TARANIS RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS,
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Including subsequent events to NOVEMBER 21, 2024)

This Management Discussion and Analysis ("MD&A) is provided for the purpose of reviewing the performance of Taranis Resources Inc. ("Taranis" or "the Company") for the nine months ended September 30, 2024 and comparing results with the previous year. It should be read in conjunction with the Company's unaudited condensed financial statements for the nine months ended September 30, 2024 and its audited financial statements and corresponding notes for the year ended December 31, 2023 which were prepared in accordance with International Financial Reporting Standards ("IFRS")

The Company's management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate systems, procedures, and internal controls, as well as for ensuring that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

Current global issues, including the ongoing effects of the COVID-19 pandemic, recent geo-political conflicts and environmental events (including wildfires) have adversely affected workplaces, economies, supply chains, and financial markets. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations at this time.

The reader is encouraged to review the Company's statutory filings on www.sedarplus.ca and general information on its website www.taranisresources.com.

FORWARD LOOKING STATEMENTS

All statements in this report that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements represent the Company's intentions, plans, expectations, and beliefs and are subject to risks, uncertainties, and other factors of which many are beyond its control. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

OVERALL PERFORMANCE

As of November 21, 2024, the Company has sufficient funds to meet its fixed overhead commitments to the end of December 2024. See "Capital Resources and Liquidity" and "Financial Instruments and Capital Risk Management" for more information.

DESCRIPTION OF BUSINESS

The Company is principally engaged in the acquisition, exploration and, if results warrant, development of precious and base metal projects. It is currently actively exploring and developing one advanced-stage precious/base metal prospect in British Columbia, Canada.

All of the Company's exploration activities are overseen by John Gardiner, (P. Geo.), a Qualified Person under the meaning of Canadian National Instrument 43-101.

RESULTS OF OPERATIONS

The cumulative costs of Exploration and Evaluation Assets for the nine months ended September 30, 2024 are as follows:

EXPLORATION AND EVALUATION ASSETS

Thor Property	September 30, 2024
Acquisition costs:	
Balance, beginning of period	$ 843,401
Additions	5,731
Balance, end of period	849,132
Exploration costs:	
Balance, beginning of period	6,146,756
Assaying and metallurgy	30,289
Geological fees	95,186
Engineering	123,120
Drilling and excavating	769,931
Balance, end of period	7,165,282
Total costs	$ 8,014,414

Other Projects/Evaluations

Periodically, the Company evaluates other exploration opportunities that have either been directly identified by it or have been brought to its attention. These projects fall under the heading of Property Evaluation and typically include the cost of data evaluation and site visits. These costs are capitalized if the property is acquired; otherwise they are written off.

Thor Property, British Columbia, Canada

The Company's Thor property, located in the Revelstoke Mining District of British Columbia, includes 27 Crown Granted Mineral Claims and 20 Mineral Tenures covering approximately 3,800 hectares. The combined Crown Grants and Mineral Tenures form a contiguous 100% owned property over the known Thor precious and base metal deposit.

The Crown Grant claims at Thor are in good standing; they were issued between 1896 and 1914, and in various places convey surface, timber, and water rights to their holder. Most importantly, the Crown Grants convey title to the described "Parcel of Land, and all minerals, precious and base (save coal)" in fee simple.

As it relies on Crown Grant mining claims as well as Mineral Tenures to secure its property interest, Taranis is affected by ongoing discussions in British Columbia about Indigenous Title. In March of 2022, Taranis proactively contacted the Ministry of Indigenous Relations and Reconciliation ("MIRR") to fully understand whether the Thor project land package is a matter of contention among any First Nations groups. MIRR responded that the ongoing treaty negotiations with the Ktunaxa Nation do not contemplate any transfers of land title in the Trout Lake area. Furthermore, Taranis was assured "that the Province will continue to honour any pre-existing tenures, whether surface or subsurface".

The Thor deposit occurs within a major geological structure called the Silver Cup Anticline where it is transected by a north-northwest structure called the Thor Fault Zone ("TFZ"). The Silver Cup Anticline hosts almost all of the known precious-base metal deposits in the Silver Cup mining District. The Silver Cup mining district saw extensive mining development in the early 1900's and hosted several past producing mines including the Spider, Silver Cup, Triune and Nettie L. Mines.

