Hercules Metals Corp.

(Formerly “Hercules Silver Corp.”)

Management’s Discussion and Analysis

For the Year ended December 31, 2024

(Expressed in Canadian Dollars)

The following is the Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of Hercules Metals Corp. ("Hercules Metals", "we" or the "Company") as at and for the year ended December 31, 2024. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended December 31, 2024 and 2023 (the "2024 Financials"). The 2024 Financials and the financial information contained in this MD&A are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and IFRIC® Interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All figures are expressed in Canadian dollars ("$" or "CAD") unless stated otherwise.

This MD&A also covers the subsequent period up to April 17, 2025.

Overview

Hercules Metals is incorporated under the *Business Corporations Act (Ontario)* with its registered office located at 100 King Street West, Suite 1600, Toronto, Ontario, M5X 1G5, Canada. The Company's common shares are listed on the TSX Venture Exchange (the "TSXV") under the ticker symbol "BIG", on the OTCQB® Venture Market under the symbol "BADEF", and on the Frankfurt Stock Exchange under the symbol "8Q7".

The Company is a junior mining company focused on the exploration and development of the 100% owned Hercules Property (the "Hercules Property"), located in Washington County, Idaho, in the United States (the "U.S."). Effective June 28, 2024, the Company changed its name from Hercules Silver Corp. to Hercules Metals Corp., to reflect its diversified metals portfolio, including the discovered porphyry copper target at the Hercules Property.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. This is dependent upon the discovery of economically recoverable reserves, the ability of the Company to raise additional financing, the achievement of profitable operations or, alternatively, upon the Company's ability to dispose of its interests on an advantageous basis.

Corporate Developments

On February 12, 2024, Hercules Metals announced that it has procured geological consultants and porphyry copper specialists to help further augment its technical team. In addition to three geologists seconded from Barrick Gold Corporation ("Barrick"), the expanded geological team brings valuable porphyry copper experience which will help the Company in vectoring toward the high-grade core of its Leviathan Porphyry discovery.

On April 4, 2024, the Company entered into an agreement to engage Momentum IR Corp., a Toronto-based investor relations and corporate communications firm, to provide investor relations and advisory services for an initial term of 12 months. As consideration for the services, the Company pays a monthly fee of $10,000 in addition to 200,000 stock options exercisable for a period of five years.

On April 30, 2024, the Company announced the appointment of Charles Greig, MSc, P.Geo as Strategic Technical Advisor. Mr. Greig is widely recognized for his role in the discovery of the Saddle North porphyry for GT Gold Corp., which was acquired by Newmont Corporation in 2021. The discovery earned him the PDAC's Bill Dennis Award in 2022. Mr. Greig has also played a pivotal role in the exploration of other significant projects which reached production, including La India and Alamo Dorado in Mexico, Brucejack in British Columbia ("B.C."), Bisha and Emba Derho in Eritrea, and Wolverine in Yukon. He and his consulting firm, C.J. Greig & Associates Ltd., based in Penticton, B.C., are actively collaborating with the technical team on the 2024 exploration program at the Hercules Property.

On June 17, 2024, the Company hosted its Annual General and Special Meeting, where Christopher Paul, Nicholas Tintor, Peter Simeon and Kelly Malcolm were all re-elected as directors of Hercules Metals.

As the 2025 field season fast approaches, several key developments are underway which will be announced through a series of upcoming news releases, including:

- Mobilization of the 2025 drill campaign;
- Launch of a joint natural-source IP and magnetotelluric (MT) survey;
- Results of independent study by Dr. Jamie Wilkinson, a leading researcher and expert in the field of porphyry copper deposits., including exploration implications and the definition of new high-priority targets; and
- Advancement of the Company's search for a Vice President, Exploration to support the next phase of growth.

Financing Activities

During the year ended December 31, 2024, the Company issued 19,529,779 common shares as a result of the exercise of warrants for total cash proceeds of $2,760,456.

During the year ended December 31, 2024, the Company also issued 2,875,000 common shares as a result of the exercise of stock options for total cash proceeds of $436,000.

Hercules Property

The Hercules Property represents 24,276 acres consisting of private, state and federal mineral rights. The Company holds surface mining rights on 1,770 acres, granting the right to conduct exploration, drilling, road construction, mining, and milling activities, as well as a 7,669-acre state lease that provides the ability to explore, develop, and mine within the Hercules Property. The Company has a 100% interest in the Hercules Property, subject to a 2% net smelter royalty ("NSR"), of which half can be bought back for $1 million. The Hercules Property is located on the northwestern shoulder of Cuddy Mountain, 200 kilometers ("km") northwest of Boise, Idaho. Cuddy Mountain is an uplifted and tilted fault block of accreted Mesozoic terrane about 19 km across, which is characterized by open grassy slopes. Mineralization is hosted within a Triassic-Jurassic sequence of volcanics, volcaniclastics and carbonate rocks.

Highlights of the Hercules Property include:

- Hercules was historically a high-grade silver project, with mining and exploration activity dating back to the 1800s and extensive drilling, in over 300 holes, conducted between 1965 and 1988.
- Acquired 100% by the Company in 2021, Hercules has been re-evaluated using modern systematic exploration techniques, leading to a transformational porphyry copper discovery in 2023.
- The porphyry system was initially discovered beneath silver-rich zones on the western side, with mineralization becoming progressively shallower moving east across the property.
- Current exploration is focused on expanding the mineralized system and vectoring toward the high-grade potassic core, which has yet to be discovered.
- Located in Idaho, a stable and mining friendly jurisdiction. A 1969 agreement with the original landowner grants the Company the right to drill, mine and mill on surface land covering approximately half of the project area.

In December 2022, the Company reported that the first phase ("Phase I") drill program was complete. Phase I was designed to test and verify historical drilling assays as well as gain the geological and geotechnical information needed to support the second phase ("Phase II") of the drilling campaign. A total of 1,995 feet was completed in nine drill holes, with several holes bottoming in mineralization. Significant galena and tetrahedrite, the dominant silver bearing minerals, were observed in several drill holes, along with accessory pyrite.

In January 2023, the Company announced widespread silver, lead, zinc and copper values from its 2022 rock chip sampling program. Based on over 800 rock chip samples collected, the results outlined the presence of a large mineralized system, consisting of multiple outcropping zones of silver-lead-zinc, spanning approximately 3.5 km of exposed Hercules Rhyolite, as well as two distinct copper targets, the Metheny and Big Cut, hosted within Triassic aged Seven Devils Group rocks.

In February 2023, the Company announced its Phase I drill results and the subsurface drilling grades significantly exceed the grades sampled at surface within both zones, supporting the concept of potential supergene enrichment below surface. The preliminary drilling results are in line with historically reported grades and widths and provide the Company with confidence in the large-scale exploration potential at Hercules moving forward.

In April 2023, the Company announced new gold geochemical results from mineralized scales and breccias at the Metheny, Big Cut and Lightning Breccia Zones. Following the announcement on January 24, 2023, the 4-acid assay results for silver, lead, zinc and copper from over 800 rock chip samples within soil anomalies across the Hercules Property, the Company had since fire assayed select rock samples within the porphyry copper target area, which revealed the presence of gold in bedrock. The gold is associated with mineralized skarns as well as a breccia pipe, both of which are interpreted to be the near-surface expression of a buried porphyry copper target.

