

# **Cartier Silver Corporation**

## **Management's Discussion and Analysis**

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Cartier Silver Corporation (the "Company") for the 3 months ended March 31, 2025 and should be read in conjunction with the condensed interim financial statements and the accompanying notes which have been prepared in accordance with International Financial Reporting Standards.

The MD&A is the responsibility of management and is dated as of May 30, 2025.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and the Company's website at [www.cartiersilvercorp.com](http://www.cartiersilvercorp.com).

### **Forward-Looking Statements**

This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

**See page 10 for Material assumptions and risk factors for forward-looking statements.**

### **The Company**

The Company is a public company engaged in the acquisition, exploration and development of mineral resource properties. The Company is a reporting issuer in Ontario, British Columbia and Alberta and its common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the trading symbol "CFE".

### **Overall Performance**

#### **Investment in Eloro Resources Ltd.**

At March 31, 2025, the Company held 2,400,049 common shares of Eloro with a fair value of \$2,040,263.

#### **Chorrillos Project, Potosi Department, Bolivia**

Pursuant to a definitive agreement dated December 12, 2022 ("Definitive Agreement"), as amended on December 13, 2024, the Company's Bolivian subsidiary Minera Cartier Bolivia S.R.L. ("Minera Cartier") has the right to acquire a 100% interest in the Chorrillos Project located in southern Bolivia, comprising two separate properties known as the Gonalbert Mining area (consisting of 10 grids covering 2.5 sq.km) and the Felicidad Mining area (consisting of 4 grids covering 1 sq. km). In order to earn its interest, Minera Cartier must make option payments, as follows:

| Deadline  | Percentage of capital quotas |                | Option payment<br>US\$ |
|---|------------------------------|----------------|------------------------|
|   | Acquired                     | To be acquired |                        |
| June 12, 2023 (paid)                            | —                            | —              | 80,000                 |
| December 12, 2023 (paid)                        | 30                           | —              | 220,000                |
| June 12, 2025 (extended from December 12, 2024) | —                            | 20             | 500,000                |
| June 12, 2026 (extended from December 12, 2025) | —                            | 20             | 700,000                |
| June 12, 2027 (extended from December 12, 2026) | —                            | 20             | 1,000,000              |
| June 12, 2028 (extended from December 12, 2027) | —                            | 10             | 2,000,000              |
|   | 30                           | 70             | 4,500,000              |

Minera Cartier has acquired 30% of the capital quotas of Empresa Minera Gonalbert S.R.L. and Empresa Minera Segovia S.R.L. (the "Vendors"), who are the registered title holders of the Gonalbert Mining Area and Felicidad Mining Area, pursuant to the Definitive Agreement whereby Minera Cartier completed staged payments aggregating US\$300,000 as consideration for 30% of the Vendors' capital quotas.

On November 22, 2022, Minera Cartier staked additional claims covering 29.25 km<sup>2</sup> (CSB-13 and CSB-1) immediately south and west of the Felicidad and Gonalbert properties and acquired an additional claim (CSB-2) in the same belt about 5 km south of Tupiza, Bolivia. The holdings of Minera Cartier, including areas under option, in the Chorrillos Project now total 69.75 km<sup>2</sup> as shown in Figure 1. The Chorrillos Project area is predominantly underlain by Ordovician basement sediments that have been intruded by a Tertiary-age volcanic complex of dacites, rhyodacites, tuffs and epiclastic sediments. Alteration and polymetallic mineralization are widespread in the region characteristic of intermediate to high sulphidation epithermal systems.

The incorporating shareholders of Minera Cartier had agreed to transfer a 98% interest in Minera Cartier to the Company for no consideration. On April 2, 2025, the transfer of a 98% interest in Minera Cartier was completed. The Company has the option to increase its interest in Minera Cartier to 99% by purchasing a 1% interest for US\$3,000,000.