EXPLORATION AND GEOLOGY

General Geology of the Thor Project

Silver, gold, copper, lead, and zinc lodes are associated with the Thor Fault Zone ("TFZ"), a major geological structure that extends for upwards of 4 km on the property in a north-northwest direction. The TFZ dips moderately to the ENE and consists of individual segments that commonly overlap in an en-echelon fashion. The TFZ obliquely crosscuts the older northwest trending Silver Cup Anticline.

The TFZ contains all of the known precious/base metal zones on the property. These include (from south-southeast to north-northwest): Broadview, Great Northern, True Fissure, SIF, Blue Bell, and the Thunder zones. The recently discovered Thunder Zone is the only known mineral occurrence on the northeast side of the Silver Cup Anticline and occurs northeast of the Blue Bell Zone, which was historically the northernmost known mineralized zone on the Thor project.

Taranis has conducted substantial drilling (over 250 drill holes) within the TFZ that have defined a Mineral Resource. In addition, the Company has also conducted surface exploration on a deep underlying feature referred to as the 'Intrusive Target'. The Intrusive Target appears to be related

to distinct rocks that are termed ‘green rocks’; a name used by Company geologists to describe the alteration typically associated with a porphyry-copper type setting. Based on analogues in British Columbia, the epithermal deposit at Thor could be sitting on top of an intrusive body hosted almost entirely within metasedimentary rocks that may contain substantial amounts of lower grade intrusive-hosted mineralization.

Stratigraphy Sequence at Thor

There are three important rock formations found on the property, and these are described briefly below from youngest to oldest.

- **Broadview Formation -** Directly overlying the Sharon Creek Formation are resistive weathering greywacke/clastic and volcanic rocks of the Broadview Formation. These rocks are typically massive, siliceous and are commonly found on hilltops or in areas of higher elevation. Volcanic rocks are intercalated within the sedimentary rocks and are generally tuffaceous in character. The sediments are tightly folded and plunge steeply to the northwest. The Broadview Formation is thought to resemble what is referred to by geologists as a *lithocap* formation, due to its impermeability to mineralized hydrothermal systems flowing up from below.

- **Jowett Formation (Volcanic/Intrusive Rocks) -** In a regional setting, the Sharon Creek Formation and the younger Broadview Formation are separated by the Jowett Formation. The Jowett Formation largely consists of volcanic rocks (agglomerates, breccias, pyroclastic rocks and mafic volcanic flows) with minor sediments (argillite and limestone). Unlike the metasedimentary rocks of the Broadview Formation, this rock unit is prone to alteration characteristic of porphyry deposits found elsewhere in British Columbia. Although the Jowett Formation has not been formally identified at Thor, its presence is strongly inferred from outcrop found in an area exposed by Broadview Creek. In 2022 the Company undertook comprehensive exploration of this area to improve the understanding of the relationship of ‘green rocks’ that extensively underly the known epithermal deposit.

- **Sharon Creek Formation -** The oldest rocks found on the property are fine-grained pelitic rocks that are generally grey/black in colour and are prone to rapid weathering. Rocks of this formation are commonly found in recessively weathered areas and valleys. Fissure Creek is localized along the axis of the Silver Cup Anticline and exposes the Sharon Creek Formation. These rocks are generally devoid of mineralization, but they can be extensively pyritized in areas, particularly when in proximity to the TFZ. The rocks are folded into tight isoclinal folds.

Evolving the Exploration Model for Thor

The model that is used to describe the existing Thor deposit is an intermediate-sulfide epithermal model. The model is useful because it accounts for many of the features found in the epithermal deposit including vuggy, jarosite-altered, gold-bearing deposits (SIF Zone) at the top and periphery of the deposit, and a general progression toward increased base metal content at depth along the deposit. The Thor deposit exhibits many geological similarities to other epithermal

deposits found near intrusive bodies which host porphyry deposits. Such systems are typically called “linked” porphyry-epithermal deposits.

The linked porphyry/intermediate-sulfide epithermal exploration model, now extensively applied at Thor, led to the discovery of the Thunder Zone in 2021. Three previously unexplored areas (discussed below) which are likely to host significant epithermal zones at Thor, bring the total possible number of discrete epithermal bodies at Thor to ten or more. Naturally, the successful application of this model to discover additional mineralized zones has created the impetus to explore for a large underlying porphyry/intrusive body that could be the origin of the epithermal deposits. A wealth of information exists to suggest the presence of a mineralized porphyry body at Thor, and this is the focus of much of the current exploration activity.

Exploration at Thor is broken down into two broad categories by Taranis for simplicity of discussion.