In May 2023, the Company announced that it has upsized the Phase II drill program. It has elected to increase the size of Phase II to a minimum of 6,000 meters, allowing for deeper drilling and the testing of additional high-priority targets. The primary goals of the Phase II program will be: (i) to extend the best-known historical mineralization at the Hercules Adit and Frogpond Zones, and (ii) to test multiple new targets generated by recent greenfields exploration. The Phase II drill program commenced in mid-May. On May 31, 2023, the Company also reported that it has mobilized an Atlas Copco CS-14 core drilling rig and commenced drilling the first hole in an extensive 6,000-meter drill program at the Hercules Property.

In September 2023, the Company reported silver-lead-zinc results from the first five drill holes of its Phase II drill program, targeting near surface silver mineralization at the Hercules Property. These results are the first of the Company's ongoing 6,000-meter Phase II infill, expansion, and discovery-focused drill program.

In October 2023, the Company confirmed a major new copper porphyry discovery at the Hercules Property. The newly discovered porphyry system is situated below rhyolite-hosted silver mineralization defined by over 300 historical drill holes.

On January 2, 2024, the Company reported assay results for the latest holes drilled into the new Leviathan Porphyry Copper discovery. Assay results were received in batches for three step-out holes, with complete results now having been received for HER-23-08 and HER-23-11, along with partial results for HER-23-21. For more information, please refer to the press release dated January 2, 2024, which is available for review under the Company's profile on SEDAR+ at www.sedarplus.ca.

On February 28, 2024, the Company reported strong silver-lead-zinc results from shallow holes drilled into the Upper Plate above the new Leviathan porphyry copper discovery which forms part of the Hercules Property. These results showcase the presence of a significant silver system above and potentially related to the Leviathan porphyry copper discovery. Grade and continuity are seen to increase to the northwest, toward the Hercules Adit Zone, in a similar pattern to the underlying porphyry copper system. For more information, please refer to the press release dated February 28, 2024, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On April 9, 2024, the Company showcased the results of its 2023 deep-seeking 3D induced polarization, direct current resistivity and drone magnetic geophysics over the area to be drill tested in 2024, revealing multiple prospective targets, coincident with the direction of increasing copper porphyry grades seen in the initial 2023 deep discovery holes. For more information, please refer to the press release dated April 9, 2024, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On May 6, 2024, the Company announced that three core drilling rigs are now fully mobilized and drilling the first three holes of an extensive 20,000-meter drill program ("Phase III"). The objectives of the Phase III program are to: (i) utilize systematic step-outs to vector into the highest-grade portion of the system; (ii) identify the overall size of the target; and (iii) recognize the geometry of the system to further refine the 3D target model. For more information, please refer to the press release dated May 6, 2024, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On June 20, 2024, the Company provided an update on its Phase III drill program, where it mobilized three drill rigs between late April and early May, with a total of 3,000 meters have been cored in five completed and two in-progress drill holes ranging in length from 411 to 516 meters. The drill program has faced challenging drilling conditions in the Upper Plate resulted in slower than anticipated production rates at the start of the program. To compensate for this and ensure adequate strike length is covered early in the program, large step-outs, up to 1 km south, has been underway. For more information, please refer to the press release dated June 20, 2024, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On July 31, 2024, the Company provided a new update on its ongoing exploration drilling program at the Hercules Property. It's been noted that a total of 4,600 meters have been drilled in six completed, three abandoned and three in progress drill holes ranging up to 722 min depth, where a potential trend of elevated hypogene copper-silver enrichment appears to be emerging, currently being tested in two directions: (i) two drill rigs stepping to the northeast and southwest from the 2023 discovery area to test the potential trend of elevated copper-silver, immediately below the Triassic-Jurassic unconformity, and (ii) a third drill rig is reconnaissance drilling compelling new targets across the property. For more information, please refer to the press release dated July 31, 2024, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On August 19, 2024, the Company announced that the United States Forest Service ("USFS") has approved a Categorical Exclusion ("CatEx") for its Plan of Operations (the "Plan") allowing the Company to drill two large untested targets on its Hercules Property with 15 pre-selected drill sites through to the end of August 2025. This approval authorizes exploration activities on an eastern portion of the Hercules Property where the surface is administered by the USFS. The Plan contemplates drilling of the Grade Creek and Eastern Block targets, neither of which have been tested below the depth of shallow epithermal silver mineralization to the underlying Leviathan porphyry copper system. The Company also commenced the early stages of moving forward with an Environmental Assessment on the property, to secure longer-term drilling on USFS lands once the CatEx expires.

On October 10, 2024, the Company announced multiple broad copper intercepts from its Phase III drilling program on the newly discovered Leviathan porphyry copper system in western Idaho. Highlights include:

- 140-meter step-out delivers similar hypogene enrichment to discovery hole HER-23-05, including 55m of 1.5% Cu, within a broader intercept of 480 meters of 0.47% Cu, 82 ppm Mo, representing the longest intercept reported to date;
- Additional step-out holes planned to test its potential northeast-southwest trend extending towards HER-24-12, as well as down-plunge to the southeast, and
- Large step-out drilling outlines a 1.6 km x 1.1 km oval-shaped enrichment blanket which remains open.

For more information, please refer to the press release dated October 10, 2024, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On November 4, 2024, the Company provided further updates at the Leviathan porphyry copper system, as RC drilling has advanced rapidly with three holes completed and a fourth in progress, including HER-24-17 being completed to 975m. Three new holes stepped to the southeast, HER-24-19 through -21, all intersected early biotite alteration with mineralization beginning progressively closer to surface, starting as early as 72m true depth in hole 24-20. The depth to mineralization continues to shallow toward a large untested copper anomaly at surface to the east. For more information, please refer to the press release dated November 4, 2024, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On November 19, 2024, the Company announced new drill intercepts from the Hercules Property, as HER-24-12 has intersected 338m of 0.47% Cu, with the final 154m ending in 0.51% Cu and 104 ppm Mo, marking the first recorded increase in mineralization at depth on the Property. Final assay results reveal the 315m step-out from HER-24-08 ended in strong mineralization, with alteration increasing from phyllic to outer potassic in the latter half. For more information, please refer to the press release dated November 19, 2024, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.
On December 3, 2024, the Company announced results from its first phase of initial metallurgical testing at the Hercules Property. Metallurgical testing was conducted on four composite samples, each weighing over 50 kg, including samples of oxide and sulfide silver from the near surface epithermal system, as well as copper mineralization from the underlying porphyry system. Conventional flotation of porphyry copper mineralization achieved a strong recovery of ± 87% in initial open cycle tests, with ongoing locked cycle testing now projected to recover ± 90%. A straightforward two-step leaching process on the near-surface silver delivered impressive recoveries of 86% for oxide mineralization and 82% for sulfide mineralization. For more information, please refer to the press release dated December 3, 2024, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On January 15, 2025, the Company announced new step-out drilling results, as drill hole HER-24-20, a 330m step-out, intersected 300m of 0.70% CuEq, beginning at a true depth of 70 meters below surface - the shallowest that porphyry mineralization has been drilled on the Property. A separate step-out hole, HER-24-19, was collared 530m southwest of HER-24-20, and intersected 149m of 0.78% CuEq, including 43m of 1.22% CuEq. For more information, please refer to the press release dated January 15, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On February 20, 2025, the Company announced drill hole HER-24-21 intersected 354m of 0.47% CuEq, including 171m of 0.64% CuEq, and a higher grade 44m interval of 0.89% CuEq. The hole was designed to test below 2023 drill hole 23-14, interpreted to be drilled along the periphery of the system. The RC hole encountered strongly mineralized volcanic wall rock over 171 meters below the Jurassic cover, before deviating 60 degrees southwest, into a late-mineral porphyry. Despite the deviation, the hole ended with a strong overall intercept of 0.47% CuEq over 354m. Modelling shows the late porphyry to plunge southeast, giving way to thick sequences of prospective host rock in the Eastern Block and Southern Flats zones. For more information, please refer to the press release dated February 20, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On March 4, 2025, the Company announced that its U.S. subsidiary, Anglo-Bomarc, U.S., Inc. (“Anglo-Bomarc”) has entered into a 20-year mineral lease agreement (the “Lease”) with the Idaho Department of Lands (the “IDL”) to explore, develop and mine metallic minerals on approximately 7,669 acres of state-owned land adjacent to the Hercules Property, and 640 acres adjacent to its nearby Mineral property (collectively the “Lease Area”). This new addition increases the Company's land position in the district by over 46%, to a total of 24,276 acres at the Leviathan porphyry discovery and 2,243 acres at the Mineral property. The Lease has a primary term of 20 years, commencing on March 1, 2025, and expiring on February 28, 2045, with the potential to extend the lease beyond its initial term, subject to Idaho law and a negotiated extension agreement with the IDL. Under the terms of the Lease, Anglo-Bomarc will pay an annual rental fee of USD $24,927, which will increase by 3% each year over the 20-year lease term. Anglo-Bormac will remit a 5% NSR royalty on any minerals produced from the leased area.