As at March 31, 2025, the Company has incurred the following cumulative exploration and evaluation expenditures on the Chorrillos Project:

|                    | December 31, 2024 | Expenditures | March 31, 2025 |
|--------------------|-------------------|--------------|----------------|
|                    | \$                | \$           | \$             |
| Chorrillos Project | 2,349,277         | —            | 2,349,277      |

### ***Chorrillos Project, Exploration***

On May 9, 2023, the Company filed on SEDAR+ an independent technical report ("Technical Report") by Micon International Limited ("Micon"), prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). This Technical Report, authored by Mr. Charley Murahwi, P.Geo., Pr. Sci. Nat., FAusIMM, of Micon, supports the Company's planned exploration program at the Los Chorrillos Silver Project. The Technical Report can also be retrieved on the Company's website, [www.cartiersilvercorp.com](http://www.cartiersilvercorp.com).

A two-phase exploration program is recommended in the Technical Report. Phase I includes targeted exploration, geoscientific studies (Induced Polarization and Magnetometry) and limited sampling and is estimated at \$400,000. The Phase II exploration program, contingent on the successful completion of Phase 1, includes 5,000m of diamond drilling and is estimated to cost \$2,000,000. Micon concludes that the budget under consideration is reasonable and justified and recommends that the Company conduct the activities.

On June 7, 2023, the Company announced that geophysical and geological work has outlined an epithermal silver polymetallic target over an area of 800m by 500m on the Gonalbert Property.

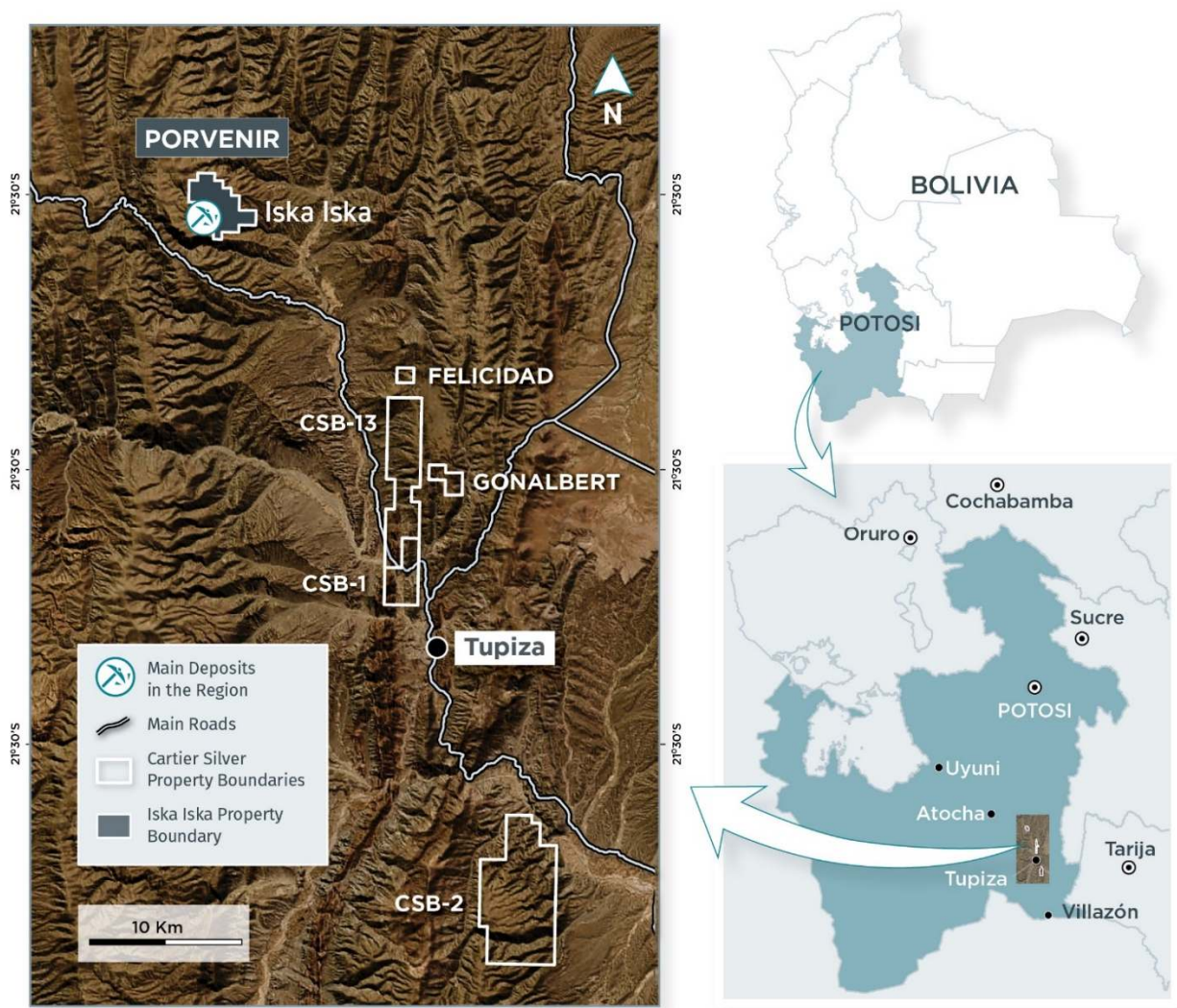
On June 29, 2023, the Company announced that diamond drilling commenced to test geophysical and geological targets for epithermal Ag-Pb-Zn mineralization on the Gonalbert Property.

