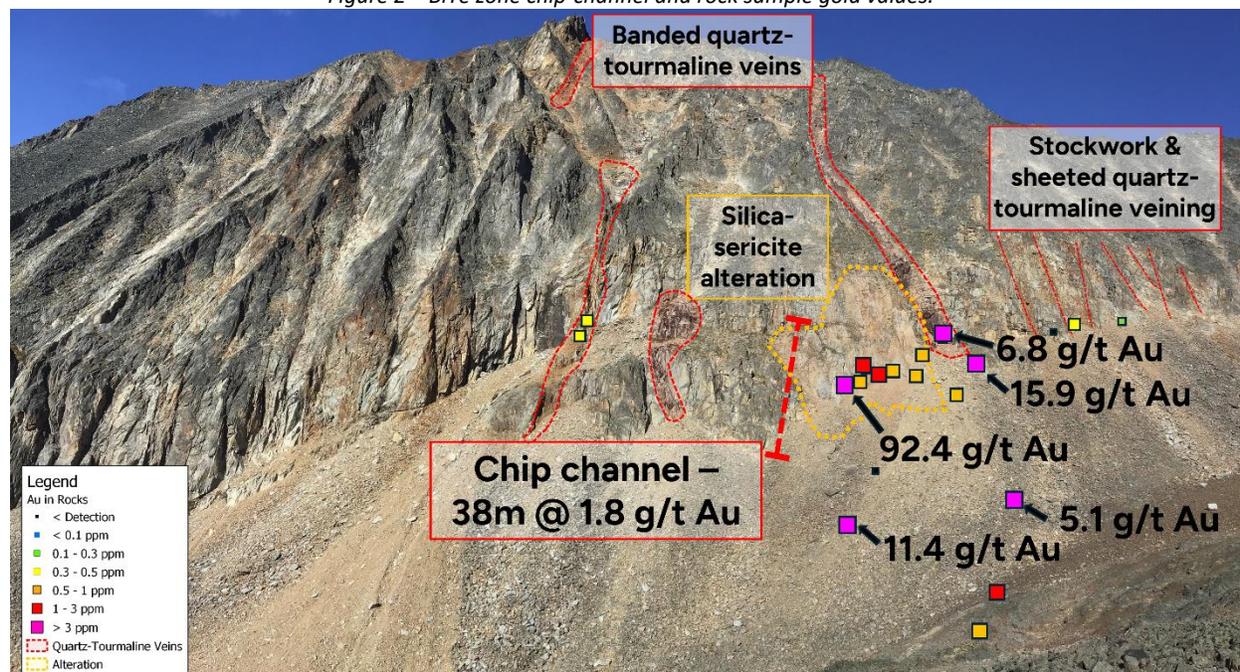
¹ Hart, C.J.R., 2007, *Reduced intrusion-related gold systems*, in Goodfellow, W.D., ed., *Mineral deposits of Canada: A Synthesis of Major Deposit Types, District Metallogeny, the Evolution of Geological Provinces, and Exploration Methods*: Geological Association of Canada, Mineral Deposits Division, Special Publication No. 5, p. 95-112.

Table 1 – Samples containing >1.0 g/t gold

Sample	Au (g/t)	Bi (ppm)	Te (ppm)
ST220966	92.40	21,700	1,250
ST220965	15.85	9,650	331
ST220986	11.40	4,490	183
ST220984	6.78	3,520	95
ST166153	6.52	1,840	125
ST166169	5.82	1,525	94
ST166170	5.44	1,025	56
ST220995	5.11	3,080	82
ST166168	4.77	1,845	95
ST166154	3.07	326	16
ST220982	2.79	29,800	23
ST166164	2.70	400	28
ST166152	1.88	139	8
ST220988	1.83	817	20
ST220961	1.80	14,150	720
ST166165	1.20	75	3
ST221000	1.05	219	9
ST220023	1.01	238	10

Further prospecting and channel sampling conducted on the BiTe zone extended the silica-sericite alteration zone down to the base of the talus slope where two grab samples returned 11.4 and 1.83 g/t Au (Figure 2). Outside of the alteration zone, quartz-tourmaline sheeted and stockwork veining were tested for the first time and returned up to 6.8 g/t Au.