> The first is ***epithermal zones***, which to-date contribute all of the known material to the Mineral Resource at Thor. The 2022 airborne MobileMT and magnetic susceptibility survey appears to have successfully identified several additional epithermal zones, and those zones are discussed briefly below.
>
> The second type of inferred mineralization, within a large ***intrusive body***, is likely to be related to the ‘green rock’ which is known to occur east of the epithermal deposit. In contrast to most porphyry deposits in British Columbia, Thor is hosted almost entirely within sedimentary rocks. As a result, the alteration potentially related to an intrusive body is significantly different than what would be considered a classic volcanic-hosted deposit commonly found in British Columbia. However, these types of deposits are well documented in the United States and are referred to as Deep Apex Sediment Hosted (“***DASH***”) deposits. Common examples include the Tintic District in Utah and the Butte deposit in Montana.

Anatomy of a Linked System – The Relationship of Epithermal Deposits to a Source

In the linked porphyry-epithermal deposit model, the ***Source*** of the mineralization at Thor is most likely a large intrusive body, the ***Conduits*** is the Thor Fault Zone which obliquely crosscuts the Silver Cup Anticline, and finally the ***Trap*** is a lithology called the Jowett Formation lying under the Broadview Formation, which serves as a tight caprock and is folded into an anticline.

All the known epithermal zones combine into a deposit strike length of over 2.5 km of continuous mineralization along or near surface and are found in the ***Trap***. Total strike length of epithermal mineralization at surface is currently 2.2 km could be upwards of 3.3 km.

The age of mineralization at Thor postdates the regional folding (Antler Orogeny – Devonian/Mississippian) event that created the northwest-trending Silver Cup Anticline. Silver/gold and base metals are preferentially emplaced along the TFZ and strike north-northwest and dip moderately to the ENE (45^0), and clearly postdate formation of the Silver Cup Anticline. Slickensides indicate that there has been significant sinistral strike-slip movement along the TFZ.

The northeast limb of the Silver Cup Anticline preserves older fine-grained pelitic rocks of the Sharon Creek Formation which in-turn are overlain by rocks of the Jowett and Broadview Formation (volcanics and greywacke). Previous exploration has recorded numerous gossans on the north side of Thor's Ridge, sourced from the epithermal vein system that transects this area. The gossans are almost certainly derived from leached sulphide minerals and have been observed at surface up to 1 km north-northwest of the known mineralized areas within the Thor epithermal trend.

Based on airborne geophysics and geological evidence the Thor epithermal deposit was emplaced in a fault structure (TFZ) where it crosscut the Silver Cup Anticline. The TFZ extends to a depth of at least 1.5 km as evidenced from the Expert geophysics MT survey and is therefore a major structure controlling the epithermal mineralization at Thor. The underlying Sharon Creek Formation which is folded into a west-northwest-trending anticline has been faulted by the north-west trending TFZ, and now forms two conductive segments that have been faulted into an "S"-shaped pattern. The elevated conductivity is due to intense carbonization and pyritization of the Sharon Creek Formation. This suggests that there is an underlying intrusive body that has led to this prolific alteration of the Sharon Creek Formation underlying the Thor epithermal deposit.

DASH Deposit

Taranis has carefully studied the nearby Max porphyry molybdenum deposit (8 km SW) as it explores Thor in order to contextualize and interpret the vein-type Ag/Au/Pb/Zn/Cu epithermal mineralization at Thor. Previous descriptions of the Max mine show that the porphyry is entirely hosted within metasedimentary rocks, and it is associated with minor peripheral epithermal type veins that contain silver, lead and zinc. Third-party publicly available research has shown that the epithermal-type veins peripheral to Max were formed by the intrusive. Taranis believes that the Thor epithermal deposit is a direct analogy to this situation, and that the comparatively large epithermal deposit found at Thor occurs in close proximity to a concealed intrusive body, similar to what is seen at Max.

In terms of a potential porphyry deposit, sediment-hosted types are a relatively uncommon deposit type, and known examples include one of the largest ore deposits found in North America (Bingham Canyon). The alteration footprint is markedly different from classic volcanic-hosted porphyry deposits that are commonly found throughout British Columbia, which complicates exploration. Sediment-hosted porphyries geologically occur further east than the classic volcanic-hosted porphyry deposits.

Hydrothermal Alteration Associated with the Epithermal Deposit and Intrusive Target

One of the most important exploration guides pertains to alteration around ore deposits. It can be used as a guide to conduct further exploration and locate either new parts of existing deposits, or even entirely new deposits. At Thor, the alteration found at surface is related to epithermal mineralization, but there is also evidence of hydrothermal alteration related to a much larger intrusive body that is postulated to underly the epithermal deposit.

