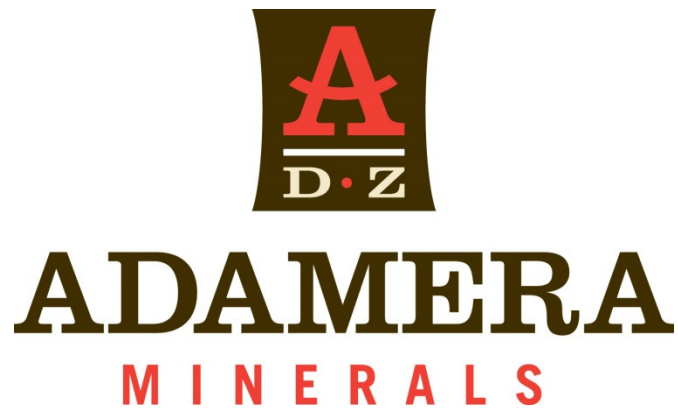




**Management Discussion and Analysis
For the Year Ended December 31, 2023**

Dated: April 25, 2024

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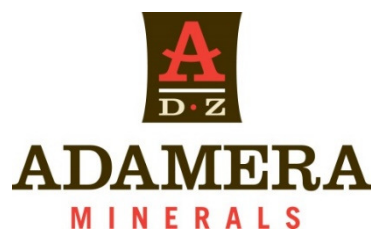


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1. Introduction

The management's discussion and analysis ("MD&A" or "Report") of Adamera Minerals Corp. (the "Company" or "Adamera") has been prepared by management in accordance with the requirements under National Instrument 51-102 on April 25, 2024 ("the Report Date"), and provides comparative analysis of the Company's financial results for the period. The following information should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022 together with the notes thereto (collectively, the "Financial Statements"). Unless otherwise indicated, all dollar amounts in this document are in Canadian dollars.

Adamera recognizes environmental, social and governance ("ESG") best practices as key components to a responsible mineral exploration and mining sector. The Company's exploration programs are conducted to meet or exceed environmental regulations, while respecting the communities and environments in which we operate. Adamera strives to earn its social license wherever it is active, meeting with local communities, regulators and other concerned parties before, and during, exploration work to understand issues important to local and Indigenous communities. Adamera's approach is based on transparency, open communication, inclusivity and respect, to better enable social and economic benefit for communities as well as value for investors.

The Financial Statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance, and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward looking statements, and the Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events.

Additional information about the Company, including the audited consolidated financial statements, and the notes thereto, for the year ended December 31, 2023, prepared in accordance with IFRS, can be found on SEDAR+ at www.sedarplus.ca.

2. Overview

2(a) Description of Business

Adamera Minerals Corp. ("the Company") is an exploration stage company engaged in the acquisition and exploration of precious metals. Its principal properties are located in Washington State, USA. The Company also holds properties in northern Canada throughout Nunavut ("NU") and the Northwest Territories ("NWT"). The Company acquires properties directly by staking, through option agreements with prospectors or other exploration companies, and through reconnaissance programs. The Company trades on the TSX Venture Exchange ("Exchange") under the symbol "ADZ" and is a reporting issuer in British Columbia and Alberta. The Company also trades on the OTC Marketplace in the United States under the symbol "DDNFF".

2(b) Qualified Person

Martin St. Pierre, P.Geo is the Company's qualified person, reviewing the exploration projects described throughout the MD&A and is responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results.

2(c) Overall Performance and Outlook

During the year ended December 31, 2023 and to the date of this report, the Company has continued to seek out and review projects that exhibit potential to host large mineral deposits containing commodities with strong prospects to increase value, as well as looking for partners to work together advancing the properties.

It is a challenging time for the mining industry and the entire junior resource investment community. The Company is working hard to meet the challenges which face our industry. The Company has chosen at this time to acquire and work on properties that do not require, for now, substantial funds to explore and develop. The Company has adopted a low-cost exploration approach which has enabled the Company to expand and advance its properties through detailed geological, geochemical, geophysical and drilling activities.

All of the Company's active projects are in established mining districts, current or historic, and are within hauling distance of an operating, under-utilized mill. The Company has focused on developing drill targets with high-grade gold potential. The Company's key projects which are located in established high-grade mining districts are considered drill ready. Adamera is in the process of attaining permits for drilling.

Given the current difficult market conditions, the Company continues to preserve cash by keeping general and administrative expenses to a minimum.

3. Mineral Properties

The Company has properties in Washington State, USA. The Company also holds properties in southern British Columbia, Canada near Hedley and Christina Lake. The following is a brief description of the Mineral Properties owned by the Company.

3(a) Cooke Mountain – Washington USA

The Cooke Mountain Project contains several past producing gold deposits consisting of the Overlook, Key West, Key East and Belcher mines, and is in close proximity to the Lamfoot gold mine. Over 1 million ounces of gold have been mined from these deposits. The Cooke Mountain Project is strategically located near the Kettle River Gold Mill, which is currently under care and maintenance.

On July 18, 2022, Hochschild Mining (US) Inc. ("Hochschild") provided notice of termination of the Cooke Mountain option agreement. Prior to the notice of termination, Hochschild had forwarded a total of \$2,359,005 (US\$1,836,753) for the Cooke Mountain property. The Company now holds an unconditional 100% interest in the Cooke Mountain Project.

On March 30, 2023, the Company announced that 5 drill holes were completed on the Lamfoot South Gold Property. All holes intersected sulfide mineralization in either limestone or in adjacent clastic rocks. Assay results are pending.

The latest drill hole, LS23-05, was the first hole drilled westerly to test an induced polarization (IP) anomaly situated west of recently discovered mineralization. LS23-05 intersected 30 metres ("m") of highly altered rock with variable amounts of sulfides. The interval was from 4.4m depth to approximately 35m depth down hole. At this early stage, it appeared the alteration/sulfide zone identified in the drill hole was unrelated to the gold mineralization identified to the east.

Sulfides in this zone were disseminated, veined and calcite replacements. At least three different types of sulfide minerals were observed during core logging. These sulfides occurred as intergrowths and as cross-cutting veinlets.

Clay alteration was pervasive and based on preliminary analysis, appeared to be illite, a clay mineral commonly related to epithermal gold systems.

Planning for a second hole into this IP zone as well as testing other nearby similar IP features on the property was underway. The map attached below shows one such feature approximately 100m along strike to the south.