(Expressed in Canadian dollars)

To incentivize production, minimum annual royalty amounts are due each year, regardless of if the lease has reached production, starting at USD $20,000 per year for the first five years of the agreement, increasing to USD $30,000 in years 6-10, USD $70,000 in years 11-15, and USD $100,000 in years 16-20. If production occurs, the production royalty payments can be credited against the minimum annual royalty for that year.

These financial commitments underscore the Company's long-term investment in the project and its contribution to Idaho's critical minerals development. For more information, please refer to the press release dated March 4, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On April 17, 2025, the Company announced completion of the first 3D block model of the Leviathan discovery on its Hercules Property. This milestone provides a clear framework to guide a fully funded 12,000-meter drill campaign, marking a major step toward expanding the discovery and unlocking the broader resource potential of the Leviathan porphyry system.

Impact of U.S. Tariffs on Business

For over a year prior to the 2024 U.S. Presidential Election, Donald Trump had been signaling plans to impose across-the-board tariffs if he won the presidency. Since he was elected on November 5, 2024, President Trump has threatened, enacted, modified and delayed multiple rounds of tariffs only to announce additional protectionist trade policies are to come. The duties are widely seen as inflationary in the U.S., and with retaliatory tariffs enacted in response by, inflation is also a risk north of the border. Meanwhile, tariffs are also likely to weigh on the global economies and could even cause a recession, as the U.S. and China has further escalated trade tension since the 'Liberation Day' on April 2, 2025.

Management believes that the Company is not currently impacted by the on-going tariff actions, as it does not import any goods from Canada into the U.S., and vice versa. Therefore, the Company will likely not bear any direct consequence of the on-going tariff actions. It is possible, however, that the Company may bear some currency risk in the long-run. As the majority of the Company's E&E activities are denominated and payable in USD. Should the tariffs action from the Trump Administration remain in place in the long-run, it may weaken the Canadian dollar vis-à-vis USD. Ultimately, the impact is that each bill payable in USD may become more expensive if the CAD experiences a depreciation.

Another possible impact is that the relationship between the Company's personnel with local/U.S. workers and suppliers may be jeopardized, which may slow down the Company's drill activities. The impact from this should be minimal, as studies and polls had suggested that most American citizens are not in support of U.S. tariffs imposed on Canada and had expressed support with Canada.

While the outlook of the global economy remains uncertain at this point, more analysis will be required to determine the full extent of any potential impact. The Company will closely monitor the situation for any on-going development and will take action to mitigate any impact as it sees fit.

Overall Performance

Selected annual financial information

Selected financial information, prepared in accordance with IFRS, for the Company's three most recently completed fiscal years ended December 31 are summarized as follows:

	2024	2023	2022
		$	$
Total operating expenses	**(19,837,815)**	(9,654,703)	(3,295,324)
Net loss	**(18,982,455)**	(9,694,688)	(3,295,324)
Net loss per share – basic	**(0.08)**	(0.05)	(0.02)
Cash and cash equivalents	**608,283**	12,723,946	1,802,284
Short-term investments	**8,709,372**	11,854,531	-
Total assets	**12,124,741**	25,849,547	1,975,573
Total liabilities	**744,442**	504,930	517,209
Working capital	**8,822,708**	24,582,711	1,458,364

(Expressed in Canadian dollars)

Selected quarterly financial results

The Company's selected financial information for the eight most recently completed quarters as follows:

	Q4 2024	**Q3 2024**	**Q2 2024**	**Q1 2024**
	$	**$**	**$**	**$**
Operating expenses	(4,036,441)	(8,619,199)	(6,113,410)	(1,068,765)
Net loss	(3,196,096)	(8,629,539)	(6,105,875)	(1,050,945)
Net loss per share – basic and diluted	(0.01)	(0.03)	(0.03)	(0.01)
Cash and cash equivalents	608,283	4,374,106	8,179,209	12,181,925
Total assets	12,124,741	16,774,673	24,102,558	26,289,921

	Q4 2023	**Q3 2023**	**Q2 2023**	**Q1 2023**
	$	**$**	**$**	**$**
Operating expenses	(3,465,551)	(4,181,061)	(1,613,401)	(394,690)
Net loss	(3,505,536)	(4,181,061)	(1,613,401)	(394,690)
Net loss per share – basic and diluted	(0.02)	(0.02)	(0.01)	(0.00)
Cash and cash equivalents	12,723,946	2,593,123	6,699,813	2,315,442
Total assets	25,849,547	3,697,410	7,170,861	2,503,048

Results of operations for the three months ended December 31, 2024

During the three months ended December 31, 2024 ("Q4 2024"), the Company wrapped up Phase III drill program, and as a result, incurred significantly less expenses to the third quarter of 2024 ("Q4 2023"). Total operating expenses of $4,036,441 were incurred, as compared to total operating expenses of $3,465,551 in the comparative period, for an increase of $570,890. The Phase III drill program continued into October before the drill season came to an end, with total exploration and evaluation ("E&E") expenditures to $3,390,809 incurred in Q4 2024, as compared to E&E expenditures of $2,600,722 incurred in the comparative period.

Other items contributing to the increase in operating expenses in Q4 204 include general and administrative ("G&A") expenses of $308,344 (Q4 2023 – $464,005), $407,706 in share-based compensation (Q4 2023 – $158,814), and professional fees of $137,802 (Q3 2023 – $124,382). Share-based compensation ("SBC") relates to the vesting of restricted share units ("RSUs") and options granted to various directors, officers, consultants and employees during the period, and represents a non-cash expense.

The following summary provides a breakdown of the G&A expenses incurred during Q4 2024 and 2023:

	2024	2023
	$	$
Consulting fees, salaries and wages	**66,043**	340,365
Office and general	**98,828**	35,127
Business development	**101,270**	43,717
Filing fees	**24,931**	30,823
Insurance	**17,272**	13,973
	308,344	464,005

During Q4 2024, the Company earned dividend and interest income of $95,758 (Q4 2023 – $104,058) through its various investments in high interest savings funds and guaranteed investment certificates ("GICs").