The epithermal deposit is hosted within metasedimentary rocks of the Broadview Formation, leading to a very specific type of hydrothermal alteration; namely sericitization and the introduction of carbonate and minor magnetite within rocks around the epithermal vein system. In contrast, the underlying Jowett Formation consists largely of mafic volcanic rocks that are found

within a layer that is perhaps 50-100m thick. These rocks exhibit very different mineral assemblages that are suggestive of widespread hydrothermal alteration including hornblende, pyroxene, epidote, chlorite, carbonate, albite and widespread magnetite formation.

The Sharon Creek Formation also exhibits considerable alteration around the epithermal deposit in the form of carbonaceous and pyritic alteration. Taranis has initiated carbon-isotope geochemical studies of the Sharon Creek Formation in hopes of understanding alteration within this pelitic assemblage of rocks. Widespread pyritization can also be found in areas of carbonization in close vicinity to the epithermal deposit.

2024 EXPLORATION PROGRAM

The Company undertook a significant exploration program at Thor during the summer of 2024, and the following section discusses the work undertaken. The data collected during the exploration program will require a significant amount of time to analyze once all of the analytical data is received. A number of airborne magnetic and magnetotelluric targets were tested during the program, and data was collected in the drilling that was able to gauge the effectiveness and establish a degree of confidence in the geophysical survey data around the Thor deposit.

Deep Drilling

A total of ten drill holes were completed in the deep drilling program of 2024. One drill hole was lost due to caving (Thor-241), and two others (Thor-244 & 245) were short confirmation holes that tested an unexpected zone encountered in Thor-242. Of the seven drill holes that tested deep exploration targets below the epithermal deposit, the average depth was 501m. Drill hole results will be provided once the analytical results are received and analyzed. The following table summarizes the statistics from the 2024 Deep Drilling program:

Drill Hole	Meters	Comments
Thor-241	105.5	Lost hole
Thor-242	576.0	South Tusk target
Thor-244	105.0	Thor-242 confirmation
Thor-245	141.0	Thor-242 confirmation
Thor-246	525.0	Spider Hole resistivity target
Thor-247	393.0	Spider Hole resistivity target
Thor-248	496.0	Spider Hole/magnetic target
Thor-250	546.0	West Spider Hole
Thor-251	393.0	Spider Hole resistivity target
Thor-252	579.0	North Crab Claw resistivity target
Total	**3,859.5**	

One main drilling access road was completed in the area south and east of the Broadview Mine, and this road was approximately 1,100m in length. A considerable amount of analytical sampling was undertaken on the drill cores, and this included standard drill core sampling to assess

mineralization and specialized sampling that included determinations of graphitic carbon, calcite, rare earth elements and major oxide geochemistry.

Exploration Item	No. of Samples
Deep Drilling Assaying	~680
Deep Drilling Alteration Analytical	185
Total Samples	~865

Taranis has also initiated investigations regarding the mineralogy of drill cores from the deep drilling, and the results of this will be forthcoming.

Horton Area

Exploration continued in an area west of the Great Northern Zone where many high-grade boulders were discovered late in the 2023 field season. Systematic multi-channel Very Low Frequency ("VLF") and ground magnetic/gradiometer surveys were completed on a grid established in 2024 that covered this area. Soil sampling with a mechanized auger was completed on the grid and Induced Coupled Plasma ("ICP") trace element sampling was completed on the soil samples.

The following table highlights the data that was collected from the exploration surveys that will be used to assess the origin of the high-grade surface boulders found in the area.

Exploration	Station Spacing	Number of Measurements/Samples
Ground VLF surveys	5m	1,230
Ground magnetic-gradiometer surveys	5m	860
ICP and gold soil samples	10m	205
Boulder sampling	N/A	33

Three short diamond drill holes were completed along the Horton Road which will provide additional information about the geology in this poorly understood area. The following table summarizes the three drill holes that were completed at Horton.

Drill Hole	Meters
Thor-243	100.21
Thor-249	83.21
Thor-254	90.22
Total	**273.64**

Horton was severely impacted by the 2024 wildfire, and virtually all the trees and surface vegetation were destroyed. The burn allowed for unprecedented exposure of new outcrops in the area, and the discovery of many more high-grade boulders at surface (Boulder Sampling). The results of these surveys will be available once all of the analytical data has been received, and the data has been interpreted.