On September 7, 2023, the Company reported the first results of the diamond drilling, including discovery hole DGL-01, which intersected 49.19 g Ag/t, 1.35% Zn and 1.31% Pb over 44.76m, which included a higher-grade interval of 137.42 g Ag/t, 7.91% Zn and 5.6% Pb over 5.60 m.

On November 2, 2023, the Company announced the results from an extensive underground channel sample in eight principal areas over a strike length of 2 km and the results from two additional diamond drill holes at Gonalbert. The systematic channel sampling of the underground artisanal workings reported high-grade silver, lead and zinc values. The channel sampling confirmed the high-grade nature and extensions of silver-rich structures with increasing grades at depth, which are important targets for further diamond drilling. Additionally, the surface geological reconnaissance of the Bolivian polymetallic-type mineralization away from the historic mines reveals mineral continuity in an area that has not been historically explored, which significantly expands the exploration potential.

The Company is continuing its Phase II exploration program.

**FIGURE 1 – Cartier Silver’s holdings, including areas under option, in the Chorrillos Project, Potosi Department, Bolivia.**



**Gagnon Holdings, Quebec**

The Company has incurred the following cumulative exploration and evaluation expenditures on Gagnon:

|        | December 31, 2024 | Expenditures | March 31, 2025 |
|--------|-------------------|--------------|----------------|
|        | \$                | \$           | \$             |
| Gagnon | 3,917,054         | 6,352        | 3,923,406      |

The Company owns a 55% interest in Round Lake (formerly known as Round Lake, Penguin Lake, Black Dan and Aubrey-Ernie), consisting of 111 claims covering 58.75 square kilometres in the Fermont Iron Ore District in the Labrador Trough in northeastern Québec (“Gagnon”). Champion Iron Mines Ltd. (“Champion”) owns the remaining 45% interest in Gagnon.

A joint venture was formed between the Company and Champion to incur additional exploration expenditures. If a joint venture partner does not fund its proportionate interest in the joint venture, its interest will be diluted and, when its interest is reduced below 10%, its interest would be reduced solely to a 1% royalty. The other joint venture partner will have the option to reduce the royalty from 1% to 0.5% by making a payment of \$3,000,000. In the event that a joint venture partner proposes to acquire any property within 10 kilometres of Gagnon, the acquirer must offer the property at cost to the other party for inclusion in Gagnon.

**Gagnon - Exploration**

Gagnon is adjacent and in close proximity to Arcelormittal’s Mont Reed property which encompasses the Mont Reed Mine

deposit.