During Q4 2024, the Company recorded a foreign exchange gain of $142,923 (Q4 2023 – foreign exchange loss of $150,670). It also recorded an unrealized gain of $840,345 (Q4 2023 – unrealized loss of $39,985) on its minority investment (the "Investment") in Scout Discoveries Corp. ("Scout Discoveries"), a mineral exploration company with a 100% interest in four precious and base metals projects based in Idaho, U.S. (see discussions for Fiscal 2024 for more details).

Based on the above, the Company recorded a total net loss of $3,196,096 in Q4 2024, for a net loss per share of $0.01, versus a total net loss of $3,505,536, for a net loss per share of $0.02 in the comparative period.

(Expressed in Canadian dollars)

Results of operations for the year ended December 31, 2024

During the year ended December 31, 2024, the scope of the Company's exploration drilling activities has significantly increased as significant expenditures were incurred as the Phase III drill program continued throughout the summer and fall months. Total operating expenses of $19,837,815 were incurred, as compared to total operating expenses of $9,654,703 incurred in 2023, for an increase of $10,183,112. The increase is directly the result of the Phase III drill program which caused a surge in E&E expenditures to $16,550,087, comprised of $15,622,606 in exploration drilling, $541,120 in claims maintenance, and $386,361 in geological work and related technical studies. In the prior year, with the Phase II program underway, E&E expenditures totaled $7,340,425, comprised of $6,828,969 in exploring drilling, $36,953 in claims maintenance, $469,859 in geological work and technical studies, and $4,644 in other fieldwork testing.

In connection to the terms of the Lease Option Agreement (defined hereafter), the Company also incurred property acquisition costs of $162,790 during the year ended December 31, 2024 (2023 – $134,970).

Other items contributing to the increase in operating expenses include G&A expenses of $1,723,839 (2023 – $1,035,344), $1,797,163 in SBC (2023 – $692,549) related to the vesting of RSUs and options, and professional fees of $702,603 (2023 – $373,655).

The following summary provides a breakdown of the G&A expenses incurred during the years ended December 31, 2024 and 2023:

	2024	2023
	$	$
Consulting fees, salaries and wages	**676,332**	459,534
Office and general	**459,984**	179,059
Business development	**379,238**	252,662
Filing fees	**134,670**	89,546
Insurance	**73,615**	54,543
	1,723,839	1,035,344

During the year ended December 31, 2024, the Company earned dividend and interest income of $887,197 (2023 – $190,197) through its various investments in high interest savings funds and GICs.

During the year ended December 31, 2024, the Company recorded a foreign exchange gain of $328,177 (2023 – foreign exchange loss of $259,453), which was netted against operating expenses. It also recorded an unrealized gain of $855,360 (2023 – unrealized loss of $39,985) on its minority investment in Scout Discoveries. The investment in Scout Discoveries was recorded at a fair value of $1,582,790 (December 31, 2023 – $727,430), based on the subscription price of a most recent private placement financing closed by Scout Discoveries.
Based on the above, the Company recorded a total net loss of $18,982,455 during the year ended December 31, 2024, for a net loss per share of $0.08, versus a total net loss of $9,694,668, for a net loss per share of $0.05 in 2023.

Cash flows

During the year ended December 31, 2024, net cash used in the Company's operations totaled $18,056,595 (2023 – $9,259,610), for an increase of $8,796,985. The increase in operating spending is due to the high level of expenditure required for the Phase III drill program. In the prior year, the spending was geared for the Phase II drill program.

During the year ended December 31, 2024, net cash provided by financing activities totaled $3,196,456 (2023 – $33,058,536). The inflow of funds came in the form of cash proceeds of $2,760,456 (2023 – $4,147,924) received from exercises of warrants, and $436,000 (2023 – $492,025) received from exercises of options. In 2023, the Company raised total gross proceeds of $5.75 million from a brokered private placement which closed in April 2023 (the "Brokered Offering"), while paying issuance cost of $591,627. In addition, the Company also raised $23.4 million through a non-brokered private placement with Barrick.

During the year ended December 31, 2024, the Company made additions of $986,446 to its property, plant and equipment, including the purchase of a building property for $956,542 (USD $716,189) in Cambridge, Idaho. The Company also redeemed about $20.2 million in GICs (2023 – $nil), while renewing other GICs for about $16.3 million (2023 – $11,896,725). In the prior year, the Company purchased certain new drilling equipment for $42,980. It also acquired a minority interest in Scout Discoveries by subscribing for 1,100,000 common shares of Scout Discoveries for $767,415 (USD $550,000).

(Expressed in Canadian dollars)

Liquidity and Capital Resources

As at December 31, 2024, the Company's cash and cash equivalents balance was $608,283 (December 31, 2023 – $12,723,946) and it had sales tax recoverable of $22,844 (December 31, 2023 – $168,351) which it received shortly after year-end. In addition, the Company had also invested in various short-term GICs with maturity ranging between six months to one year valued at $8,709,372 (December 31, 2023 – $11,854,531), which can be cashed, if needed.

The Company also had current liabilities of $744,442 (December 31, 2023 – $504,930) and a working capital of $8,822,708 (December 31, 2023 – $24,582,711).

The Company relies upon various sources of funding for its ongoing operating and investing activities, including but not limited to, proceeds from exercises of stock options and warrants, interest earned from various GICs, and capital raising activities such as equity private placement financings.

As at December 31, 2024 and the date of this MD&A, the Company's does not have any material commitments. While the Company has no source of revenue, it believes it has sufficient cash resources to meet its administrative overhead costs and planned growth as it was able to raise funds. Subsequent to year-end, the Company has also received additional funds of just over $2 million from exercises of warrants and stock options (see "Subsequent Events" for details). Management also intends to raise additional funds in the near future under the right circumstances. At the same time, we do understand that even though the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favorable to the Company.

Related Party Transactions and Balances

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee of the Board of Directors (the "Board") of the Company.

Remuneration to key management personnel and directors

The remuneration of directors and other members of key management personnel during the year ended December 31, 2024 and 2023 were as follows:

	2024	2023
	$	$
Consulting fees, salaries and wages included in G&A expenses	**489,583**	235,000
Consulting fees, salaries and wages included in E&E expenditures	**532,829**	303,713
Professional fees	**273,245**	202,966
Share-based compensation – options	**114,780**	249,678
Share-based compensation – RSUs	**1,062,146**	147,660
	2,472,583	1,139,017

During the year ended December 31, 2024, Clearwater Resources Inc. ("Clearwater"), an entity controlled by Mr. Paul, Chief Executive Officer ("CEO") and also a director of Hercules Metals, charged fees of $66,250 (2023 – $45,000), for services provided to the Company, which are included in consulting fees, salaries and wages under G&A expenses). During the year, Clearwater also charged fees of $198,750 (2023 – $135,000) which are included in E&E expenditures. As at December 31, 2024, no balance was owed to Clearwater (December 31, 2023 – $16,002, included in accounts payable and accrued liabilities).

During the year ended December 31, 2024, the CEO, through Clearwater, also received a management bonus amount of $265,000 (2023 – $180,000), which are included in consulting fees, salaries and wages under G&A expenses. As at December 31, 2024, the management bonus amount had been paid to Clearwater.