Figure 2 – BiTe zone chip-channel and rock sample gold values.



Chip channel samples of 1-2 metres highlighted the continuity of the gold mineralization within the alteration zone, with results up to 1.1 g/t Au over 2.5 metres and 1.0 g/t Au over 1.5 metres.

Only a small portion of the property has been prospected and much more work is warranted. A priority for the 2025 exploration program will be to delineate the extent of the BiTe zone with detailed structural mapping and additional

channel sampling over the extent of the 550-metre long gold-bismuth anomaly. The results of this program will be used to define drill targets.

Black and Flat Properties

The Company also carried out an extensive soil sampling and prospecting program on its Black and Flat properties in the southeastern Tombstone Gold Belt surrounding the Cantung deposit. The Company was awarded \$110,368 in financial assistance from the NWT Mineral Incentive Program (MIP) for the work at the Black and Flat properties in 2024.

The soil sample grid on the Black property defined an arsenic-in-soil anomaly that measures 1.8 kilometres by 500 metres with values up to 19,190 ppm arsenic and a coincident gold anomaly with values up to 0.51 ppm gold. Prospecting and rock sampling at Black returned 3 grab samples from quartz-arsenopyrite veins containing 1.11, 1.37 and 2.86 g/t gold.

The program on the Flat property consisted of stream sediment sampling and prospecting and failed to return any significant values.

Analytical Procedure

The drill program in 2024 was done with NQ2-sized equipment. Drill core was systematically logged for geological attributes, photographed and sample intervals identified by a geologist at the Company's field camp. Samples were generally at 1.5 metre intervals, but occasionally shorter intervals were sampled to isolate features of interest. Samples were collected by cutting the core in half along the axis of the core. Field duplicates were collected at regular intervals by cutting the half core to be sent to the lab into two ¼ core samples, each with unique sample numbers leaving a consistent record of half core material in the core box. Standard reference materials were inserted by Company personnel at regular intervals into the sample stream. Samples were delivered by expeditor to ALS Global preparatory facility in Whitehorse, Yukon. Sample preparation was completed in Whitehorse, with analyses completed in North Vancouver, BC. ALS Global is an accredited ISO/IEC 17025 and ISO9001 laboratory for quality management.

At the lab, drill core and rock samples were crushed by ALS to >75% passing below 2 mm and split using a riffle splitter. 250 g splits were pulverized to >85% passing below 75 microns. 0.5 g of the sample pulps were digested with aqua regia and analyzed by an inductively coupled plasma mass spectroscopy and inductively coupled plasma atomic absorption spectroscopy (ICP-MS+ICP-AES) finish for 51-element analysis (ALS code: ME-MS41). All samples were analysed for gold content by fire assay with a gravimetric finish on 50 g samples (ALS code: Au-GRA22).

For the purposes of this Interim MD&A, mineralized intervals are defined as runs of mineralization >0.1 g/t Au.

Technical Information

Qualified Person: Scott Casselman, B.Sc., P.Geo., Vice-President Exploration of the Company, is a member of the Association of Professional Engineers and Geoscientists of British Columbia and is the Company's Qualified Person as defined by National Instrument 43-101. Mr. Casselman is responsible for the accuracy of and has approved the technical information in this Interim MD&A.

Quarterly Information

The following table provides quarterly information for the eight fiscal quarters ended September 30, 2024:

Quarter Ended	Sep. 30, 2024 (\$)	Jun. 30, 2024 (\$)	Mar. 31, 2024 (\$)	Dec. 31, 2023 (\$)	Sep. 30, 2023 (\$)	Jun. 30, 2023 (\$)	Mar. 31, 2023 (\$)	Dec. 31, 2022 (\$)
Exploration expenditures	1,829,297	652,213	178,198	471,215	3,077,660	544,589	104,231	15,075
General and administrative expenses	182,994	236,275	269,288	262,048	205,174	154,421	1,009,764	137,016
Net loss	(1,481,087)	(810,982)	(422,604)	(825,028)	(2,466,092)	(505,154)	(1,052,759)	(163,350)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.01)	(0.04)	(0.01)	(0.02)	(0.00)

Exploration expenditures for all quarters presented are related to activity on property holdings in the Yukon and NWT that were acquired since the latter part of the 2022 fiscal year. The net losses for the quarters ended September 30, 2024 and 2023 were significantly higher than the other quarters presented due to their respective level of exploration expenditures and the seasonal nature of when most exploration activity in the Yukon and NWT can take place. The net loss for the quarter ended December 31, 2023 included a Part XII.6 tax of \$59,867 relating to a 2022 flow-through equity financing and a write-off of \$88,556 in exploration and evaluation asset acquisition costs. The general and administrative expense and net loss for the quarter ended March 31, 2023 were significantly impacted by a share-based payments expense of \$806,319 that was related to the granting of stock options.

