



MANAGEMENT'S DISCUSSION & ANALYSIS
For the Three Months Ended
January 31, 2025

Introduction

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Kermode Resources Ltd. (the "Company" or "Kermode") should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended January 31, 2025 and the audited financial statements for the year ended October 31, 2024 and the notes thereto.

The referenced condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated. This MD&A is dated March 28, 2025.

Business Description

Kermode has continued its efforts to date with a sole business objective to identify, evaluate and explore mineral properties having high potential for the discovery of economic mineral deposits. The Company is a publicly traded company without any substantive operations, and thus, has realized no significant mining revenues to date. Kermode has a year end of October 31st and was incorporated under the laws of the Province of Alberta and was subsequently continued into British Columbia.

The Company is primarily engaged in the business of acquiring, exploring, and transacting in mineral exploration properties located in Canada and the USA, and accordingly has no revenue from any of its properties to date. The Company's common shares trade on the TSX Venture Exchange (the TSX-V") under the trading symbol "KLM".

The mining exploration business has a disproportionate effect on the cash needs of Kermode. To function with the capital-intensive nature of mining exploration and development, management has developed a business strategy focused on early-stage exploration opportunities where the prospecting partners get large incentives through property options and shares-for-services agreements. This strategy has entailed a significant increase in share issuance relative to prior years, and an increase in exploration activity. The strategy has not yielded any return in terms of selling a project to another party.

Forward-Looking Information

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company as of the reporting period under this disclosure. When used in this document, the words "anticipate", "believe", "estimate", "expect", "significant" and similar expressions, as they relate to the Company or its management are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated costs and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Mineral Projects and Exploration Highlights

The following is a description of the properties for which the Company has not abandoned the agreements:

1) Beaton Gold (formerly Black Panther), British Columbia

On August 10, 2023, the Company entered into an option agreement to acquire a 100% interest in the Black Panther project on Vancouver Island, British Columbia. On September 17, 2024, the Company amended the agreement reducing the size of exploration claims, changing the members of the vendor group, and changing the project name to Beaton Gold. The changes were approved by the TSX-V on October 1, 2024.

To complete the acquisition, the Company is required to issue 4,800,000 common shares as follows:

- a. 1,200,000 common shares on the Effective Date (issued August 11, 2023, valued at \$120,000);
- b. an additional 1,200,000 Shares on or before 12 months following the Effective Date (extension received by vendors);
- c. an additional 1,200,000 Shares on or before 24 months following the Effective Date;
- d. an additional 1,200,000 Shares on or before 36 months following the Effective Date;

The property was subject to a Net Smelter Return royalty ("NSR") of 3% with a \$6,000,000 buy-down and a Sale Participation Right of 30% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years. The NSR has been changed to 1% with a \$1,000,000 buy-down, and the Sale Participation Right has been removed.

2) Eastgate BC Project, British Columbia

On June 22, 2023, the Company entered into an option to acquire a 100% interest in the Eastgate project located in British Columbia.

On February 16, 2024, the deal terms for the Eastgate BC property were amended, such that to earn a 100% interest in the project, the Company assigned the vendors a NSR of 1% with a \$1,000,000 buy-down and a Sale Participation Right of 60% of gross proceeds received by the Company from any future sale of disposition of any interest in the property for a period of ten years.

3) Khrysos & Silver Bell Project, British Columbia

On, May 26, 2023, the Company entered into an option agreement with Aurum Vena Mineral Resources Corp. to acquire a 100% interest in the Khrysos and Silver Bell projects located in British Columbia. On May 26, 2023, the Company issued 1,500,000 common shares valued at \$150,000 and is required to issue an additional 1,500,000 on or before May 2028. The property is subject to a Sale Participation Right of 10% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

4) Lightning Peak Project, British Columbia

On February 20, 2024, the Company entered into letter of intent to acquire the Lightning Peak Project in British Columbia. On June 12, 2024, the Company entered into an option agreement to acquire a 100% interest in the Lightning Peak Project comprised of mineral claims located in British Columbia. The option agreement has an initial term of one year. There are no share payments under the option agreement, and there are no spending requirements.

The property is subject to a Sale Participation Right of 55% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

5) Lucky Strike, British Columbia

On July 20, 2022, the Company entered into an option agreement to acquire a 100% interest in the Lucky Strike Copper project in British Columbia.