Effective May 22, 2023, the Company, through its wholly-owned subsidiary, Anglo-Bomarc, and its former Vice-President, Exploration ("VP-Exploration") Christopher Longton, entered into an employment agreement, whereas Hercules Metals agreed to pay an annual base salary of USD $200,000 for the former VP-Exploration's services which Exploration's services were terminated effective November 19, 2024. During the year ended December 31, 2024, the former VP-Exploration's salaries of $334,079 (USD $243,889) (2023 – 168,713 (USD $125,000)) were included in E&E expenditures. As at December 31, 2024, no balance was owed to VP-Exploration (December 31, 2023 – $4,198, included in accounts payable and accrued liabilities).

(Expressed in Canadian dollars)

During the year ended December 31, 2024, Gowling WLG (Canada) LLP ("Gowling"), a law firm in which Mr. Simeon, a director of the Company, is also a partner, charged fees of $168,245 (2023 – $125,466) for legal services provided, which are included in professional fees. As at December 31, 2024, $356 (December 31, 2023 – $16,191) owing to Gowling was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2024, Branson Corporate Services Ltd. ("Branson"), where Keith Li, the Company's Chief Financial Officer ("CFO") and Corporate Secretary, was formerly a director, charged fees of $45,000 (2023 – $77,500) for accounting and administrative services which are included in professional fees. Branson's services were terminated effective June 30, 2024. As at December 31, 2024, no balance was owed to Branson (December 31, 2023 – $nil).

During the year ended December 31, 2024, Blueknight Advisory Services Inc. ("Blueknight"), where the CFO is the principal, charged professional fees of $60,000 (2023 – $nil) for CFO and accounting services provided to the Company, which are included in professional fees. As at December 31, 2024, no balance was owed to Blueknight (December 31, 2023 – $nil).

During the year ended December 31, 2024, the Company's non-executive directors and the Chairman of the Audit Committee received fees of $158,333 (2023 – $10,000) as consideration for the services provided to the Company, which are included in consulting fees, salaries and wages under G&A expenses. As at December 31, 2024, no fees were owed to any of the directors (December 31, 2023 – $nil).

Other related party transactions

During the year ended December 31, 2024, the Company recorded SBC of 114,780 in connection with the vesting of options previously granted to its officers and directors (2023 – $249,678).

During the year ended December 31, 2024, the Company also recorded SBC of $1,062,146 in connection with the vesting of RSUs previously granted to its officers and directors (2023 – $147,660).

In connection with the Brokered Offering which closed on April 20, 2023, Gowling also charged fees of $153,003 for legal services related to the financing, which is included in the amount of share issuance costs paid.

Lease Option Agreement

On September 27, 2023, the Company entered into a lease option agreement (the "Lease Option Agreement") between the Company, Anglo-Bomarc (the "Lessee") and a local prospector (the "Lessor"), which grants Hercules Metals the option to acquire a 100% interest in a mineral property, comprising 87 unpatented lode mining claims within the Mineral mining district ("Mineral" or the "Property") located on Bureau of Land Management-administered lands, 14 miles southwest of the Hercules Property.

Pursuant to the terms and subject to the conditions of the Lease Option Agreement, the Company and/or the Lessee is required to make lease payments in accordance with the following schedule:

Payment Date	Cash Payments	Share Consideration	Status
Within five business days of TSXV Approval	USD $100,000	USD $nil	Paid
September 27, 2024	USD $60,000	USD $60,000	Paid
September 27, 2025	USD $70,000	USD $70,000	Outstanding
September 27, 2026	USD $80,000	USD $80,000	Outstanding
September 27, 2027	USD $80,000	USD $80,000	Outstanding
September 27, 2028	USD $80,000	USD $80,000	Outstanding
September 27, 2029	USD $80,000	USD $80,000	Outstanding
September 27, 2030	USD $80,000	USD $80,000	Outstanding

Upon execution of the Lease Option Agreement, the Company shall also pay the annual maintenance fees for the claims. The Lease Option Agreement provides the Lessee with certain rights, including but not limited to, the right to access, enter, occupy, improve, explore, use, market, sell and dispose mineral and mineral substances on or from the Property.

During the year ended December 31, 2024, property acquisition costs of $162,790, comprised of the respective cash payment and share consideration of USD $60,000, were recorded as property acquisition costs on the Company's consolidated statements of loss and comprehensive loss (2023 – $134,970, comprised of the initial cash payment of USD $100,000).

(Expressed in Canadian dollars)

At any time prior to the eighth anniversary of the Lease Option Agreement, the Lessee has the right to purchase the Property for an aggregate of USD $3 million (the "Option"), comprised of USD $1.5 million in cash and common shares equal to USD $1.5 million at a deemed value per common share equal to the 10-day VWAP of the common shares on the TSXV on the day preceding the delivery of the common shares to Lessor pursuant to the Option. In the event that the Option is exercised, the Lessee will receive credit for all lease payments previously made pursuant to the Lease Option Agreement, which will serve to reduce the cash and Common Share value owed upon potential exercise of the Option.

At the conclusion of the eight-year term, if the Lessee elects not to purchase the Property pursuant to the Option, then the Lessee has the sole and exclusive right and discretion to continue to lease the Property by providing the Lessor with: (i) annual lease payments of USD $160,000, and a 2% NSR royalty from the sale of all minerals on the Property.

In the event that the Lessee pays an aggregate total of USD $2,000,000 in royalties, then the Lessee may reduce the royalty rate to 1% upon payment of a one-time lump sum of USD $1,000,000 to Lessor. Thereafter, Lessor shall receive a 1% NSR royalty for production on any or all unpatented claims within the Property. If Lessee does not elect to "buy down" the Royalty, then Lessor shall receive a 2% NSR royalty for production on any or all unpatented claims within the Property.

Exploration and Evaluation Expenditures

The Company's E&E expenditures incurred for the years ended December 31, 2024 and 2023 were comprised of the following:

	2024	2023
	$	$
Claims maintenance	**541,120**	36,953
Geological work and technical studies	**386,361**	469,859
Fieldwork testing	**-**	4,644
Exploration drilling	**15,622,606**	6,828,969
	16,550,087	7,340,425

Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of the Company does not establish quantitative return on capital criteria for management but rather relies on the expertise of management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's approach for managing capital since the Company's last reporting period.

The Company considers its capital to be shareholders' equity, which is comprised of share capital, warrants reserve, options reserve, RSUs reserve, accumulated other comprehensive loss and accumulated deficit. As at December 31, 2024, the Company's capital consisted of a balance of $11,380,299 (December 31, 2023 – $25,344,617).

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numerical target for its capital structure.

Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising capital in this manner.

The Company is not subject to externally imposed capital requirements.

Financial Instruments

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

(Expressed in Canadian dollars)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and short-term investments, which expose the Company to credit risk should the borrower default on the maturity of the instruments. Cash and cash equivalents and short-term investments are held with reputable Canadian chartered banks and financial institutions, which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents and short-term investments is minimal.

The Company's second exposure to credit risk is on receivables. At each reporting period, management assesses the credit risk of its receivables balance. As the Company does not currently have any trade receivable, management believes that the credit risk concentration with respect to trade receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

The Company generates cash flow primarily from its financing activities. The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted. As at December 31, 2024, the Company had a cash and cash equivalents balance of $608,283 (December 31, 2023 – $12,723,946) and short-term investments of $8,709,372 (December 31, 2023 – $11,854,531), to settle current liabilities of $744,442 (December 31, 2023 – $504,930).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at December 31, 2024:

	Carrying amount	**Year 1**	**Year 2 to 3**	**Year 4 to 5**
	$	**$**	**$**	**$**
Accounts payable and accrued liabilities	744,442	744,442	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasts and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

Management believes there will be sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash and cash equivalents and short-term investments position as at December 31, 2024.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices.