On December 19, 2013, the Company reported the completion of a National Instrument 43-101 compliant Mineral Resource Estimate ("MRE") for the Penguin Lake Project, authored by Abder Ladidi, P. Geo., an independent Qualified Person of MRB & Associates ("MRB") of Val d'Or, Quebec. Based on 10 drill holes totaling 3,315 m, the MRE reported 531 million tonnes ("Mt") grading 33.1% Total Iron ("FeT") of In-pit Inferred Resources at a 15% FeT cut-off grade. The global in-situ mineral resource of 534.8 Mt grading 33.1% FeT was subject to a Whittle pit optimization to estimate the portion of in-situ mineral resource within the pit shell. P&E Mining Consultants of Brampton, ON were contracted by MRB to run the pit shell using a 1.05:1.00 \$CDN:\$US exchange rate, a mining cost of \$2.50/Tonne, and a charge of \$18.10/Tonne for the total processing, G&A, and freight costs. The process recovery, estimated to be 82%, an iron ore price of \$1.77/dmtu, and a 48° overall pit-slope, were used to complete the Whittle pit optimization. The sensitivity of the resource estimates is demonstrated by comparing the proportion of the mineral resources that may be economically exploited within the optimized pit shell to the global in-situ resource. A summary of the Global In-Situ Mineral Resource Estimate is presented in Table 1 and the results of the In-Pit Mineral Resource are presented in Table 2.

*Table 1: Global In-situ Mineral Resource Estimate, Penguin Lake Project*

| Cut-off Grade | Global Inferred Resources* |       |      |      | Below Cut-off     |       |      |      |
|---------------|----------------------------|-------|------|------|-------------------|-------|------|------|
|               | Tonnes (millions)          | Grade |      |      | Tonnes (millions) | Grade |      |      |
|               |                            | FeT%  | CaO% | MgO% |                   | FeT%  | CaO% | MgO% |
| 15%           | 534.8                      | 33.1  | 3.1  | 2.8  | 0.0               | 0.0   | 0.0  | 0.0  |
| 20%           | 534.7                      | 33.1  | 3.1  | 2.8  | 0.1               | 15.4  | 2.1  | 1.7  |
| 25%           | 531.4                      | 33.2  | 3.0  | 2.8  | 3.4               | 23.2  | 4.7  | 3.0  |
| 30%           | 466.4                      | 33.9  | 2.9  | 2.8  | 68.4              | 28.2  | 4.1  | 2.7  |

*Table 2: In-Pit Mineral Resource Estimate, Penguin Lake Project*

| Cut-off Grade | In-Pit Inferred Resources* |             |            |            | Below Cut-off     |            |            |            |
|---------------|----------------------------|-------------|------------|------------|-------------------|------------|------------|------------|
|               | Tonnes (millions)          | Grade       |            |            | Tonnes (millions) | Grade      |            |            |
|               |                            | FeT%        | CaO%       | MgO%       |                   | FeT%       | CaO%       | MgO%       |
| <b>15%</b>    | <b>531.2</b>               | <b>33.1</b> | <b>3.1</b> | <b>2.8</b> | <b>0.0</b>        | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |
| 20%           | 531.1                      | 33.1        | 3.1        | 2.8        | 0.0               | 15.4       | 2.1        | 1.7        |
| 25%           | 527.8                      | 33.2        | 3.0        | 2.8        | 3.4               | 23.2       | 4.7        | 3.0        |
| 30%           | 463.9                      | 33.9        | 2.9        | 2.8        | 67.3              | 28.2       | 4.1        | 2.7        |

*\* The quantity and grade of the reported Mineral Resources within the Project are categorized as Inferred Mineral Resources. Inferred Mineral Resources are that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from drill core. There is no guarantee that further exploration will upgrade the Inferred Mineral Resources to Indicated or Measured Mineral Resources. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Inferred Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*

The current resource reported in the MRE comprises less than half of the modelled bowl-shaped deposit and makes the Penguin Lake deposit one of the largest iron resources in the southern Gagnon Terrane.