The Company completed the option exercise on July 24, 2024. To exercise the option, the Company issued 900,000 common shares valued at \$135,000 in fiscal 2022, 900,000 common shares valued at \$90,000 in fiscal 2023 and 900,000 common shares value at \$9,000 on July 24, 2024. The Project land position covers 2,739 hectares. There are no work commitments for the Company. There shall be a 2% “Net Smelter Return Royalty” payable to the vendor group, where each one percent can be bought down for \$1,000,000.

6) Mt. Sicker, British Columbia

On October 25, 2023, the Company entered into the option agreement to acquire a 100% interest in the Mt. Sicker project located in British Columbia.

To complete the acquisition, the Company is required to pay \$210,000 and issue 20,000,000 common shares as follows:

Timing	Cash	Securities	Exploration or Other Work Commitments
Exchange Approval	\$Nil	Nil	\$Nil
Year 1	\$Nil	2,500,000	\$Nil
Year 2	\$10,000	2,000,000	\$Nil
Year 3	\$20,000	2,500,000	\$Nil
Year 4	\$30,000	3,000,000	\$Nil
Year 5	\$50,000	4,000,000	\$Nil
Year 6	\$100,000	6,000,000	\$Nil
Total	\$210,000	20,000,000	\$Nil

Pursuant to the option agreement, the Company issued 2,500,000 common shares valued at \$25,000 on October 4, 2024.

The property is subject to a NSR of 2% with a \$1,000,000 buy-down and a Sale Participation Right of 5% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

7) Vigh Graphite Project, British Columbia

On December 7, 2023, the Company entered into an option agreement to acquire a 100% interest in the Vigh Graphite project comprised of mineral claims located in British Columbia. Pursuant to the option agreement, the Company issued 1,500,000 common shares values at \$30,000 based on the closing price of the Company’s stock on the TSX-V on the date of issuance. To exercise the option, the Company must issue an additional 1,500,000 common shares within 36 months of closing. The property is subject to a NSR of 5% of which 3% is subject to a \$3,000,000 buy-down and a Sale Participation Right of 10% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

Projects where the Company has ceased to advance the agreement:

8) Santa Anna Project, British Columbia

On September 20, 2023, entered into an option agreement to acquire a 100% interest in the Santa Anna project in British Columbia.

Pursuant to the option agreement, the Company issued 2,100,000 common shares valued at \$210,000 on September 20, 2023. To exercise the option, the Company must issue an additional 2,800,000 common shares within 24 months and 3,500,000 common shares within 60 months of closing.

The property is subject to a NSR of 2% with a \$3,500,000 buy-down and a Sale Participation Right of 7% of gross proceeds received by the Company from any future sale or disposition of any interest in the property in the next ten years.

During the period ended January 31, 2025, the Company decided not to proceed with this property and recorded an impairment to charge exploration and evaluation costs of \$236,306 to operations. The Company decided to abandon this property purchase option agreement because it was unable to finance further exploration work on the project.

9) Slesse Project, British Columbia

On June 22, 2023, the Company entered into an option agreement to acquire a 100% interest in the Slesse Creek project located in British Columbia.

Pursuant to the option agreement, the Company issued 400,000 common shares valued at \$40,000 in fiscal 2023 and 400,000 common shares valued at \$4,000 on July 24, 2024. To exercise the option, an additional 900,000 common shares must be issued within 24 months of closing.

The property is subject to a NSR of 1% with a \$1,000,000 buy-down and a Sale Participation Right of 10% of gross proceeds received by the Company from any future sale or disposition of any interest in the property in the next ten years.

During the period ended January 31, 2025, the Company decided not to proceed with this property and recorded an impairment to charge exploration and evaluation costs of \$78,268 to operations. The Company decided to abandon this property purchase option agreement because it was unable to finance further exploration work on the project.

10) Trio, British Columbia

On July 24, 2023, the Company entered into an option agreement to acquire a 100% interest in the Silverbell Trio project located on Vancouver Island, British Columbia. On August 27, 2024, the Company changed the terms of the property option agreement as below.

To earn a 100% interest in the project, the Company assigned the vendors a NSR of 2% with a \$2,000,000 buy-down and a Sale Participation Right of 30% thirty percent of gross proceeds received by the Company from any future sale or disposition of any interest in the property in the next ten years. In addition, the Company must make a cash payment of \$150,000 any time in the next 10 years payable equally to the vendors.

During the period ended January 31, 2025, the Company decided not to proceed with this property and recorded an impairment to charge exploration and evaluation costs of \$32,699 to operations. The Company

decided to abandon this property purchase option agreement because it was unable to finance further exploration work on the project.