Results of Operations*Quarter ended September 30, 2024*

The quarter ended September 30, 2024 had a net loss of \$1,481,087, compared to \$2,466,092 for the quarter ended September 30, 2023, a decrease of \$985,005. Both the current and comparative quarter net losses were partially offset by a deferred income tax recovery of \$500,991 and \$800,980, respectively. The deferred income tax recovery relates to the Company's flow-through liability and the level of flow-through eligible exploration expenditures incurred during the period.

Exploration expenditures during the current quarter totaled \$1,829,297 compared to \$3,077,660 during the comparative quarter, a decrease of \$1,248,363. Exploration costs for both the current and comparative quarters were primarily related to flow-through eligible activities on the Company's Yukon and NWT properties. The decrease in expenditures for the current quarter was partly due to the 2024 exploration season experiencing more unfavourable weather conditions than the 2023 exploration season. During the current quarter, the Company also received financial assistance of \$72,164 from the NWT's Mineral Incentive Program which reduced exploration expenditures for that period.

General and administrative expenses for the current quarter totaled \$182,994 compared to \$205,174 in the comparative quarter, a decrease of \$22,180. Notable cost decreases were in directors' fees and consulting fees. Directors' fees were lower due to fewer director meeting requirements. Consulting fees were higher in the comparative quarter due to a financial advisory services agreement that was in place during that period and ended prior to the current quarter. A notable cost increase for the current quarter was in transfer agent and regulatory fees and relating to the administration of the Company's outstanding share purchase warrants.

Nine months ended September 30, 2024

The nine-month period ended September 30, 2024 had a net loss of \$2,714,673, compared to \$4,024,005 for the nine-month period ended September 30, 2023, a decrease of \$1,309,332. Similar to the quarterly comparison, both the current and comparative period net losses were partially offset by a deferred income tax recovery of \$580,483 and \$995,994, respectively.

Exploration expenditures during the current period totaled \$2,659,708 compared to \$3,726,480 during the comparative period, a decrease of \$1,066,772. As with the quarterly comparison, exploration costs for both the current and comparative periods were primarily related to flow-through eligible activities on the Company's Yukon and NWT properties.

General and administrative expenses for the current period totaled \$688,557 compared to \$1,369,359 in the comparative period, a decrease of \$680,802. This decrease is due to the comparative period recording a share-based payment expense of \$806,319 compared to \$13,691 for the current period, a difference of \$792,628. The current period share-based payment expense relates to options that were granted and fully vested. The share-based payments expense for the comparative period relates to the fair value of stock options that were granted and became fully vested during that period. Excluding the share-based payments expense, general and administrative expenses for the current period are \$95,826 higher. Notable cost increases for the current period were in shareholder communications, salaries and benefits, consulting fees, and amortization expense. Shareholder communication costs were higher for the current period due to more investor relations services and promotional activities. Salaries and benefits costs were higher due to an increased requirement for shared personnel resources for administrative and promotional purposes. Consulting fees for both the current and comparative periods largely relate to a financial advisory services agreement that commenced towards the end of the comparative period and ended during the current period. Amortization expense for the current period was higher due to a vehicle being purchased during the current period. All other general and administrative expenses were fairly consistent between the current and comparative periods.

Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no cash flow from operations.

In September 2023, the Company received flow-through proceeds of \$1,586,475 and non-flow-through proceeds of \$1,200,000 from a brokered equity financing. The flow-through funds had to be incurred on eligible flow-through activities by December 31, 2024. As of September 30, 2024, the Company has incurred all of its flow-through commitment for this financing.