Through 2016 and 2017, the Company completed metallurgical testwork studies and investigated base-case process flowsheet aspects for the Penguin Lake deposit. Metallurgical test results announced by the Company on April 28, 2015, indicate that the iron at the Penguin Lake deposit would be most efficiently liberated by a 2-stage process designed to yield iron-fines to produce a final sinter product.

The Company will evaluate any future exploration programs at the Gagnon Holdings while managing its capital resources to ensure it has sufficient capital to support its ongoing operations and exploration priorities. Further exploration and development of the Company's properties are contingent upon the Company raising an adequate amount of financing.

## Big Easy, Newfoundland and Labrador

The Company has incurred the following cumulative exploration and evaluation expenditures on Big Easy:

|          | December 31, 2024 | Expenditures | December 31, 2024 |
|----------|-------------------|--------------|-------------------|
|          | \$                | \$           | \$                |
| Big Easy | 6,544,343         | —            | 6,544,343         |

The Company owns a 100% interest in Big Easy consisting of 278 mining claims (December 31, 2024 - 318 mining claims) covering 70 square kilometres (December 31, 2024 - 80 square kilometres) located in Newfoundland and Labrador.

Big Easy is subject to a 3% net smelter royalty ("NSR").

### Big Easy-Exploration

On May 1, 2018 the Company announced the successful completion of a 48-line kilometre Induced Polarization/Resistivity (IP/Res) survey at the Big Easy by MES Geophysics of St. John's, Newfoundland under the direction of Dr. Chris Hale, P.Geol., Chief Geophysicist for the Company.

Four diamond drill holes were completed in the fall of 2018 at Big Easy. On September 29, 2020, the Company reported the results of a geological mapping, soil sampling and prospecting program. The program focused on follow-up of major target areas outlined by magnetic and induced polarization/resistivity (IP/Res) surveys as well as exploration of the potential southern extension of these chargeability zones which had only limited previous work.

On June 8, 2021, the Company announced the results of its winter 2021 diamond drilling and Induced Polarization/Resistivity ("IP/Res") program. Four (4) diamond drill holes totaling 1,348m were completed to test IP chargeability targets on the Central Anomaly and Shoal Harbour Grid. An additional 39.5 linekm of IP surveys were carried out to follow-up a major new target area outlined by geological mapping, geochemical soil sampling, airborne magnetics and prospecting on the Sleigh Pond Grid in the southern part of the property. Significant results include an intersection of 0.62 g Au/t and 16.12 g Ag/t over 13.0m in a Low Sulphidation Epithermal Au-Ag System.

In August 2021, the Company commissioned Clearview Geophysics of Brampton, Ontario to carry out a reconnaissance Controlled Source Audio Magneto-Telluric (CSAMT) in the Central Anomaly – Big Easy Showing Area. The findings of this survey were announced on September 21, 2021, which provided further information about the on-strike and depth extent of potential epithermal mineralization. The CSAMT survey confirms that the low sulphidation gold-silver mineralizing system at Big Easy occurs on a major structure that extends to a depth of at least one km.

On November 23, 2021, the Company provided an update on additional diamond drilling at Big Easy, reporting that six holes totaling 3,457m had been completed, with lengths ranging from 425m to 623m, with one additional hole in progress.

On May 10, 2022, the Company reported on the seventeen (17) hole, 9,470m diamond drill program. All the drill holes intersected wide sections up to 150m thick of interbedded rhyolites and siltstones in the lower part of the Musgravetown Group. The rhyolite units are typically extensively brecciated and cut by quartz veins with fine pyrite mineralization and local black sulfosalts. Hydrothermal alteration is very extensive consisting primarily of silicification and phengite micas. Visually the intersections looked promising however assay results returned only geochemically anomalous values of silver with very little gold as detailed in the May 10, 2022 press release.