Corporate Highlights

On February 29, 2024, the Company announced XRF results for the surface sampling at the Mount Sicker project. The XRF results were prepared by testing sample material that had been crushed to pass an 80-mesh screen before testing. The XRF results covered 9 rock samples from the Copper Canyon area with results ranging from 0.55% to 22.03% Cu. A video showing the sampling area and work program was published, titled “Copper Canyon Reveals Many Mineralized Veins!”

<https://www.youtube.com/watch?v=ZGQJYym0Rk>

On March 6, 2024, the Company announced XRF results for the Mount Sicker project. The results included 7 samples from the 911 Showing where a new logging road created in 2023 exposed mineralization. The results for this news release are provided in the table below and a video of the sample locations is provided in this link, “Logging Road Cut Through Hundreds Of Meters With Bornite & Chalcopyrite!”:

https://www.youtube.com/watch?v=P_p0JVDh18c&list=PLIk-jfYt7POhQYQZrYqTQwbONYCCYAfZb&index=115

March 6, 2024: First Results from 911 Showing at the Mount Sicker project	
Sample No.	Copper (% Cu)
D725001	10.27%
D725002	11.01%
D725003	25.59%
D725004	14.08%
D725005	12.33%
D725006	17.64%
D725007	19.61%

On March 6, 2024, the Company announced XRF results for Slesse Creek project. The XRF results covered 8 samples with results from 1.04% to 11.09% Cu. Links to videos showing the prospecting for the prospecting reported in the news release are provided below.

<u>Slesse Creek</u> <u>March 6, 2024:</u>	<u>Field Work video link</u>
“Prospecting For Gold Bearing Mineralization On Glacier Creek!”	https://www.youtube.com/watch?v=wyAHAcU_9Lw&list=PLIk-jfYt7POhQYQZrYqTQwbONYCCYAfZb&index=101
“Prospecting On This Creek Reveals Visible Gold!”	https://www.youtube.com/watch?v=CvwJfaoJoMw
“Hiking Across Four Mountains In Search Of Gold Bearing Rocks!”	https://www.youtube.com/watch?v=tDZREO8Lxcs

On March 20, 2024, the Company announced assay results from the Copper Canyon area at the Mount Sicker project. The results covered 5 samples with results from 1.26% to 16.25% Cu.

Additional results from the gravity concentrate testwork are provided below. The technical information in this news release has been reviewed and approved by Mr. Robert Carrington, Professional Geologist and Professional Engineering Geologist, a Qualified Person as defined in Canadian NI 43-101 responsible for the scientific and technical information contained herein under National Instrument 43-101 standards.

May 6, 2024: Sample Description	Sample ID	Gold (ppm)	Silver (ppm)	Dried Weight (kg)	Mass Pull (%)	Gold Recovery (%)	Silver Recovery (%)
Concentrate	996442	315.0	1600.0	0.1	0.57%	18.5%	3.9%
Middlings	996443	51.3	975.0	2.0	9.85%	51.8%	40.4%
Tailings	996444	3.2	148.0	18.5	89.57%	29.7%	55.7%
Total Weight	-	-	-	20.6	100.0%	100.0%	100.0%

On May 24, 2024, the Company first reported the results from an ongoing program of select rock sampling at the 911 Showing on the Mount Sicker project. The Company collected a stockpile of 13.9 tonnes of select rock material by hand sampling. The purpose of collecting this stockpiling program is to expose more mineralization and pursue business development opportunities with metallurgical process testwork.

In addition to calculating sample weights, the Company calculated the density of 6 samples using a water displacement method. To calculate the volume of each sample, the Company dumped the rock sample into a full bucket of water and measured the volume of water that was displaced; the Company then calculated density as kilograms divided by litres. The Company does not have any geochemical test results to compare directly with the density estimates on a sample-sample basis.

May 24, 2024: Estimates of Weight and Density for samples from 911 SHOWING		
Sample No.	Weight (kg)	Density (g/cc)
911 Showing East - 1	4.00	4.9
911 Showing East - 2	3.55	3.2
911 Showing East - 3	4.20	3.2
911 Showing West - 1	4.05	3.3
911 Showing West - 2	3.75	3.3
Control Sample	3.70	2.6

On July 31, 2024, the Company reported the results of XRF analysis of select samples from the Copper Canyon area at the Mount Sicker project. The results covered four samples with results from 1.03% to 16.64% Cu.

On September 24, 2024, the Company announced changes to the Black Panther property purchase option. The changes are reducing the claims size, changing the vendor group for the option agreement, and changing the name to Beaton Gold. The changes were approved by TSX-V on October 1, 2024.