Epithermal Drill Hole Confirmation

A single drill hole (Thor-253, 109.12m) was completed in vicinity of the Great Northern Zone where previous drilling had intersected three 'stacked' mineralized zones. This drill hole will aid in the interpretation of the main epithermal deposit but is also expected to add information pertaining to the deep drilling conducted in 2024.

Taranis Signs Agreement to Acquire 100% Interest in 1,699 Hectares of Mineral Tenures Adjoining Thor

Taranis signed an agreement with an arm's-length vendor to acquire a 100% interest in 1,637.9 Hectares ("Ha") of Mineral Tenures and 61.4 Ha of Placer Tenures (collectively, the "Tenures") adjoining and located east of the Thor, subject to the reservation to the vendor of a 1% NSR from commercial production from the Tenures and a $40,000 cash payment to the vendor upon the transfer of title to the Tenures to Taranis.

The land package includes 11 Mineral Tenures, and 2 Placer Tenures issued between 2005 and 2016 and are located over prospective parts of the Silver Cup Mining District including the past-producing Nettie L. Mine and portions of the Silver Cup Mine area.

Taranis is currently in the process of fulfilling the requirements necessary to effect the purchase of the Tenures.

SUMMARY OF QUARTERLY RESULTS

	Sept 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023	Sept 30, 2023	June 30, 2023	Mar 31, 2023	Dec 31, 2022
	$		$	$	$	$	$	$
Net Income (Loss)	(89,822)	(40,206	(75,699)	76,520	(118,793)	(51,213)	(371,039)	(142,494)
Earnings (loss) per share								
Basic	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

The Company has experienced quarterly losses over the last two years. This is a result of the fact that as a mineral exploration company the Company does not have a regular revenue stream. The majority of the Company's expenditures are for capitalized exploration costs which are not accounted for as operation expenses. Differences in quarterly losses can generally be attributed to the variations in share-based payments and the periodic write-off of Exploration and Evaluation Assets.

OUTSTANDING SHARE DATA

Authorized

Unlimited common shares without par value
Unlimited class A preferred shares with a par value of $1

Issued and outstanding as at November 21, 2024
100,082,127 common shares

As at the date of this MD&A the following incentive stock options and share purchase warrants were outstanding:

	Number of Shares	Exercise Price	Expiry Date
Options	1,150,000 2,500,000	$0.10 $0.17	September 14, 2026 February 17, 2028
Regular Warrants	1,373,888 7,600,000 666,666 454,546	$0.35 $0.15 $0.35 $0.50	July3, 2026 July 24, 2026 October 1, 2026 November 13, 2026

TRANSACTIONS WITH RELATED PARTIES

During the nine-month period ended September 30, 2024 the Company entered into the following transactions with related parties:

a) paid or accrued $10,500 (2023 - $10,500) to a director and CFO, Gary McDonald, for accounting services;

b) paid or accrued $35,500 (2023 - $43,000) for legal services to a corporation controlled by Glenn R. Yeadon, a director and the Secretary of the Company;

c) settled Nil (2023 - $43,478) in debt with related parties through the issuance of Nil common shares (2023 – 255,753 common shares);.

d) paid or accrued administrative costs and deferred exploration costs of $142,220 (2023 - $98,330) to a corporation controlled by John J. Gardiner, a director, the President and CEO of the Company;

e) accrued loan interest of Nil (2023 - $4,000) to Matachewan Consolidated Mines, Limited, a corporation related to the Company through a common director;

f) accrued loan interest of Nil (2023 - $2,824) to McChip Resources Inc., a corporation related to the Company through a common director.

Due to related parties of Nil (2023 - $12,299) and amounts included in accounts payable and accrued liabilities of $402,754 (2023 - $296,874) are due to a director, companies controlled by directors of the Company and to companies related to the Company by virtue of a common director. These amounts are without interest and have no specific repayment terms.

OFF BALANCE SHEET ARRANGEMENTS

Taranis does not utilize off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As at November 21, 2024 the Company has no proposed transactions.

CAPITAL RESOURCES AND LIQUIDITY

On November 13, 2024 the Company issued 454,546 flow-through units ("the FT Units") at a price of $0.55 per FT Unit for gross proceeds of $250,000. Each FT Unit consisted of one flow-through common share and one share purchase warrant ("FT Warrant") with each FT Warrant entitling the holder to purchase one additional common share at a price of $0.50 until November 13, 2026.