The Company is reviewing the results to determine if there are other targets that may reflect deeper mineralization that warrant testing. As disclosed in the Company's press release dated June 14, 2022, the 2022 winter drill program has outlined a major structural boundary east of the Big Easy Zone and the Central Anomaly Zone. Property scale geophysical surveys suggest this structural boundary could extend tens of kilometres to the south. With only a small fraction of the property tested to date, there is potential for a future discovery within this large strike extent.

Further information on Big Easy can be found in an independent National Instrument 43-101 Technical Report ("NI 43-101 Report") prepared by Mercator Geological Services Limited and filed by the Company on SEDAR+ on June 5, 2018. The NI 43-101 Report summarizes all historical work on the property and has an effective date of April 20, 2018.

## Risks and Uncertainties

### Going concern

The Company is in the exploration stage and does not generate revenue. For the year ended December 31, 2024, the Company had a working capital deficit of \$271,349 (December 31, 2024 - \$162,760) and for the 3 months ended March 31, 2025, the Company incurred a loss of \$183,133 (2024 - \$2,074,523) and a cashflow deficit from operating activities of \$125,495 (2024 - \$346,616). The losses and cashflow deficits limit the Company's ability to fund its operations and the acquisition, exploration and development of its mineral properties.

At March 31, 2025, the Company has an investment in Eloro with a fair value of \$2,040,263. The Company has classified the investment in Eloro as a long-term asset as it does not expect to realize the investment within the next 12 months.

The continued operation of the Company is dependent primarily upon the Company's ability to secure advances from related parties and the issue of common shares to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available. As a result, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

### Exploration

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain licences and permits.

## Results of Operations

|   | <b>3 months ended March 31,</b> |                  |
|---|---------------------------------|------------------|
|   | <b>2025</b>                     | <b>2024</b>      |
|   | <b>\$</b>                       | <b>\$</b>        |
| <b>Expenses</b>                               |                                 |                  |
| Professional fees                             | 21,409                          | 26,167           |
| Consulting fees                               | 82,500                          | 90,750           |
| General and administrative                    | 40,350                          | 44,823           |
| Investor relations                            | 8,300                           | 21,422           |
| Exploration and evaluation                    | 6,352                           | 34,481           |
| Accretion                                     | 8,699                           | 2,120            |
| Depreciation                                  | 11,088                          | 11,088           |
| Gain on statute-barred accounts payable       | (20,888)                        | —                |
| Recoveries                                    | (4,500)                         | (4,328)          |
|   | <b>153,310</b>                  | <b>226,523</b>   |
| Loss before investment loss                   | (153,310)                       | (226,523)        |
| Gain on sale of investment in Eloro           | 27,068                          | —                |
| Decrease in fair value of investment in Eloro | (59,891)                        | (1,848,000)      |
| Loss and comprehensive loss                   | <b>(186,133)</b>                | <b>2,074,523</b> |

### 3 months ended March 31

The Company recorded a loss of \$186,133 in the current period compared to a loss of \$2,074,253 in the comparative period of the previous year. The decrease in loss reflects the following:

- a) a decrease in fair value of investment in Eloro of \$59,891 (2024 - \$1,848,000).



## Summary of Quarterly Results

|               | Q2 2023   | Q3 2023     | Q4 2023   | Q1 2024     | Q2 2024   | Q3 2024     | Q4 2024   | Q1 2025   |
|---------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-----------|
|               | \$        | \$          | \$        | \$          | \$        | \$          | \$        | \$        |
| Revenue       | —         | —           | —         | —           | —         | —           | —         | —         |
| Income (loss) |           |             |           |             |           |             |           |           |
| - Total       | (777,369) | (5,461,553) | (118,378) | (2,074,523) | (971,715) | (1,137,032) | (245,939) | (186,133) |
| - Per share   | (0.02)    | (0.15)      | —         | (0.05)      | (0.02)    | (0.02)      | (0.01)    | —         |