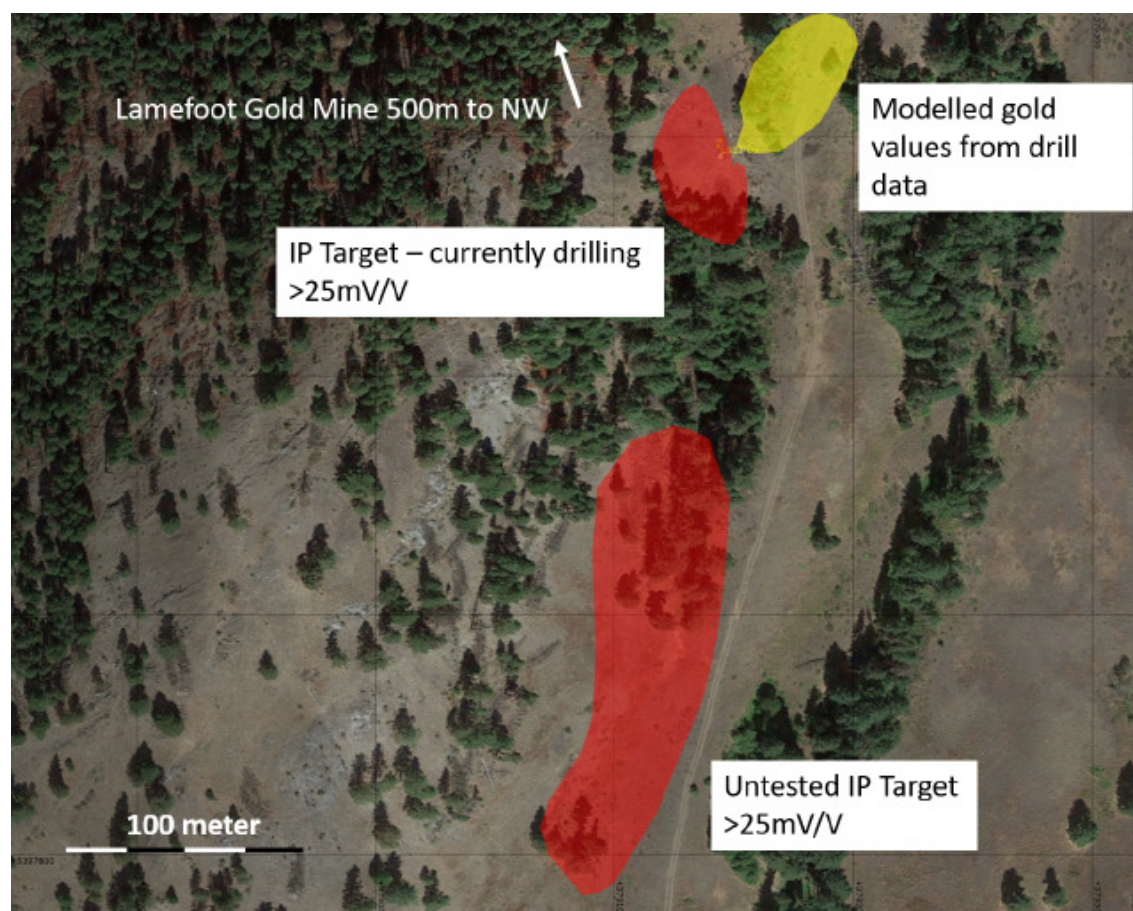


Figure shows positions of two IP anomalies (in Red) in relation to a zone defined by modelled gold values from drill results (in Yellow). Both IP anomalies are coincident with self-potential anomalies and supported by nearby soil geochemistry.

On June 8, 2023, the Company reported drill results for the last 3 drill holes on the Lamefoot South Property. These holes were designed to test the possible extension of a gold bearing zone that yielded 10.5 g/t gold over 4.5m. No significant gold results were reported for the three holes. The Company would continue to review the potential of this property but this particular target was downgraded as the tonnage potential had been determined to be limited.

During the year ended December 31, 2023, the Company wrote off \$781,067 of capitalized exploration and evaluation costs due to claims the Company allowed to lapse.

As of December 31, 2023, the Company had spent a total of \$3,291,561 on the Cooke Mountain project.

See 2023 news releases dated March 30 and June 8.

3(b) Buckhorn 2.0 – Washington USA

On June 8, 2020, the Company announced that it had entered into an agreement to lease a number of claims from a private claim holder for a period of 6 years in Washington State, USA for US\$1,000 cash and 100,000 common shares. The Company may extend the lease beyond 2026 by paying the Lessor US\$1,000 per year. At any time, the Company may purchase the claims for US\$50,000, subject to a 2% royalty of which 1% may be purchased for US\$1,000,000.

On January 24, 2023, the Company announced that the drilling identified a new gold zone on the VTEM-1 target at the Buckhorn 2.0 gold property.

Drill hole BM22-02, an angled hole drilled from west to east, intersected shallow gold zones on each side of a massive magnetite skarn. The upper western zone returned 3.8 g/t gold over 1.2 meters from 12.8 meters to 14 meters downhole. The lower eastern zone yielded 4.0 g/t gold over 1.6 meters from 22.8 meters to 24.4 meters depth. The magnetite unit itself had elevated gold values.

Zone	From (m)	To (m)	Interval (m)	Gold (g/t)
Upper	12.8	14	1.2	3.8
Magnetite	14	22.8	8.8	0.2
Lower	22.8	24.4	1.6	4.0

In the upper zone gold was associated with brecciated skarn containing silica, sulfide and magnetite infill. Both zones appeared to have undergone late-stage gold enrichment. Significantly, the BM22-02 intersections fell within a well defined magnetic target associated with VTEM-1. The magnetic anomaly was traceable for several hundred meters and was a straightforward target for follow up drilling.

Geophysical modelling of data associated with VTEM-1 generated a conductive steeply-dipping tabular zone suggestive of sulfides within a magnetite skarn. The Buckhorn gold mine, located 700 meters from VTEM-1, was a gold-rich skarn with magnetite and sulfides. It likely would have had a comparable geophysical signature.

Trace element geochemistry was pending for drill hole BM22-02. The Company received results for other targets and was reviewing the data.

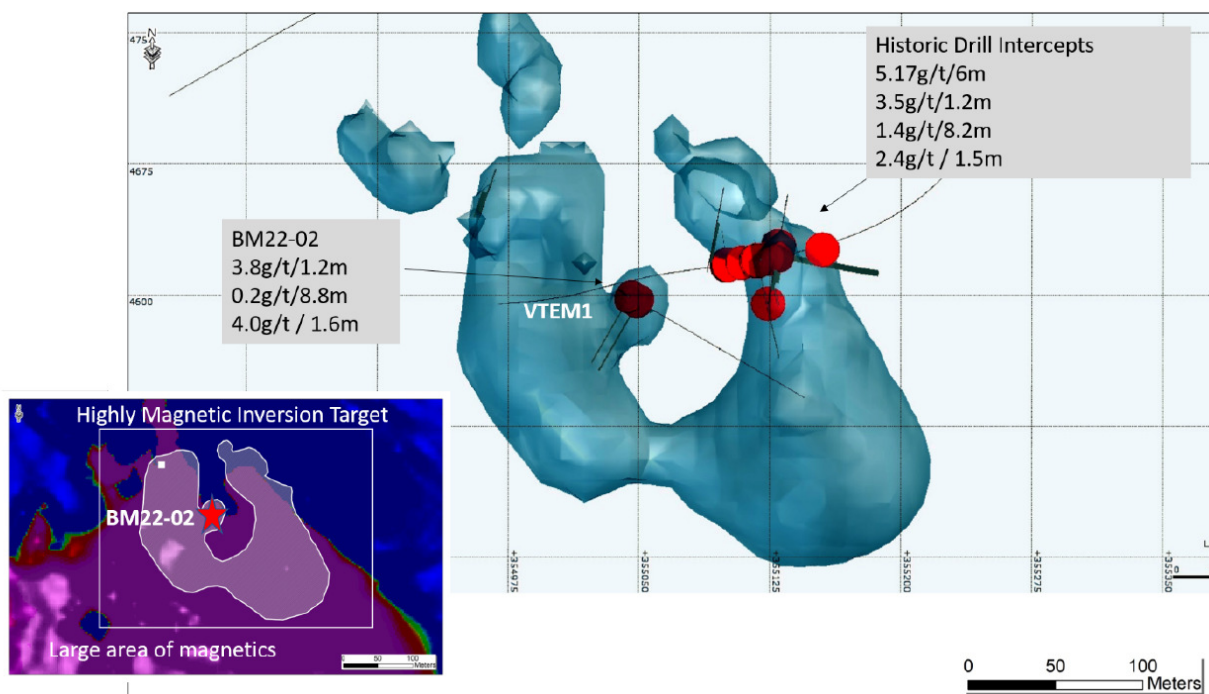


Figure 1. The coloured insert shows a large area of strong magnetics in purple. Inversion of the magnetic data has defined a “U” shaped volume of highly magnetic rock most probably caused by the mineral magnetite. At the Buckhorn Mine, gold mineralization is associated with magnetite and sulfides. This image shows several gold intercepts within the highly magnetic target. This target area has been subjected to very little drilling and remains mostly untested.