On October 1, 2024 the Company issued 666,666 flow-through units ("the FT Units") at a price of $0.30 per FT Unit for gross proceeds of $200,000. Each FT Unit consisted of one flow-through common share and one share purchase warrant ("FT Warrant") with each FT Warrant entitling the holder to purchase one additional common share as a price of $0.35 until October 1, 2026.

On July 3, 2024 the Company closed two private placements as follows:

(a) 1,353,888 non-flow-through units (the "NFT Units") at a price of $0.27 per NFT Unit for gross proceeds of $365,500; and

(b) 20,000 flow-through units (the "FT Units") at a price of $0.30 per FT Unit, for gross proceeds of $6,000.

Each NFT Unit consisted of one common share and one share purchase warrant (a "NFT Warrant") with each NFT Warrant entitling the holder to purchase one additional common share at a price of $0.35 Until July 3, 2026.

Each FT Unit consisted of one flow-through common share and one share purchase warrant (a "FT Warrant"). Each FT Warrant entitling the holder to purchase one additional common share at a price of $0.35 until July 3, 2026

Between May 2, 2024 and June 25, 2024 pursuant to the exercise of certain share purchase warrants, the Company issued 3,000,000 common shares at a price of $0.20 per share.

On July 24, 2023 the Company issued 7,600,000 units at a price of $0.11 per unit, each unit consisting of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional share at a price of $0.15 until July 24, 2026.

On January 24, 2022, pursuant to the exercise of certain Flow-through warrants, the Company issued 666,666 flow-through shares at a price of $0.15 per share.

On June 24, 2022 the Company issued 3,250,000 units at a price of $0.10 per unit, each unit consisting of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of $0.20 until June 24, 2024.

On August 8, 2022 pursuant to the exercise of certain stock options, the Company issued 150,000 common shares at a price of $0.11 per share.

On August 25, 2022 pursuant to the exercise of certain Flow-through warrants, the Company issued 1,833,334 flow-through shares at a price of $0.15 per share.

On September 9, 2022 the Company issued 125,000 flow-through units at a price of $0.20 per unit, each unit consisting of one flow-through share and one share purchase warrant, with each warrant entitling the holder to purchase one non-flow through common share at a price of $0.20 until September 9, 2024.

On November 17, 2022 pursuant to the exercise of certain share purchase warrants, the Company issued 625,000 common shares at a price of $0.15 per share.

FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, loan payable, due to related parties and accounts payable and accrued liabilities approximate their carrying value, due to the short-term nature of these instruments. The Company's cash under the fair value hierarchy is based on level 1 quoted prices in active markets for identical assets or liabilities.

The Company is exposed in varying degrees to a variety of financial instrument related risks:

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 receivables. Management believes that the credit risk with respect to financial instruments included in receivables is remote, because these instruments are due primarily from government agencies and cash is held with reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at September 30, 2024, the Company had a cash balance of $553,105 (December 31, 2023 –$475,171) to settle current liabilities of $764,563 (December 31, 2023 – $573,211). All of the Company's financial liabilities are subject to normal trade terms.

Management is actively pursuing options to enable it to meet its current obligations as they become due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

a) Interest rate risk

The Company has cash balances and loans payable bearing interest at 5% and 8% per annum. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions when deemed appropriate. Management periodically monitors such investments and debts and makes adjustments as necessary but does not believe interest rate risk to be significant.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. Management believes the risk is not currently significant as only a small portion of these assets and liabilities as at September 30, 2024 are denominated in United States Dollars. A 10% fluctuation on foreign exchange would have a $22,000 (December 31, 2023 - $46,700) impact on profit or loss.

c) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken. Fluctuations in pricing may be significant.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition and exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended December 31, 2023 or during the nine months ended September 30, 2024.

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CORPORATE INFORMATION

John J. Gardiner, Estes Park, Colorado, U.S.A.	President, Chief Executive Officer and Director
Glenn R. Yeadon, Vancouver, B.C., Canada	Secretary and Director
Gary R. McDonald, New Westminster, B.C., Canada	Chief Financial Officer and Director
Richard D. McCloskey, Toronto, Ontario, Canada	Director
Thomas Gardiner, Estes Park, Colorado, U.S.A	Director

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Vancouver, B.C., Canada V7Y 1G6

Share Capitalization	
Authorized	Unlimited common shares Unlimited Class A preferred shares
Issued and Outstanding at September 30, 2024	98,960,915 common shares
Issued and Outstanding at November 21, 2024	100,082,127 common shares
Incentive Stock Options outstanding at November 21, 2024	3,650,000
Share purchase warrants outstanding at November 21, 2024	10,095,100