Loss includes the following increase (decrease) in fair value of the investment in Eloro:

| Quarter | \$          |
|---------|-------------|
| Q2 2023 | (113,345)   |
| Q3 2023 | (4,375,080) |
| Q4 2023 | 816,000     |
| Q1 2024 | (1,848,000) |
| Q2 2024 | (485,860)   |
| Q3 2024 | (776,987)   |
| Q4 2024 | (92,310)    |
| Q1 2025 | (59,891)    |

## Liquidity and Capital Resources

### Capital resources

At March 31, 2025, the Company had cash of \$15,319, receivables of \$19,697 and an investment in Eloro with a fair value of \$2,040,263. The Company has classified the investment in Eloro as a long-term asset as it does not expect to realize the investment within the next 12 months.

As the Company is in the exploration stage and has no revenue, the Company has financed its operations primarily with advances from related parties and the issuance of common shares. The Company is dependent upon the support of its creditors and the Company's ability to secure advances from related parties and the issuance of common shares to meet its existing obligations and to fund its working capital requirements and the acquisition, exploration and development of mineral properties.

Corporate and general costs for the years ended December 31, 2024 and 2023 were approximately \$880,000 and \$949,000, respectively. For the year ended December 31, 2025, the Company estimates its corporate and general costs at approximately \$900,000. For the 3 months ended March 31, 2025, the Company incurred corporate and general costs of \$161,000. Management is of the opinion that sufficient working capital will be obtained from a future financing to meet the Company's corporate and general costs.

On June 12, 2025, there is an option payment of US\$500,000 due with respect to Chorrillos. Management is of the opinion that the option payment will be funded by a future financing and/or will be deferred.

## Transactions with Related Parties

|   | 3 months ended<br>March 31,<br>2025<br>\$ | Outstanding at<br>March 31,<br>2025<br>\$ |
|---|---|---|
| <b>Legal fees</b>   |   |   |
| Dickinson Wright LLP, a law firm associated with Don Sheldon, a director, for legal fees                                    | —   | 3,190                                     |
| <b>Consulting fees</b>  |   |   |
| Gambier Holdings Corp., a company controlled by Thomas G. Larsen, for his services as Chief Executive Officer               | 30,000                                    | 11,300                                    |
| A.S Horvath Engineering Inc., a company controlled by Alexander Horvath, a director   | —   | 18,810                                    |
| Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer        | 22,500                                    | 51,129                                    |
| J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary | 22,500                                    | 46,269                                    |

The Company and Eoro share office premises pursuant a lease which is a joint and several commitment. For other related party transactions, see page 1, *Overall performance, Investment in Eoro*.

## Financial Instruments and Other Instruments

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

### *Cash, receivables, accounts payable and accrued liabilities, due to Eoro Resources Ltd. and lease liability*

The fair values of cash, receivables, accounts payable and accrued liabilities due to Eoro Resources Ltd. and lease liability at March 31, 2025 approximated their respective carrying value due to their short term to maturity.

### *Classification of fair value of financial instruments*

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1: quoted prices in active markets for identical assets and liabilities;

Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3: inputs for the asset or liability that are not based on observable market data.

The Company accounts for its investment in Eoro at fair value using level 1 inputs.

## Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

## Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is equal to the Company's cash. The Company limits its exposure to credit risk on its cash by holding deposits with a Canadian chartered bank.



**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due, other than amounts owing to related parties. The continued operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral properties. Accounts payable and accrued liabilities are subject to normal trade terms.

The following table sets out financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

|                         | Accounts payable and accrued liabilities<br>\$ | Due to Eloro Resources Ltd.<br>\$ | Lease liability<br>\$ | Total<br>\$ |
|-------------------------|--|-----------------------------------|-----------------------|-------------|
| Less than 1 year        | 304,107  | 3,676                             | 49,096                | 356,879     |
| 1-5 years               | —  | —                                 | 39,080                | 39,080      |
| Balance, March 31, 2025 | 304,107  | 3,676                             | 88,176                | 395,959     |

**Market risk**

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

**Equity price risk**

Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. At December 31, 2024, the Company is exposed to equity price risk on its investment in Eloro. At December 31, 2024, the Company estimates that if the market price of its investment in Eloro had changed by 10%, with all other variables held constant, the fair value would have increased or decreased by \$212,000.