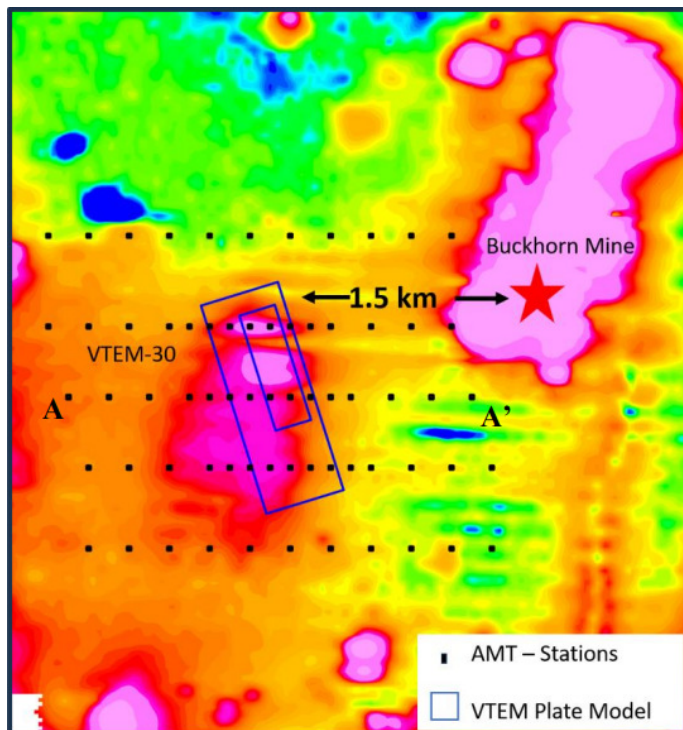
On June 8, 2023, the Company commenced its 2023 exploration program on the Buckhorn 2.0 Gold project. A field crew collected additional geochemical and geophysical data to better resolve targets. Plans for drilling at Buckhorn included follow-up drilling at the VTEM1 target and initial testing of the new VTEM30 target. Both targets were drill permitted.

At VTEM1, gold values of interest were intersected in 2022 in 2 zones associated with skarn altered rocks on either side of a magnetite unit located 700m from the Buckhorn mine (See News Release dated January 24, 2023). Follow-up drilling was designed to further test the mineralization laterally and at depth.

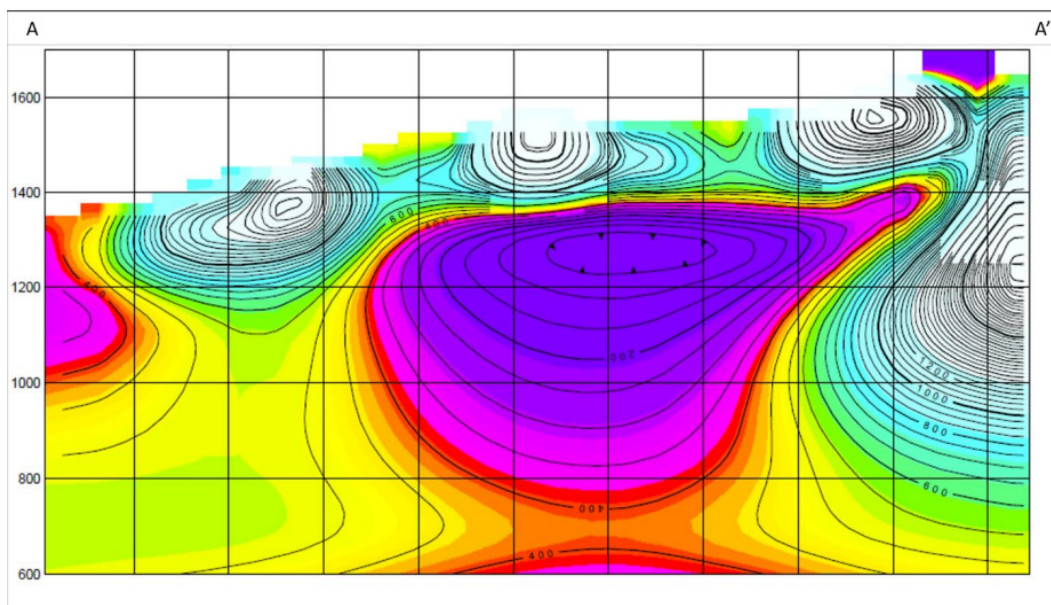
The new VTEM30 target was a large scale target in the Keystone area, approximately 1.5 kilometres from the Buckhorn mine. The target was developed from changed EM parameters for modelling. As a result, a “blind” large scale feature that had never tested was a priority target. The estimated depth of the target was approximately 300m. The VTEM30 target was defined by EM geophysical data and supported by ground magnetic and gold in soil anomalies. It was located in an area with prospective geology similar to the Buckhorn Mine.

In August, 2023, the Company conducted an Audio-Frequency Magnetotelluric (AMT*) survey over part of the Buckhorn 2.0 property to confirm the presence and geometry of the deep VTEM30 conductor. The AMT data identified a large flat lying zone with low resistivity that was coincident with VTEM-30. The target was modelled as a large flat lying feature measuring approximately 1000m long by 400m. The top of the target was estimated to be in the range of 200 to 300m depth.

On October 4, 2023, the Company scheduled drilling on a multi-characteristic gold target on its Buckhorn 2.0 property. The target could represent a deposit similar in character to the Buckhorn Mine located 1.5 kilometres to the northeast. The Buckhorn Mine reportedly produced 1.3 million ounces of gold at a grade of about 13 g/t.



Plan view of VTEM data showing VTEM-30 target which is considered a deeper target than the shallow Buckhorn mine conductor 1.5 km to the east. The intensity of the anomaly at Buckhorn is thought to be a reflection of its shallower depth. Furthermore, the Buckhorn signature is broadened by cultural effects related to the mine site and subeconomic sulphides. The figure below shows AMT section A-A'



AMT section A-A' showing flat topped Resistivity low at 200 to 300m depth.

On November 16, 2023, the Company announced that two drill holes were completed on the Buckhorn 2.0 property that targeted the VTEM-30 anomaly. The two holes were drilled to the south from a single site. Both holes intersected zones of sulfides at depths consistent with the geophysical models. The first

hole which was drilled at an inclination of -85°, intersected zones with disseminated sulfides in locally fragmental and altered limestone / marble over a 60-metre core interval. The second hole which was drilled at an inclination of -50°, repeated the mineralization and lithologies but over a 90-metre core interval. The true thickness of these intervals had not been determined. Samples were being submitted to an accredited laboratory for assay. Additional zones of disseminated sulfides were intersected in both drill holes and would be submitted for gold assay.