Price risk

The Company is exposed to price risk with respect to commodity prices. Price risk is remote since the Company is not a producing entity.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. As the Company's E&E activities are primarily based in the U.S. and is exposed to foreign exchange risk with respect to USD. The Company raises funds in CAD for its operations in the US. Foreign exchange risk arises on cash and trade payables from operations in the U.S. The Company believes that its results of operations and cash flows would be affected by a sudden change in foreign exchange rates. The Company mitigates this risk by maintaining sufficient USD-denominated cash to meet its USD-denominated obligations.

As at December 31, 2024, the Company had the following USD assets and liabilities in Canadian dollars:

	2024	2023
	$	$
Cash and cash equivalents	**119,741**	2,889,685
Accounts payable and accrued liabilities	**(426,529)**	(63,750)
Net Exposure to USD	**(306,788)**	2,825,935

Had the value of the USD increased or decreased by 10%, the net loss and comprehensive loss would have increased or decreased by $30,679 as a result of this exposure (2023 – $282,594).

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments consist of cash and cash equivalents, short-term investments, the Investment in Scout Discoveries and accounts payable and accrued liabilities. The fair value of cash and cash equivalents, short-term investments, and accounts payable and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2024, the Company's financial instruments carried at fair value of $1,582,790 consisted of the Investment in Scout Discoveries, which have been classified as Level 3 (December 31, 2023 – $727,430).

Contingencies

The Company's E&E activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. As at December 31, 2024, the Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make future expenditures to comply with such laws and regulations.

The Company may also, from time to time, be subject to various administrative, regulatory, and other legal proceedings arising in the ordinary course of business. Liabilities associated with legal proceedings are recorded when (i) the liabilities are a result of a past event, (ii) it is probable that an outflow of resources will be required to settle the obligations, and (iii) a reliable estimate can be made of the amount of obligation.

The Company was previously responsible for payment of a dispute in connection to certain exploration drilling services provided by an arm's length party (the "Contractor"), for an alleged breach of the terms pursuant to a drilling services agreement between the parties, for the Contractor's failure to complete drilling as required. During the year ended December 31, 2024, the Company settled the dispute by making a payment of USD $150,000 to the Contractor, for which the amount was included in accounts payable and accrued liabilities as of December 31, 2023.

Subsequent Events

Options grants and cancellation

On February 17, 2025, 625,000 options exercisable at $0.17 were cancelled.

On March 19, 2025, the Company granted 175,000 stock options to a third-party consultant. The options are exercisable at a price of $0.72 per common share for a period of five years. The options vest 25% at each six-month anniversary from grant up to March 19, 2027.

(Expressed in Canadian dollars)

Issuance of common shares from exercises of warrants, options and RSUs

Subsequent to December 31, 2024, the Company also issued the following common shares:

- 6,519,780 common shares as a result of the exercise of warrants for total cash proceeds of $1,909,206;
- 757,500 common shares from exercises of options for total proceeds of $133,800; and
- 135,000 common shares from exercises of RSUs.

Mining Lease

On March 4, 2025, the Company announced that Anglo-Bomarc has entered into a 20-year mineral lease agreement with the IDL to explore, develop and mine metallic minerals on the Leased Area. The Lease has a primary term of 20 years, commencing on March 1, 2025, and expiring on February 28, 2045, with the potential to extend the lease beyond its initial term, subject to Idaho law and a negotiated extension agreement with the IDL. Under the terms of the lease, Anglo-Bomarc will pay an annual rental fee of USD $24,927, which will increase by 3% each year over the 20-year lease term. Anglo-Bormac will remit a 5% NSR royalty on any minerals produced from the leased area.

Off Balance Sheet Arrangements

As at December 31, 2024 and the date of this MD&A, the Company does not have any off-balance sheet arrangements.

Disclosure of Outstanding Share Data as of April 17, 2025

As of the date of this MD&A, the Company has the following issued and outstanding securities:

Common shares outstanding	261,573,279
Options	3,665,000
Warrants	7,319,918
RSUs	2,801,000

Significant Accounting Judgments and Estimates

The preparation of the Company's audited consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. These are consistent with those disclosed in Note 2(e) of the 2024 Financials.

Summary of Material Accounting Policies

The material accounting policies applied by the Company are the same as those disclosed in Note 3 of the 2024 Financials, unless otherwise noted.

Risk Factors

There are numerous and varied risks, known and unknown, which may prevent the Company from achieving its goals. If any of these risks occur, the Company's business, financial condition or results of operation may be adversely affected. In such cases, the trading price of the Company's common shares could decline, and investors could lose all or part of their investment.

The following is a summary of risk factors that could be applicable to the business of the Company:

Limited operating history

The Company, with a limited operating history, is in the early stage of exploration and must be considered as a start-up company. The Company has undertaken work on the Hercules Property, the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business particularly in the junior mineral exploration sector. The Company will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Company will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Dependence on the Hercules Property

Presently, the Hercules Property will account for all of the Company's future revenue. Any adverse development affecting the progress of the Hercules Property such as, but not limited to, obtaining development financing on commercially suitable terms, hiring suitable personnel and mining contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Company's financial performance and results of operations. Ongoing activity at the Hercules Property will be undertaken without established Mineral Resources or Mineral Reserves and the economic viability of the operations on either project have not been established.

Exploration and development risk

The Hercules Property is in the exploration stage and will require extensive expenditures during the exploration stage. Mineral exploration and development involve a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of mineral resources or mineral reserves, or that minerals will be discovered in sufficient grade or quantities to justify commercial operations. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Estimates of mineral deposits

No assurance can be given that if any mineralization is identified it will be developed into a coherent mineral deposit, or that such deposit will qualify as a commercially viable and mineable ore body that can be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of ore ultimately mined may differ from that indicated by drilling results and other exploration and development work. There can be no assurance that test work and results conducted and recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of projects. The existence of mineralization or mineralized deposits should not be interpreted as assurances of the future delineation of ore reserves or the profitability of any future operations.

Ability to exploit future discoveries

It may not always be possible for the Company to participate in the exploitation of successful discoveries. Such exploitation may involve the need to obtain licenses or clearance from the relevant authorities, which may not be available on a timely basis or may require conditions to be satisfied and/or the exercise of discretion by such authorities. It may or may not be possible for such conditions to be satisfied, and such conditions may prove uneconomic or not practical. Furthermore, the decision to proceed to further exploration may require the participation of other companies whose interest and objectives may not be consistent with those of the Company. Such further exploitation may also require the Company to meet or commit to financial obligations which it may not have anticipated or may not be able to commit to due to a lack of funds or an inability to raise funds.

Defects in title may result in a loss of entitlement by the operator and a loss of the Company's interest

A defect in the chain of title to one of the Company's interests or necessary for the anticipated development or operation of a particular project to which an interest relates may arise to defeat or impair the claim of the operator to a property which could in turn result in a loss of the Company's interest in respect of that property. In addition, claims by third parties or aboriginal groups in the U.S. and elsewhere may impact on the operator's ability to conduct activities on a property to the detriment of the Company's interests. To the extent an owner or operator does not have title to the property, it may be required to cease operations or transfer operational control to another party. Certain interests can be contractual in nature, rather than an interest in land, with the risk that an assignment or bankruptcy or insolvency proceedings by an owner will result in the loss of any effective interest in a particular property.