**Currency risk**

Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. The majority of the Company's cash is held in Canadian dollars and the Company makes expenditures denominated in US dollars and Bolivian bolivianos. At March 31 2025, the Company had nominal financial instruments denominated in US dollars or Bolivian bolivianos.

**Interest rate risk**

The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

**Capital management**

Capital of the Company consists of share capital, contributed surplus, warrants and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration-stage company and has no revenues, its principal sources of capital is from advances from related parties and the issuance of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

**Material assumptions and risk factors for forward-looking statements**

The following table outlines certain forward-looking statements contained in this MD&A and provides material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

| <b>Page</b> | <b>Forward-looking statement</b>  | <b>Assumption</b>   | <b>Risk factor</b>   |
|-------------|---|---|--|
| 7           | Liquidity and Capital Resources<br>“Management is of the opinion that sufficient working capital will be obtained from a future financing to meet the Company’s corporate and general costs.” | The Company will obtain working capital from a future financing.                                | The Company is unable to obtain future financing to meet its liabilities and commitments as they become due. |
| 7           | Liquidity and Capital Resources<br>“Management is of the opinion that the option payment will be funded by a future financing and/or will be deferred.”                                       | The payment of the option payment will be funded by a future financing and/or will be deferred. | The Company is unable to obtain future financing and/or defer the option payment.                            |

**Other Information****Additional disclosure for venture companies without significant revenue**

The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the periods indicated.

**General and administrative expenses**

|                      | <b>3 months ended March 31,</b> |             |
|----------------------|---------------------------------|-------------|
|                      | <b>2025</b>                     | <b>2024</b> |
|                      | <b>\$</b>                       | <b>\$</b>   |
| Office               | 33,632                          | 37,818      |
| Public company costs | 6,718                           | 7,005       |
|                      | 40,350                          | 44,823      |

**Exploration and evaluation expensed**

|                 | <b>3 months ended March 31,</b> |             |
|-----------------|---------------------------------|-------------|
|                 | <b>2025</b>                     | <b>2024</b> |
|                 | <b>\$</b>                       | <b>\$</b>   |
| <b>Property</b> |                                 |             |
| Chorrillos      | —                               | 26,747      |
| Project         |                                 |             |
| Big Easy        | —                               | 4,674       |
| Gagnon          | 6,352                           | 3,060       |
|                 | 6,352                           | 34,481      |

**Shares outstanding as at May 30, 2025****Authorized:**

Unlimited number of common shares.

**Outstanding:**

46,977,522 common shares.

**Stock options****Authorized:**

4,697,752 stock options, representing 10% of the issued and outstanding common shares.

*Outstanding:*

| <b>Exercise price</b> | <b>Expiry date</b> | <b>Number of<br/>stock options<br/>issued and<br/>exercisable</b> |
|-----------------------|--------------------|---|
| \$0.85                | February 3, 2026   | 830,000   |
| \$0.78                | December 31, 2027  | 2,705,000   |
| \$0.60                | April 24, 2028     | 150,000   |
| \$0.62                | July 7, 2028       | 150,000   |
| \$0.72                | July 26, 2028      | 100,000   |
|                       |                    | 3,935,000   |

***Warrants***

| <b>Exercise price</b> | <b>Expiry date</b> | <b>Number of<br/>warrants</b> |
|-----------------------|--------------------|-------------------------------|
| \$0.70                | June 15, 2025      | 3,716,250                     |
| \$0.70                | June 22, 2025      | 1,249,375                     |
| \$0.50                | March 7, 2026      | 3,600,000                     |
|                       |                    | 8,565,625                     |