As of December 31, 2023, the Company had spent a total of \$2,586,251 on the Buckhorn 2.0 project.

See 2023 news releases dated January 24, June 8, October 4 and November 16.

Subsequent to the year-end, on January 11, 2024, the Company announced that it received assay results from two drill holes and that no significant gold values were reported. While these results are disappointing, the fact that the Company drilled such impressive sulphide intercepts on a blind target meant the Company's methodology was effective. The VTEM-30 target was large, measuring approximately 1,050 m by 650 m. The nearby Buckhorn gold deposit was contained within a significantly larger geophysical anomaly, similar in size to the VTEM 30. This implied that drilling from a single site on VTEM-30 may not have fully tested the gold potential of the anomaly. The Company had essentially tested four separate targets on the Buckhorn 2.0 property and would continue to evaluate more than 30 untested targets for exploration drilling. The Company was considering the application of new geochemical techniques to assist in target prioritization.

On April 24, 2024, the Company announced that it was granted permission to drill 8 targets on Bureau of Land Management (BLM) managed land on the Buckhorn 2.0 gold property. Applications for drilling on State and US Forest Service lands are pending.

On the BLM land the priority target is VTEM1 that was tested with a single drill hole in 2022. Gold was intersected on both sides of a massive magnetite intersection. An upper zone assayed 4 g/t gold over 1.6 metres ("m") and a lower zone assayed 4 g/t gold over 1.2m. The two intersections were separated by an 8.8m wide magnetite zone that assayed 0.2 g/t gold.

Additional holes around the 2022 drill hole on VTEM1 are required to determine if the widths/grades of the gold enriched zones increase laterally and down dip. More information on the VTEM1 target will be released in the coming weeks.

A brief description of each target and the location relative to the Buckhorn mine is provided in the table below.

Gold Target	Target Description	Location from Buckhorn Mine
VTEM1	Good target, previous drilling intersected gold	830m to the North
VTEM4	Strong VTEM conductor with geochemical support	3647m to the Southwest
VTEM5	Large EM conductor with geochemical and geological support	3337m to the Southwest
VTEM14	Moderate EM conductor, strong magnetics	1160m to the Northwest
VTEM17	EM suggests good depth extent, weak soil geochemistry, good geological support	1476m to the North

VTEM19	EM conductor with weak soil geochemistry	1217m to the North
VLF8	Strong VLF with moderate magnetic signature and supporting geochemistry	2230m to the Northwest
KDD-9	Moderate historical gold intersection nearby	1320m to the Northwest

See 2024 news releases dated January 11 and April 24.

3(c) Empire Creek – Washington USA

The Empire Creek property is located on the western margin of the Republic Graben 6km south of the K2 Mine which produced over 1 million ounces of gold and 15 kilometers north of the Republic gold district.

Previous work on the Empire Creek property returned numerous encouraging results. The majority of past drill holes were vertical to test for horizontal mineralization. Angled drill holes by the Company demonstrate strong possibility for vertical mineralization oriented east-west. Subsequent to drilling, the Company identified a 1 kilometer long gold soil anomaly to support that orientation. Other similar soil anomalies have been identified on the property all of which need to be tested.

The Company has a lease and advance royalty agreement to earn into 100% interest in the property. Pursuant to the terms of the agreement, the following annual lease payments are required:

- i) US\$1,000 on signing (paid) and 10,000 common shares (issued)
- ii) US\$1,000 (paid) and 10,000 common shares in the first year (issued)
- iii) 20,000 common shares on or before December 1, 2015 (issued)
- iv) 20,000 common shares on or before December 1, 2016 (issued)
- v) 50,000 common shares on or before December 1, 2017 (issued)
- vi) 50,000 common shares on or before December 1, 2018 (issued)
- vii) 100,000 common shares (issued) or US\$20,000 cash, at the Company's discretion, on or before December 1, 2019 and each subsequent year until termination of the agreement (100,000 shares were issued per year in each of 2020 to 2023).

The property is subject to a 2% net smelter returns royalty ("NSR"), of which the Company has the option to purchase one-half of the NSR (1%) for US\$1,000,000 and the second half may be purchased for an additional payment of US\$1,000,000.

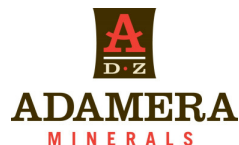
In 2021, the Company completed a VLF-EM survey over the northern part of the property to test a concept related to east-west trending structural control on mineralization. The VLF-EM defined several east-west trending conductors that may be associated to structurally controlled mineralization. The company plans to focus future exploration along these conductors.

As of December 31, 2023, the Company had spent a total of \$798,983 on the Empire Creek project.

3(d) Talisman – Washington USA and British Columbia Canada

The Company acquired 100% interest in Talisman property by staking.

The Talisman project straddles the USA-Canada border near Laurier, Washington and comprises adjoining claims in both Canada and USA. The project is about 90 km by highway from the smelter in Trail BC. The claims cover the Talisman Mine, a copper skarn deposit mined at a relatively small scale up until the 1950's. The mine grade was reported to be approximately 5% copper with an unknown amount of tungsten. The property has been held by Adamera under care and maintenance since 2013.



Adamera has deemed this project to be a strategic exploration opportunity. The current strength of silver and base metal prices, along with proximity to the Teck smelter in Trail BC, has prompted the Company to consider advancing the project through a partnership with a strong base metal focused company.

Mineralization on the property is extensive. Adamera mapped the intermittently exposed mineralized zones over an area that extends for more than 800 meters to the northwest and is believed to continue extending west beneath unmineralized rocks.

As of December 31, 2023, the Company had spent a total of \$196,582 on the Talisman project.

3(e) Flag Hill – Washington USA

The Flag Hill property is located on BLM land within the Republic Gold District, which is the largest gold producing area in Washington State. This property is located 10 kilometers from the Kettle River Mill.

The Company acquired 100% interest in the property by staking and completed property wide mapping, sampling and geophysical surveying. The Company is currently reviewing the Flag Hill data and has filed a notice of intent for drilling at Flag Hill with the BLM.

As of December 31, 2023, the Company had spent a total of \$162,215 on the Flag Hill project.

3(f) Hedley – British Columbia Canada

The Hedley property was staked by the Company in 2021 to acquire land with a similar geological setting to projects held by the Company in Washington State, USSA. Soil sampling by Adamera in 2021 identified areas with anomalous copper values in soil prompting additional staking in 2022. The project area covers approximately 154 square kilometers of prospective land. The property is located approximately 24 kilometers from the Copper Mountain Mine and 7 kilometers from the past producing Mascott Gold Mine which is a gold - copper deposit near Hedley BC.

On November 26, 2022, Adamera expanded the Hedley property by signing a purchase agreement to acquire 100% interest in the 252.72 hectare Polecat claims for 25,000 common shares. The claims are subject to a 2% net smelter returns royalty ("NSR"), of which the Company has the option to purchase at anytime for \$500,000. The Hedley property now comprises 18,632.2 hectares.

The Polecat claims contain two known mineralized occurrences where surface rock and drill core samples have yielded significant silver, copper, zinc and gold values including one drill hole which reported 960 g/t silver with 0.2% copper from a 3 meter section of very poorly recovered core.