Further, even in those jurisdictions where there is a right to record or register interests held by the Company in land registries or mining recorders offices, such registrations may not necessarily provide any protection to the Company. As a result, known title defects, as well as unforeseen and unknown title defects may impact operations at a project in respect of which the Company has an interest and may result in a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities.

Future litigation could affect title

Potential litigation may arise on a property on which the Company holds an interest (for example, litigation between joint venture partners or between operators and original property owners or neighboring property owners), including the Hercules Property. As a holder of such interests, the Company will not generally have any influence on the litigation and will not generally have access to data. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) or the expropriation or loss of rights to a property could have a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities.

Deficient third-parties' reviews, reports and projections

The Company relies upon third parties to provide analysis, reviews, reports, advice and opinions regarding the Company's projects. There is a risk that such analysis, reviews, reports, advice, opinions and projects are inaccurate, in particular with respect to resource estimation, process development and recommendations for products to be produced as well as with respect to economic assessments including estimating the capital and operation costs of the Company's project and forecasting potential future revenue streams. Uncertainties are also inherent in such estimations.

The Company may fail to acquire additional property interests or select appropriate acquisitions

As part of the Company's business strategy, it expects to acquire additional property interests. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions or integrate the acquired businesses or their personnel into the Company. There can be no assurance that the Company will complete any acquisition or business arrangement that it pursues on favorable terms or at all, or that any acquisitions or business arrangements completed will ultimately benefit the Company.

Increased competition for target mineral properties

Many companies are engaged in the search for and the acquisition of mineral interests, including property interests, and there is a limited supply of desirable mineral interests. The mineral exploration and mining businesses are competitive in all phases. Many companies are engaged in the acquisition of mineral interests, including large, established companies with substantial financial resources, operational capabilities and long earnings records. The Company may be at a competitive disadvantage in acquiring those interests, whether by way of property or other form of investment, as competitors may have greater financial resources and technical staff. There can be no assurance that the Company will be able to compete successfully against other companies in acquiring new property or other interests. In addition, the Company may be unable to acquire properties or other interests at acceptable valuations, which may result in a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities

Future acquisitions and partnerships

As part of the Company's business strategy, it may seek to grow by acquiring companies and/or assets or establishing new joint ventures that it believes will complement its future business. There are risks inherent in such activities. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Company is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Company's financial performance and results of operations. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. The Company could encounter additional transaction and integration related costs or experience an impact to its operations or results of operation as a result of the failure to realize all of the anticipated benefits from such acquisitions or partnerships, or an inability to successfully integrate an acquisition as anticipated. As a result of integration efforts, the Company may experience interruptions in its business activities, costs of integration and harm to its reputation, all of which could have a material adverse effect on the Company's business, financial condition and results of operations. The Company may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on the management of the Company. There is no assurance that these acquisitions will be successfully integrated in a timely manner or without additional expenses incurred.

In respect of potential future acquisitions or partnerships, there is no assurance that the Company will be able to complete any acquisition or partnership it pursues on favorable terms, or that any acquisitions or partnerships completed will ultimately benefit its business.

The Company may acquire other interests in respect of properties that are speculative

Exploration for metals and minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditure made by the operator of any given project will result in the discovery of commercial quantities of minerals on lands where the Company holds an interest. If mineable deposits are discovered, substantial expenditures are required to establish Mineral Reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funding required for development can be obtained on terms acceptable to the operator or at all.

Additional financing

The Company believes that its raised capital is currently sufficient to meet its presently anticipated working capital and capital expenditure requirements for the near future. This belief is based on its operating plan which, in turn, is based on assumptions, which may prove to be incorrect. In addition, the Company may need to raise significant additional funds sooner to support its growth, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Company may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Volatile global financial and economic conditions

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Company's ability to obtain financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

The market price of securities is volatile and may not accurately reflect the long-term value of the Company

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of shares to sell their securities at an advantageous price. Market price fluctuations in the shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the shares.

Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the shares may decline even if the Company's results, underlying asset values or prospects have not changed.

Additionally, these factors, as well as other related factors, may cause decreases in investment values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of the common shares may be materially adversely affected.

Changes in laws

Changes to any of the laws, rules, regulations or policies to which the Company is subject could have a significant impact on the Company's business. There can be no assurance that the Company will be able to comply with any future laws, rules, regulations and policies. Failure by the Company to comply with applicable laws, rules, regulations and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Company's business, financial condition, liquidity and results of operations. In addition, compliance with any future laws, rules, regulations and policies could negatively impact the Company's profitability and have a material adverse effect on its business, financial condition, liquidity and results of operations.

Anti-money laundering laws and regulations

The Company is subject to a variety of laws and regulations domestically and in the U.S. that involve money laundering, financial recordkeeping and proceeds of crime. In the event that any of the Company's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, or to effect other distributions. Furthermore, while there are no current intentions to declare or pay dividends on the common shares of the Company in the foreseeable future, in the event that a determination was made that the Company's proceeds from operations (or any future operations or investments in the U.S.) could reasonably be shown to constitute proceeds of crime, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Reliance on management

The Company will need to expand and effectively manage its managerial, operational, financial, development and other resources in order to successfully pursue its development and commercialization efforts of its products. The success of the Company is currently dependent on the performance of its management team, which also relies on the advice and guidance of certain members of the Board, not all of whom are or will be bound by formal contractual employment agreements.

The Company's success depends on its continued ability to attract, retain and motivate highly qualified people. The loss of the services of these persons would have a material adverse effect on the Company's business and prospects in the short term and could delay or prevent the commercialization of its products, and the business may be harmed as a result.

The Company may not be able to attract or retain qualified management and scientific personnel in the future due to the intense competition for qualified personnel with extensive management experience in such fields as pharmaceutical regulations, finance, manufacturing, marketing, law, and investment. If the Company is not able to attract and retain the necessary personnel to accomplish its business objectives, the achievement of its development objectives, its ability to raise additional capital and its ability to implement its business strategy may be significantly reduced and could have a material adverse effect on the Company and its prospects.

Risks relating to attracting and retaining qualified management and technical personnel

The Company will be dependent upon the continued availability and commitment of its key management personnel, whose contributions to the immediate and future operations of the Company are of significant importance. The loss of any such key management personnel could negatively affect business operations. From time to time, the Company may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. In addition, the Company frequently retains third party specialized technical personnel to assess and to execute on opportunities. These individuals may have conflicts of interest or scheduling conflicts, which may delay or inhibit the Company's ability to employ such individuals' expertise. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance that the Company will be able to recruit and retain such personnel. If the Company is not successful in recruiting and retaining qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material adverse impact on its profitability, results of operations and financial condition and the trading price of its securities.

The exploration and development of mineral resource properties is inherently dangerous and subject to risks

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of metals, including, without limitation, environmental hazards, industrial accidents, unusual or unexpected formations, safety stoppages (whether voluntary or regulatory), pressures, mine collapses, fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and other geotechnical instabilities, equipment failure or structural failure, metallurgical and other processing problems and other conditions involved in the mining of minerals, any of which could result in damage to, or destruction of, the Company's, if applicable, mines, plants and equipment, personal injury or loss of life, environmental damage, delays in mining, increased production costs, asset write-downs, monetary losses and legal liability. The occurrence of any of these events could result in a prolonged interruption in the Company's operations that would have a material adverse effect on the Company's business, financial conditions, results of operations and prospects.