In May and June 2024, the Company raised total gross proceeds of \$4.65 million by way of the Unit Offering, consisting of \$894,980 in non-flow-through funds and \$3,761,201 in flow-through funds. The flow-through funds from the Offering must be spent on flow-through eligible exploration expenditures by December 31, 2025. If the Company does not spend the remaining funds in compliance with the Government of Canada flow-through regulations, it may be subject to indemnification or other claims by the flow-through subscribers. The non-flow-through funds from this equity financing have been used for mineral property acquisitions and general working capital purposes. As of September 30, 2024, the Company has incurred \$1,825,093 of its flow-through commitment for these financings, leaving a balance of \$1,936,108 yet to be incurred.

As at September 30, 2024, current assets were \$2,805,616 and current liabilities were \$627,063, resulting in working capital of \$2,178,553. Current assets include cash of \$2,661,388, of which \$1,936,108 is reserved for flow-through eligible exploration activities during the 2024 and 2025 fiscal years. Subsequent to the period end, the Company raised an additional \$1,200,000 in hard cash with the completion of an equity financing. Current liabilities include a flow-through share liability of \$227,778 which is the result of flow-through shares having a price exceeding a non-flow-through share price. The flow-through share liability is settled as eligible flow-through expenditures are incurred with the offset being recorded as a deferred income tax recovery.

The Company expects its current capital resources to be sufficient to cover its existing flow-through expenditure commitment and corporate operating costs through the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including the level of exploration activity and possible property acquisition opportunities.

Commitment

The Company and two other related publicly listed companies (the 'Lessees') are party to a five-year operating lease agreement for office premises that commences on January 1, 2025 and expires on December 31, 2029. The Lessees have the option to terminate the lease after three years with an early termination payment equivalent to two months gross rent. The Company's annual commitments under this lease are as follows:

2025	\$	42,871
2026		42,871
2027		43,759
	\$	129,501

Related Party Transactions

See Note 13 of the condensed interim financial statements for the nine months ended September 30, 2024 for details of related party transactions which occurred in the normal course of business.

Other Data

Additional information related to the Company is available for viewing at www.sedarplus.ca.

Share Position and Outstanding Warrants, Compensation Options, and Options

As at the date of this Interim MD&A, the Company had 107,511,164 common shares issued and outstanding and the following share purchase warrants, compensation options, and incentive stock options are currently outstanding:

SHARE PURCHASE WARRANTS

<u>No. of warrants</u>	<u>Exercise price</u>	<u>Expiry date</u>
6,307,500	\$0.35	December 22, 2024
8,333,333	\$0.20	May 30, 2025
18,342,392	\$0.20	June 11, 2025
10,569,000	\$0.40	September 19, 2025
43,552,225		

COMPENSATION OPTIONS

<u>No. of options</u>	<u>Exercise price</u>	<u>Expiry date</u>
456,140	\$0.25	September 19, 2025

STOCK OPTIONS

<u>No. of options</u>	<u>Exercise price</u>	<u>Expiry date</u>
200,000	\$0.365	January 9, 2025
395,000	\$0.10	May 2, 2029
25,000	\$0.14	May 27, 2030
2,130,000	\$0.365	January 9, 2033
140,000	\$0.15	March 4, 2034
2,890,000		

Accounting Policies and Basis of Presentation

The Company's significant accounting policies are presented in the audited financial statements for the year ended December 31, 2023.

Future Accounting Changes

The Company has reviewed upcoming policies and determined that none are expected to have an impact on the Company's condensed interim financial statements.

Risks and Uncertainties*Mineral Property Exploration and Mining Risks*

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Joint Venture Funding Risk

The Company's strategy includes seeking partners when appropriate through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of precious and base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its property interests.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Political and Regulatory Risks

The Company is currently operating in Canada which has a stable political and regulatory environment. However, changing political aspects may affect the regulatory environment in which the Company operates, and no assurances

can be given that the Company's plans and operations will not be adversely affected by future developments. Any property interests held and any proposed exploration or development activities by the Company may be subject to political, economic, and other uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, and changes in laws or taxation policies.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses, and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve 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 can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. The activities of the Company may be subject to negotiations with local landowners or First Nations communities for access to conduct exploration and development work programs. The Company's operations could be significantly disrupted or suspended by activities such as protests or blockades that may be undertaken by individuals or groups within the community.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.