On April 25, 2023, the Company identified two extensive gold in soil targets on the South Hedley property.

A southern target identified by Adamera sampling is 1.9 kilometres long, terminating at the western limit of the sample grid. The highest gold value on this trend is 1340 ppb. The 1340 ppb gold sample is one of the outermost samples on the grid such that the anomaly remains open to the northwest. To secure this trend Adamera staked additional mineral claims over prospective geology to the west.

A northern trend also defined by anomalous gold in soil (samples with >30 ppb Au) extends for 1.6 kilometers. The highest gold value in this second trend is 263 ppb. Both the northern and southern targets trend in a northwest-southeast direction (see map below). Mineralization in the Hedley area is also oriented northwest – southeast.

Reconnaissance soil sampling across the greater part of the property has identified 10 additional zones with anomalous gold that require follow up sampling (see map below). Multi-element data for elements including copper, cobalt and arsenic is pending.

Soil sampling on the northwest part of the South Hedley property was completed in 2022 as part of a more detailed exploration program that included detailed ground magnetic and VLF-EM surveying. The geophysical work utilized in-house equipment and personnel. The trends defined by gold in soil are coincident with an area of low magnetics and structural complexity. Some of the samples with anomalous gold are proximal to areas with relatively active VLF-EM. A total of 2452 soil and 148 rock samples have been collected on the project by Adamera.

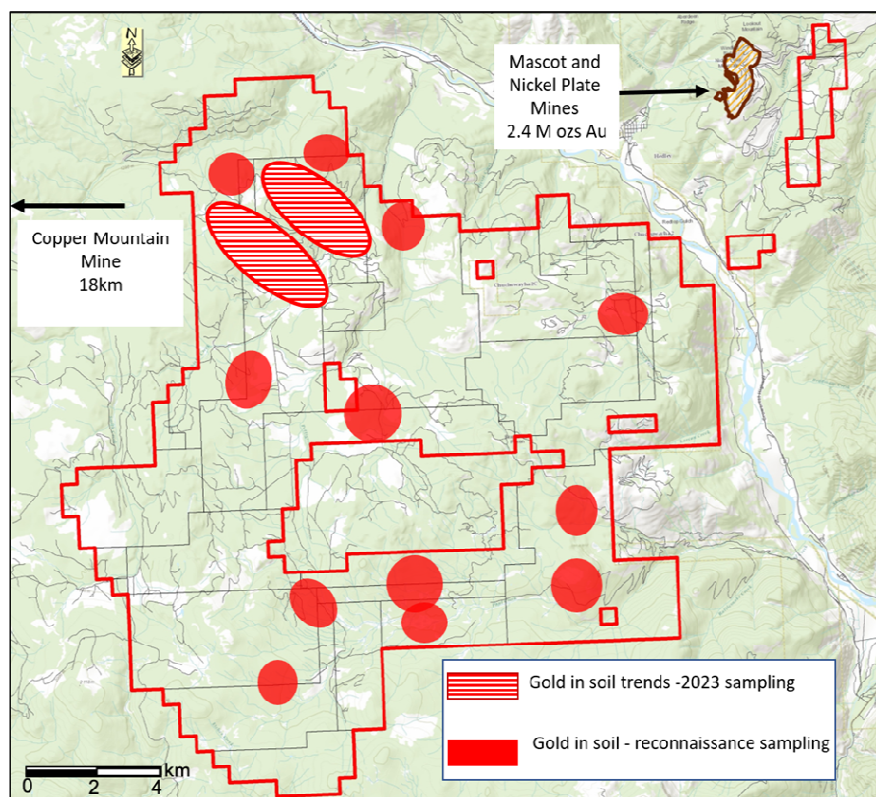


Figure shows Adamera's South Hedley claim outline in red. Polygons represent areas with anomalous gold in soil samples. Locations and extent of anomalous areas are only approximated. Soil trends are result of detailed follow up sampling.

As of December 31, 2023, the Company had spent a total of \$351,784 on the Hedley project.

See 2023 news release dated April 25.

3(g) Others

During fiscal 2014, the Company entered into an agreement to sell data related to certain diamond properties for \$50,000 on signing (received) and \$50,000 (received) upon claims getting registered, and 1,000,000 common shares on registration of claims within an area of interest. The Company will retain a 2% gross overriding royalty on diamonds mined in the area of interest.

As a result of previously ceasing activities on the uranium, diamond and gold properties, the Company is required to dispose of fuel and related camp supplies. During the year ended December 31, 2022, the Company engaged a contractor to help clean up the site and utilized the restoration provisions and spent an additional \$60,535 for the clean-up. During the year ended December 31, 2023, the Company further cleaned up the site and utilized the restoration provisions. As at December 31, 2023, the Company had recorded a provision for disposal costs of \$Nil (December 31, 2022 - \$50,000). The site is subject to the Nunavut government's inspection.

	Cooke Mountain	Empire Creek	Buckhorn 2.0	Hedley	Other	Total
Costs						
Balance, December 31, 2021	\$ 3,808,936	\$ 775,773	\$ 779,797	\$ 66,014	\$ 331,128	\$ 5,761,648
Acquisition cost	2,588	6,500	-	1,750	-	10,838
Camp costs	29,863	-	128,521	20,972	-	179,356
Depreciation (Note 6)	-	-	3,114	-	-	3,114
Drilling	96,394	-	601,554	-	-	697,948
Geochemistry	39,464	-	63,257	47,226	483	150,430
Geology	34,109	-	117,280	22,238	363	173,990
Geophysics	68,796	225	231,374	73,739	1,125	375,259
Holding costs	24,802	5,355	78,686	15,411	11,252	135,506
Management fees	30,892	-	-	-	-	30,892
Reclamation	1,464	-	-	-	-	1,464
Recovered exploration expenditures	(282,608)	-	-	-	-	(282,608)
Balance, December 31, 2022	3,854,700	787,853	2,003,583	247,350	344,351	7,237,837
Acquisition cost	2,644	5,500	-	-	-	8,144
Camp costs	43,174	-	33,974	4,191	84	81,423
Depreciation (Note 6)	1,030	-	1,030	-	-	2,060
Drilling	142,949	-	325,053	1,500	-	469,502
Geochemistry	6,221	-	29,498	67,293	24	103,036
Geology	4,713	-	1,813	33,850	126	40,502
Geophysics	6,831	-	101,435	12,427	-	120,693
Holding costs	8,822	5,630	84,698	500	8,944	108,594
Reclamation	758	-	5,167	-	-	5,925
Report	786	-	-	-	8,150	8,936
Mining tax credit BC METC	-	-	-	(15,327)	-	(15,327)
Write down of mineral properties	(781,067)	-	-	-	(2,882)	(783,949)
Balance, December 31, 2023	\$ 3,291,561	\$ 798,983	\$ 2,586,251	\$ 351,784	\$ 358,797	\$ 7,387,376

4. Risks and Uncertainties

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial. The following sets out the principal risks faced by the Company.

(a) Exploration

The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results from those activities. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

(b) Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change; both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

(c) Commodity Price

The Company's exploration projects are primarily related to exploration for gold and other precious metals in Washington State, USA. While these minerals have recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

(d) Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

(e) Financing

Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

(f) Share Price Volatility and Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

(g) Foreign currency risks

The Company uses the Canadian dollar as its measurement and reporting currency, and therefore fluctuations in exchange rates between the Canadian dollar and US dollar may affect the results of operations and financial position of the Company. The Company does not currently have any foreign currency or commercial risk hedges in place.