Substantial capital expenditures required

Substantial expenditures are required to (i) establish mineral reserves through drilling, (ii) develop metallurgical processes to extract metal from the ore and, (iii) in the case of new properties, develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the control of the Company. In addition, because of these risks, there is no certainty that the expenditure to be made by the Company on the exploration of its mineral property, as described herein, will result in the discovery of commercial quantities of ore.

Fluctuating mineral prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined or explored for. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's Hercules Property can be commercially viable. Fluctuations in the prices of precious and base metal prices may adversely affect the Company's ability to raise capital if, as and when needed, and on commercially reasonable terms.

Mineral properties may be subject to rights of indigenous peoples

Various international, national, state and provincial laws, codes, resolutions, conventions, guidelines, treaties and other principles and considerations relate to the rights of indigenous peoples. The Company will hold, exploration interests in respect of operations located in some areas presently or previously inhabited or used by indigenous peoples. Many of these impose obligations on government to respect the rights of indigenous people. Some mandate consultation with indigenous people regarding actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national requirements, principles and considerations pertaining to indigenous people continue to evolve and be defined. The Hercules Property in respect of which the Company will hold a joint venture interest are subject to the risk that one or more groups of indigenous people may oppose operation or new development. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the operator's activities. Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous peoples may disrupt or delay activities of the operators of assets in respect of which the Company holds an exploration interest which may result in a material adverse effect on the Company profitability, results of operations and financial condition and the trading price of its securities.

Permit and licenses

The operation of the Company will require licenses and permits from various governmental authorities. The Company anticipates that it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Company will be able to obtain at all or on reasonable terms, and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development or to place its property into commercial production and to operate mining facilities thereon.

Regulatory requirements

The Company's future operations will, at all stages, require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that such laws and regulations would not have an adverse effect on any mining project the Company undertakes.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material impact on us and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Environmental matters

All of the Company's exploration and development operations will be subject to environmental permitting and regulations, which can make operations expensive or prohibit them altogether. The Company may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its exploration, development and production activities.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

All of the Company’s exploration, development and production activities will be subject to regulation under one or more environmental laws and regulations. Many of the regulations require the Company to obtain permits for its activities. The Company must update and review its permits from time to time and is subject to environmental impact analyses and public review processes prior to the approval of the additional activities.

It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company’s business, causing those activities to be economically re-evaluated at that time.

Disruption from non-governmental organizations

As is the case with any businesses which operate in the mining industry, the Company may become subject to pressure and lobbying from non-governmental organizations. There is a risk that the demands and actions of non-governmental organizations may cause significant disruption to the Company’s business which may have a material adverse effect on its operations and financial condition.

Health & safety

Mining, like many other exploration or extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer.

There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or holds, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Company’s business, financial condition and results of operations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in the levels of production at producing properties, or abandonment or delays in development of new mining properties.

Uninsured or uninsurable risks

In the course of exploration, development and production of mineral resource properties, several risks and, in particular, significant risks that could result in damage to, or destruction of vessels and producing or processing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of the securities of the Company. The Company cannot be certain that insurance will be available on acceptable terms or conditions. In some cases, coverage may not be acceptable or may be considered too expensive relative to the perceived risk.

Operating hazards and risks

Mineral resource exploration and development and the operation of mineral processing facilities involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include failure of equipment or processing facilities to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government or regulatory action or delays, unanticipated events related to health, safety and environmental matters, formation pressures, fires, power outages, labor disruptions, flooding, explosions, and the inability to obtain suitable or adequate machinery, equipment or labor.

Operations in which the Company may have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. Although the Company plans to maintain liability insurance in an amount it considers adequate, the nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

Natural disasters, unusually adverse weather, pandemic outbreaks, boycotts and geo-political events

The occurrence of one or more natural disasters, such as hurricanes and earthquakes, unusually adverse weather, pandemic outbreaks, boycotts and geo-political events, such as civil unrest and acts of terrorism, or similar disruptions could materially adversely affect the Company's business, results of operations or financial condition. These events could result in, increases in fuel or other energy prices, temporary or permanent closure of the Hercules Property, labor shortages, temporary or long-term disruption in the supply of raw materials and other inputs, temporary disruption in transport to and from markets, or disruption to the Company's information systems, any of which could have a material adverse effect on the Company's business, results of operations or financial results.

Liability for activity of employees, contractors and consultants

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims or regulatory enforcement actions against the Company. Failure to comply with relevant laws could result in fines, suspension of licenses and civil or criminal action being taken against the Company. Consequently, the Company is subject to certain risks, including the risk that employees, contractors and consultants may inadvertently fail to follow the law or purposefully neglect to follow the law, either of which could result in material adverse effects to the financial condition of the Company.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of interest

Certain directors and officers of the Company are also directors, officers, or shareholders of other companies, which may give rise to conflicts of interest from time-to-time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the applicable corporate laws to disclose his interest and to abstain from voting on such matter.

Internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement the required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and materially adversely affect the trading price of the Company's common shares.

Dividends

The Company has no earnings or dividend record and does not anticipate paying any dividends on the Company's shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited market for securities

There can be no assurance that an active and liquid market for the Company's shares will develop or be maintained, and an investor may find it difficult to resell any securities of the Company.

Disruption of business

Conditions or events including, but not limited to, those listed below could disrupt the Company's operations, increase operating expenses, resulting in delayed performance of contractual obligations or require additional expenditures to be incurred: (i) extraordinary weather conditions or natural disasters such as hurricanes, tornadoes, floods, fires, extreme heat, earthquakes, etc.; (ii) a local, regional, national or international outbreak of a contagious disease, including the COVID-19 coronavirus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, or any other similar illness could result in a general or acute decline in economic activity (see also, "Public Health Crises, including COVID-19"); (iii) political instability, social and labor unrest, war or terrorism; or (iv) interruptions in the availability of basic commercial and social services and infrastructure including power and water shortages, and shipping and freight forwarding services including via air, sea, rail and road.

Public health crises

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises beyond our control, including the outbreak of COVID-19. Such public health crises can result in volatility and disruptions in the supply and demand for various products and services, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak.

Disclosure of Internal Controls over Financial Reporting

Hercules Metals' management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Company's financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the Company's audited financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In particular, management is not making any representations relating to the establishment and maintenance of: (a) controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors and other readers should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These forward-looking statements relate to future events or the Company's future performance. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties, and assumptions. Many factors could cause the actual results, performance, or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "*Risk Factors*" section of this MD&A. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements vary materially from those expressed or implied by the forward-looking statements contained in this MD&A. These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what the Company management currently believes to be reasonable assumptions, the Company cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. The forward-looking statements contained in this MD&A have been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control. The Company assumes no responsibility to update forward-looking statements, other than as may be required by applicable securities laws. The factors identified above are not intended to represent a complete list of the factors that could affect the Company.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this MD&A. The 2024 Financials have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the financial statements in all material aspects.

The Audit Committee has reviewed the 2024 Financials and this MD&A. The Board of the Company approved the 2024 Financials and this MD&A on the recommendation of the Audit Committee.

April 17, 2025