On October 23, 2024, the Company reports the results of XRF analysis of select samples from the Battery Ridge area at the Mount Sicker project. The results cover 5 samples were ranging from 0.4% to 3.11% Cu copper and 0.02% to 11.64% Zn zinc. A video of the field work titled “Battery Ridge Zinc Showing On Mount Sicker!” was published online here: https://youtu.be/3y_dCSwTowE

In October and November, 2024, the Company published three news releases with results from the 911 Showing area at the Mount Sicker project. On October 28, 2024, the Company reported 11 samples with results from 0.82% to 10.51% Cu. On November 4, 2024, the Company reported 24 samples were tested with results from 0.38% to 15.81% Cu. On November 13, 2024, the Company reported 11 samples with results from 0.60% to 15.15% Cu. Additional information on the Mount Sicker project is available online here, <https://drive.google.com/drive/folders/1j4Zogi5bZ4NZYZHHXAa948PjnExBvApE>

The Company continues to prepare videos of exploration at the 911 Showing on the Mount Sicker project. Links to several videos are presented in the table below, from the start of the project in October 2023 to present. Mr. Jacques Houle, P. Eng, is the Qualified Person responsible for all these videos.

<u>Videos from Mount Sicker</u>	<u>Field Work video link</u>
<i>“New Road Cut Exposes Large Copper Showing At The Mount Sicker Property!” (October 2023)</i>	https://youtu.be/hxWmC-xLDe8
<i>“Loading Up Vein Chunks Loggers Exposed After This Road Was Built!” (May 2024)</i>	https://youtu.be/nozimxUlqwk
<i>“This Is Turning Into A Massive Copper Vein!” (July 2024)</i>	https://youtu.be/ESRFFWcNADw
<i>“Removing Copper Rich Samples From A Large Quartz Vein!” (January 2024)</i>	https://youtu.be/uRnPIQrYYAw

An interactive map showing the location of all samples and field videos from the Mount Sicker project is available at this link:

https://www.google.com/maps/d/viewer?mid=1t4ttncAGzqqeq_QyZDioXt-aDkKQnYI&ll=48.87107359791579,-123.74906395076599&z=16

On December 4, 2024, as a result of a review by the British Columbia Securities Commission, Kermode issued a news release to retract prior disclosure for several projects. The public is advised not to rely on the prior disclosures identified and addressed below.

Kermode retracted the news release for the Rye Patch silver project dated May 24, 2024, and reports that there is no exploration target for this project because there is no basis on which the qualified person estimated the quantity and grade of the target. Kermode retracted the news release and corresponding supplement document for the Tonya gold project dated December 13, 2023. There is no exploration target for this project because there is no basis on which the qualified person estimated the quantity and grade of the target.

Kermode retracted the document filed on SEDAR+ on April 15, 2024, titled “TECHNICAL ASSESSMENT REPORT ON PROSPECTING THE SLESSE CREEK PROPERTY.” This document was not filed as a Form 43-101F1 Technical Report, and does not meet the disclosure standards of NI 43-101. The document is an assessment report and can be viewed by accessing the assessment report on British

Columbia's Assessment Reporting Index System (ARIS). At present the Slesse Creek project has no current technical report.

Kermode retracted the document filed on SEDAR+ on April 19, 2024, titled "Assessment Report on the Vigh Graphite Property Rock Sampling." This document was not filed as a Form 43-101F1 Technical Report and does not meet the disclosure standards of NI 43-101. The document is an assessment report and can be viewed by accessing the assessment report on British Columbia's Assessment Reporting Index System (ARIS). At present the Vigh Graphite project has no current technical report.

On December 10, 2024, the Company announced that Ryan Hounjet joined the Board of Directors and Tek Manhas resigned. On December 12, 2024, the Company announced that Amar Purewal joined the Board of Directors and Roger Lewis resigned. On December 31, 2024, the Company announced that Stephen Wall joined the Board of Directors and Maxime Lepine resigned. The current Board of Directors are Peter Bell, Ryan Hounjet, Amar Purewal and Stephen Wall.

On February 10, 2024, the Company announced it intends to settle debts of \$60,000 owing to creditors of the company through the issuance of an aggregate of six million common shares at a price of one cent per share. The shares-for-debt transaction is subject to receipt of TSX Venture Exchange approval. Twenty thousand dollars of the debt proposed to be settled pursuant to the shares-for-debt transaction are held by insiders of the company, and, accordingly, such portion of the shares-for-debt transaction will constitute a related-party transaction, as defined under Multilateral Instrument 61-101 (Protection of Minority Security Holders in Special Transactions). The company plans to rely on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a), respectively, as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the insider shares-for-debt transaction, exceeds 25 per cent of the company's market capitalization.