The Company raises the majority of its equity financings in Canadian dollars while its operations are in US dollars. Fluctuations in the exchange rates between the Canadian dollar and US dollar may impact the Company's financial condition.

(h) Key Personnel

The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these

individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

(i) Competition

Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

(j) Realization of Assets

Exploration and evaluation assets comprise a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

(k) Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits.

(l) History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations

The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

(m) Uninsurable

The Company and its subsidiary may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

(n) Legal Proceedings

As at the date of the Report, there were no legal proceedings against or by the Company.

(o) Critical Accounting Estimates

The most significant accounting estimates for the Company relates to the carrying value of its mineral property exploration and evaluation assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.

Management's estimates of exploration, operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the value of its properties.

Another significant accounting estimate relates to accounting for share-based payments and derivative instruments. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of share-based payments and warrants. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the period.

(p) Financial Instruments and other Instruments

The Company's financial assets consist of cash and deposits for reclamation, receivables, marketable securities, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from the financial instruments. The carrying value of these financial instruments approximates their fair value due to their short-term maturity or capacity of prompt liquidation.

(q) Climate Change

Climate change is an international concern and as a result poses risk of both climate changes and government policy in which governments are introducing climate change legislation and treaties at all levels of government that could result in increased costs, and therefore, decreased profitability. Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company's operations or the potential economic value of its development projects.

In addition, our operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures, increased snowpack and extreme weather events. While the Company has not experienced these events at this point, such events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing, and rehabilitation efforts, could create resource shortages and could damage our properties or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on our workforce and on the communities around our properties.

(r) Cybersecurity Threats

The Company relies on secure and adequate operations of information technology systems in the conduct of its operations. Access to and security of the information technology systems are critical to the Company's operations and exploration. To the Company's knowledge, it has not experienced any material losses relating to disruptions to its information technology systems. The Company has implemented ongoing policies, controls, and practices to manage and safeguard the Company and its stakeholders from internal and external cybersecurity threats and to comply with changing legal requirements and industry practice. Given that cyber risks cannot be fully mitigated and the evolving nature of these threats, the Company may not have the resources or technical sophistication to anticipate, prevent, or recover from cyber-attacks and cannot assure that its information technology systems are fully protected from cybercrime or that the systems will not be inadvertently compromised, or without failures or defects. Disruptions to information technology systems, including, without limitation,

security breaches, power loss, theft, computer viruses, cyber-attacks, natural disasters, and non-compliance by third-party service providers and inadequate levels of cybersecurity expertise and safeguards of third-party information technology service providers, may adversely affect the operations of the Company as well as present significant costs and risks including, without limitation, loss or disclosure of confidential, proprietary, personal or sensitive information and third-party data, material adverse effect on its financial performance, compliance with its contractual obligations, compliance with applicable laws, damaged reputation, remediation costs, potential litigation, regulatory enforcement proceedings and heightened regulatory scrutiny.

5. Impairment of Long-lived Assets

The Company completed an impairment analysis as at December 31, 2023, which considered the indicators of impairment in accordance with IAS 36, "Impairment of Assets" and IFRS 6. Management concluded that, other than the write-down of mineral properties due to the dropped claims, no impairment charges were required due to:

- there have been no significant changes in the legal factors or climate that negatively affects the value of the properties;
- all property rights remain in good standing;
- there have been no significant changes in the projections for the properties;
- exploration results are generally positive; and
- the Company intends to continue its exploration and development plans on its properties.

6. Material Financial and Operations Information

6(a) Selected Annual Financial Information

The following selected annual financial information has been derived from the last three audited financial statements of the Company, which have been prepared in accordance with IFRS. All dollar amounts are expressed in Canadian dollars.

	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year Ended December 31, 2021</i>
General and administrative expenses	\$ 765,669	\$ 1,092,245	\$ 853,014
Loss for the year	1,387,842	1,101,488	560,714
Basic and diluted loss per share	0.006	0.005	0.003
Total assets	8,723,872	9,352,589	9,445,415
Total long-term financial liabilities	199,920	482,887	786,777

6(b) Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters:

	Mar 31 2022 Q1	Jun 30 2022 Q2	Sep 30 2022 Q3	Dec 31 2022 Q4	Mar 31 2023 Q1	Jun 30 2023 Q2	Sep 30 2023 Q3	Dec 31 2023 Q4
Mineral property costs deferred, net	104,327	255,642	524,346	591,874	159,136	148,314	138,560	(296,471)
G&A (incl. share-based payments)	257,172	152,776	157,963	524,334	208,891	119,820	152,209	284,749
Share-based payments expense	8,745	-	-	243,016	19,005	-	-	111,723
Adj G&A (less share-based payments)	248,427	152,776	157,963	281,318	189,886	119,820	152,209	173,026
Other loss (income)	(173,426)	121,248	(76,286)	137,707	(86,294)	10,810	(5,523)	703,180
Net loss (income)	83,746	274,024	81,677	662,041	122,597	130,630	146,686	987,929
Loss per share - basic	0.000	0.001	0.000	0.003	0.001	0.001	0.001	0.004
Weighted average common shares outstanding - basic	203,908,595	203,908,595	211,296,189	222,634,741	222,772,928	227,632,269	228,557,627	234,170,319

6(c) Review of Operations and Financial Results

For the three months ended December 31, 2023 compared with the three months ended December 31, 2022:

The Company recorded a loss for the three months ended December 31, 2023 of \$987,929 (loss per share - \$0.004) compared to a loss of \$662,041 (loss per share - \$0.003) for the three months ended December 31, 2022.

Excluding the non-cash depreciation of \$115 (2022 - \$154), depreciation of right-of-use assets of \$3,539 (2022 - \$3,539), foreign exchange gain of \$1,889 (2022 - \$3,684), interest expenses on lease liabilities of \$8,796 (2022 - \$13,360) and share-based compensation of \$111,723 (2022 - \$243,016), the Company's general and administrative expenses amounted to \$162,465 (2022 - \$267,949), a decrease of \$105,484. The change in expenses was mainly due to (a) restoration expenses recovery of \$494 (2022 - restoration expenses of \$50,000) and (b) shareholder communications of \$3,873 (2022 - \$43,458) as The Company has been closely monitoring its use of cash.

The other major items for the three months ended December 31, 2023, compared with December 31, 2022, was:

- Fair value gain on marketable securities of \$35,000 (2022- fair value loss of \$45,000);
- Flow-through share premium recovery of \$nil (2022 - \$18,028);
- Income from subleasing of \$24,830 (2022 - loss from subleasing of \$125,945); and
- Write down of mineral properties of \$783,949 (2022 - \$Nil).

For the year ended December 31, 2023 compared with the year ended December 31, 2022:

The Company recorded a net loss for the year ended December 31, 2023 of \$1,387,842 (loss per share - \$0.006) compared to a loss of \$1,101,488 (loss per share - \$0.005) for the year ended December 31, 2022.

Excluding the non-cash depreciation of \$460 (2022 - \$614), depreciation of right-of-use assets of \$14,155 (2022 - \$14,155), foreign exchange loss of \$2,782 (2022 - foreign exchange gain of \$33,340), interest expenses on lease liabilities of \$42,130 (2022 - \$59,920) and share-based compensation of \$130,728 (2022 - \$251,761), the Company's general and administrative expenses amounted to \$575,414 (2022 - \$799,135), a decrease of \$223,721. The change in expenses was mainly due to (a) property expenses, maintenance and rent of \$118,973 (2022 - \$174,011) as the Company received a rent credit of \$65,912 per the Lease Amending Agreement; (b) restoration expenses recovery of \$494 (2022 - restoration expenses of \$110,535); (c) shareholder communications of \$51,290 (2022 - \$94,279); and (d) wages and benefits of \$212,757 (2022 - \$241,206) as the Company reduced its pay to one employee.

The other major items for the year ended December 31, 2023, compared with December 31, 2022, were:

- Fair value loss on marketable securities of \$20,000 (2022 - \$90,000);
- Finance income on sublease of \$57,347 (2022 - \$82,551);
- Flow-through share premium recovery of \$16,075 (2022 - \$63,925);
- Income from subleasing of \$99,729 (2020 – loss from subleasing of \$76,343); and
- Write down of mineral properties of \$783,949 (2022 - \$Nil).

The Company has been monitoring its use of cash and has been actively seeking ways to reduce its operating expenses.

6(d) Liquidity and Capital Resources

As at December 31, 2023, the Company had a working capital deficiency of \$49,087 (December 31, 2022 – working capital of \$517,884). As at December 31, 2023, cash totaled \$260,448, a decrease of \$438,573 from \$699,021 as at December 31, 2022. The decrease is due to: (a) operating activities of \$568,018; (b) expenditures on mineral properties of \$757,938; (c) repayment of lease liabilities of \$306,020; while being offset by (d) decrease in deposits of \$21,932; (e) cash received from subleasing of \$416,711; and (f) net proceeds from share issuances of \$754,760.

On April 25, 2023, the Company closed a non-brokered private placement for the issuance of 6,700,000 units at \$0.05 per unit for a total of \$335,000. Each unit consisted of one common share and one-half share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 until April 25, 2025. These warrants have a forced exercise price. If the closing price of the Company's shares is \$0.20 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days from the date the Company gives notice to exercise their warrants; otherwise the warrants expire on the 31st day after the Company gives such notice. The warrants are ascribed a value of \$67,000 based on residual method. The Company incurred share issue costs in the amount of \$13,647 in connection with the placement.

On October 24, 2023, the Company completed a non-brokered flow-through private placement for the issuance of 1,160,000 flow-through ("FT") shares at a price of \$0.05 per FT share for gross proceeds of \$58,000. The Company also completed a non-brokered private placement for the issuance of 5,000,000 units at \$0.05 per unit for a total of \$250,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.05 until October 24, 2026. The Company incurred share issue costs in the amount of \$3,093 in connection with the placement. A director and officer of the Company purchased 800,000 FT shares as part of this private placement.

On December 27, 2023, the Company completed a non-brokered private placement for the issuance of 2,570,000 units at \$0.05 per unit for a total of \$128,500. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional

common share at a price of \$0.10 until December 27, 2025. The Company incurred share issue costs in the amount of \$1,365 in connection with the placement.

During the year ended December 31, 2023, the Company granted a total of 2,778,750 stock options to its directors, officers, employees and consultants at the price from \$0.05 to \$0.08.

Subsequent to the year-end, on January 16, 2024, the Company repaid \$30,000 of the Canada Emergency Business Account ("CEBA") loan from the Government of Canada and recorded an income of \$10,000 for the forgiven portion.

Management estimates that the current cash position, and future cash flows from warrants and options, financings and receivables the Company may achieve, may be sufficient for the Company to carry out its anticipated exploration and operating plans through fiscal 2024.

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

6(e) Disclosure of Outstanding Share Data

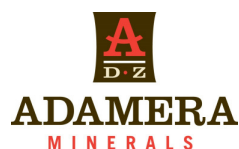
Common Shares

Authorized: unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series.

	Issued and Outstanding	
	December 31, 2023	April 25, 2024
Common shares	238,302,928	238,302,928

Stock option transactions and the number of stock options for the year ended December 31, 2023 are summarized as follows:

Expiry date	Exercise price	December 31, 2022	Granted	Exercised	Expired / Cancelled	December 31, 2023
July 16, 2023	\$ 0.055	1,325,000	-	-	(1,325,000)	-
December 3, 2023	\$ 0.100	2,055,000	-	-	(2,055,000)	-
June 8, 2025	\$ 0.100	1,360,000	-	-	-	1,360,000
July 9, 2025	\$ 0.100	2,900,000	-	-	-	2,900,000
March 22, 2026	\$ 0.100	960,000	-	-	-	960,000
September 23, 2026	\$ 0.080	2,275,000	-	-	(250,000)	2,025,000
November 28, 2027	\$ 0.080	3,815,000	-	-	-	3,815,000
January 23, 2028	\$ 0.080	-	350,000	-	-	350,000
December 4, 2028	\$ 0.050	-	2,428,750	-	-	2,428,750
Options outstanding		14,690,000	2,778,750	-	(3,630,000)	13,838,750
Options exercisable		14,690,000	2,778,750	-	(3,630,000)	13,838,750
Weighted average exercise price	\$	0.088	\$ 0.054	\$ -	\$ 0.082	\$ 0.082



The continuity of warrants for the year ended December 31, 2023 is as follows:

Expiry date	Exercise price	December 31, 2022	Issued	Exercised	Expired	December 31, 2023
July 11, 2023	(a) \$ 0.12	4,166,667	-	-	(4,166,667)	-
March 18, 2024	(b) \$ 0.15	8,125,000	-	-	-	8,125,000
June 22, 2025	(c) \$ 0.10	6,825,000	-	-	-	6,825,000
July 2, 2025	(d) \$ 0.10	4,525,000	-	-	-	4,525,000
August 29, 2025	(e) \$ 0.10	8,369,665	-	-	-	8,369,665
April 25, 2025	(e) \$ 0.10	-	3,350,000	-	-	3,350,000
December 27, 2025	\$ 0.10	-	2,570,000	-	-	2,570,000
October 24, 2026	\$ 0.05	-	5,000,000	-	-	5,000,000
Outstanding		32,011,332	10,920,000	-	(4,166,667)	38,764,665
Weighted average exercise price		\$ -	\$ 0.08	\$ -	\$ 0.12	\$ 0.10

- (a) These warrants have a forced exercise provision. If the closing price of the Company's shares is \$0.20 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days from the date the Company gives notice to exercise their warrants; otherwise the warrants expire on the 31st day after the Company gives such notice. On December 6, 2021, the expiry date of 4,166,667 warrants was extended to January 11, 2023. On December 1, 2022, the expiry date was further extended to July 11, 2023.
- (b) These warrants have a forced exercise provision. If the closing price of the Company's shares is \$0.25 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days from the date the Company gives notice to exercise their warrants; otherwise the warrants expire on the 31st day after the Company gives such notice. On March 13, 2023, the expiry date of 8,125,000 warrants was extended to March 18, 2024. Subsequent to December 31, 2023, 8,125,000 warrants expired unexercised.
- (c) On June 9, 2021, the expiry date of 6,825,000 warrants was extended to December 22, 2021, on December 6, 2021, the expiry date was further extended to December 22, 2022, on December 1, 2022, the expiry date was further extended to December 22, 2023 and on December 7, 2023, the expiry date was further extended to June 22, 2025.
- (d) On June 9, 2021, the expiry date of 4,525,000 warrants was extended to January 2, 2022, on December 6, 2021, the expiry date was further extended to January 2, 2023, on December 1, 2022, the expiry date was further extended to January 2, 2024 and on December 7, 2023, the expiry date was further extended to July 2, 2025.
- (e) These warrants have a forced exercise provision. If the closing price of the Company's shares is \$0.20 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days from the date the Company gives notice to exercise their warrants; otherwise, the warrants expire on the 31st day after the Company gives such notice.

The remaining outstanding stock options and warrants, if all exercised, would increase the Company's cash by \$3,945,604. However, the strike prices of the options and warrants are greater than the current share price, and this may influence whether options and warrants that expire in the near future will be exercised.

As at the date of this MD&A, there were 238,302,928 common shares issued and outstanding and 282,781,343 common shares outstanding on a diluted basis.

6(f) Commitment

The Company leases an office under non-cancellable operating leases for a period of five years expiring on August 31, 2025. Total lease liabilities of \$482,887 were recorded as at December 31, 2023.

6(g) Off-Balance Sheet Arrangements

None.

6(h) Transactions with Related Parties

The Company entered into the following related party transactions during the year ended December 31, 2023:

	Services	As at December 31, 2023	As at December 31, 2022
Amounts due to:			
Mark Kolebaba, Chief Executive Officer & Director	Expense reimbursements	\$ -	\$ 80,507
1273868 BC Ltd. ^(a)	Consulting services	45,299	-
Pacific Opportunity Capital Ltd. ^(b)	Management and accounting services	17,850	19,163
Winnie Wong, Corporate Secretary	Expense reimbursements	2,465	-
Commander Resources Ltd. ^(c)	Rent deposit	-	8,395
TOTAL:		\$ 65,614	\$ 108,065
Remuneration (key management personnel):			
	Services	During the year ended December 31, 2023	During the year ended December 31, 2022
Mark Kolebaba, Chief Executive Officer & Director	Wages and benefits	\$ 129,334	\$ 120,400
1273868 BC Ltd. ^(a)	Consulting services and equipment rental	101,840	19,600
Pacific Opportunity Capital Ltd. ^(b)	Accounting services	107,240	122,725
Directors & officers	Share-based compensation	102,178	208,763
TOTAL:		\$ 440,592	\$ 471,488
Payments from related parties			
	Services	During the year ended December 31, 2023	During the year ended December 31, 2022
Commander Resources Ltd. ^(c)	Rent and reimbursements	\$ 19,107	\$ 36,710
TOTAL:		\$ 19,107	\$ 36,710

(a) Mark Kolebaba, President and CEO of the Company is also the president of 1273868 BC Ltd. During the year ended December 31, 2023, \$101,840 (December 31, 2022, \$19,600) of consulting service fees were capitalized to mineral properties.

(b) Mark T. Brown, CFO of the Company is the president of Pacific Opportunity Capital Ltd.

(c) Bernard Kahlert, the former director of the Company is a director of Commander Resources Ltd. Mr. Kahlert ceased to be a director of the Company effective as of June 22, 2023.

During the year ended December 31, 2023, a director and officer of the Company purchased 800,000 flow-through shares as part of the October 24, 2023 private placement.

6(i) Financial Instruments

The Company's financial instruments consist of cash, receivables, due from optionee, marketable securities, accounts payable, CEBA and due to/from related parties. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

Credit Risk

Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is primarily held in major Canadian financial institutions, consequently the credit risk on cash is assessed as low. The Company's receivables consist of cost recoveries and reimbursements.

Management believes that the credit risk concentration with respect to financial instruments included in receivables is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet the financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements. The Company is exposed to liquidity risk.

Interest Rate Risk

Interest rate risk is the risk of change in the borrowing rates of the Company. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has operations in the USA and Canada; however its net monetary position in US dollars is minimal and therefore is not exposed to significant foreign exchange risk.

Commodity Risk

Commodity risk is the risk on financial performance due to fluctuations in the prices of commodities. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of commodities for which it is exploring. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

6(j) Management of Capital Risk

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

The Company defines its capital as cash and shareholder's equity.

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

In order to facilitate the management of its capital requirements, the Company prepares periodic expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company is not subject to any externally imposed restrictions on its capital. There have been no changes to the Company's management of capital during the year ended December 31, 2023.

7. Events after the Reporting Period

None other than disclosed already in other sections.

8. Policies and Controls

8(a) Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based payments, restoration provision, discount rate used for leases and income taxes.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Functional currency

The Company's reporting currency and the functional currency of all its operations is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates. The functional currency determination was conducted through an analysis of consideration factors identified in IAS 21, The Effect of Changes in Foreign Exchange Rates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

i) Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

ii) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

iii) Restoration provision

The Company is subject to various government laws and regulations relating to ground and/or environmental disturbances caused by exploration at project locations. The Company records the

present value of estimated costs of legal and constructive obligations required to restore operating locations in the year in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, supplies and equipment, dismantling operating facilities and restoration of affected areas, net of any estimated salvage value.

iv) Income taxes

In assessing the probability of realizing deferred tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

v) Leases

Under IFRS 16, the Company assesses whether a contract contains a lease and, if so, recognizes a lease liability by discounting the future lease payments over the non-cancellable term of the lease, using the Company's estimated incremental borrowing rate. Differences in the estimated incremental borrowing rate could result in materially different lease liabilities and right-of-use assets. The non-cancellable term of the lease depends on the terms of the lease agreement and management's plans for the leased asset in question.

8(b) Mineral Properties

The Company is in the exploration stage with respect to its mineral properties. Once the legal right to explore a property has been obtained, costs directly related to exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs, net of recoveries, on a property-by-property basis. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments and government assistance are recorded as property costs or recoveries when the payments are made or received.

Once economic viability and technical feasibility of a project is determined, capitalization costs are first tested for impairment and then transferred to property under development. All direct costs and incidental recoveries are thereafter capitalized.

If economically recoverable ore reserves are developed and commercial production is established capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of the project are deemed to be impaired. As a result, those exploration and evaluation costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment at each statement of financial position date or whenever facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. A cash-generating unit is the smallest identifiable group of E&E assets that

generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Although the Company has taken steps to verify title to the properties in which it has an interest in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee that title to the properties will not be challenged or impugned. Property title may be affected by undetected defects, be subject to unregistered prior agreements, transfers or land claims, or be non-compliant with regulatory requirements.

9. Internal Control Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure Controls and Procedures

The Company's CEO and CFO are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company's disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

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OFFICERS & DIRECTORS

Mark Kolebaba
President, CEO & Director

Yale Simpson
Director, Chairman

Alex Adams
Director

Mark Jones
Director

Chris Herald
Director

Mark T. Brown
Chief Financial Officer

Winnie Wong
Corporate Secretary

LISTINGS

TSX Venture Exchange: **ADZ**
OTC Pink Sheet: **DDNFF**

CAPITALIZATION

(as of December 31, 2023)

Shares Authorized: Unlimited
Shares Issued: 238,302,928

REGISTRAR & TRUST AGENT

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3rd Floor, 510 Burrard Street
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V6C 3B9

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