On February 13, 2025, the Company announced Mr. Leon Ho has been appointed as CFO and Corporate Secretary. Mr. Ho is a chartered professional accountant with extensive experience working with publicly listed mining companies and assisting them with their regulatory compliance and accounting needs. Mr. Ho replaced Matthew Anderson as the CFO and Corporate Secretary of the Company. The Company would like to thank Mr. Anderson for his contributions to the Company and wishes him well in his future endeavors.

On March 12, 2025, the Company entered into an arm's length share exchange agreement with 1521158 B.C. Ltd. ("1521") and the shareholders of 1521 (the "Vendors") to acquire all of the issued and outstanding shares of 1521. 1521 owns a 100% interest in and to 25 claims in the Thunder Bay Mining Division in Ontario. Pursuant to the agreement, the Company issued 15,000,000 common shares of the Company as consideration to the shareholders of 1521.

Furthermore, on March 12, 2025, the Company issued a corporate update that reflects ongoing changes to the strategic priorities. In the news release, the Company clarifies that all shares issued by the Company in connection with its acquisition of 1521158 B.C. Ltd., announced this morning, are subject to an Exchange Hold Period (as defined in the policies of the TSX Venture Exchange), expiring four months and one day from issuance; 2. the Company announces that its shares-for-services agreement, previously announced October 24, 2024, with 802213 Alberta Ltd. has been cancelled. No shares were issued pursuant to this agreement; 3. the Company announces that its shares-for-services agreement, previously announced on October 24, 2024, with William Morris-Nelson has been cancelled. No shares were issued pursuant to this agreement; and 4. the Company announces that its investor relations agreement, previously announced August 27, 2024, with Jake Tiley was cancelled in October 2024 and the 1,000,000 stock options previously awarded to Mr. Tiley were cancelled in connection therewith.

Further information on the Company's projects, applicable resource updates and related news releases are available under the Company's SEDAR+ profile at www.sedarplus.ca. Also, visit this website for more information, <https://linktr.ee/kermoderesources>

Qualified Person

Jacques Houle, P.Eng., is a Qualified Person as defined by National Instrument 43-101. He is arms length to the Company and is responsible for the supervision of the exploration on the Company's exploration projects and has reviewed the technical information in this MD&A.

Results of Operations

Three months ended January 31, 2025

During the three months ended January 31, 2025, the Company reported a net loss of \$438,739 or \$0.00 loss per share (2024 - \$54,999 or \$0.00 loss per share).

Significant expenses during the period ended January 31, 2025 include the following

- consulting of \$30,000 (2024 - \$nil) due to advisory services rendered for general business activities during the current period.
- director fees of \$12,500 (2024 - \$nil) due to compensation for services provided by newly appointed directors during the current period.
- management fees of \$15,000 (2024 - \$28,000) decreased due to absence of fees from the former CFO during the current period.
- Professional fees of \$27,029 (2024 - \$12,500) increased due to legal services rendered during the current period
- Write-down of exploration and evaluation assets of \$347,275 (2024 - \$nil) for properties that the Company decided not to advance with its acquisition.

Kermode continued to execute the business strategy outlined in the Business Description section above. This strategy includes using shares-for-service agreements to cover spending on mining exploration activities and corporate overhead costs.

Quarterly Information

The following table sets forth selected financial information from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended January 31, 2025. No cash dividends were declared in any of the reported periods.

	Jan 31, 2025	Oct 31, 2024	Jul 31, 2024	Apr 30, 2024
	\$	\$	\$	\$
Total Assets	882,993	1,198,178	1,322,778	1,269,696
Exploration and Evaluation Assets	868,651	1,169,522	1,295,265	1,249,186

Working Capital (Deficiency)	(406,319)	(318,466)	(293,519)	(282,737)
Shareholders' Equity	462,332	851,056	1,001,746	966,449
Revenues	Nil	Nil	Nil	Nil
Net Loss	(438,739)	(273,775)	(85,541)	(76,020)

	Jan 31, 2024	Oct 31, 2023	Jul 31, 2023	Apr 30, 2023
	\$	\$	\$	\$
Total Assets	1,209,796	1,090,509	1,047,780	623,007
Exploration and Evaluation Assets	1,194,826	1,064,792	988,978	599,937
Working Capital (Deficiency)	(304,214)	(257,399)	(298,977)	(303,425)
Shareholders' Equity	890,612	807,393	754,373	296,512
Revenues	Nil	Nil	Nil	Nil
Net Loss	(54,999)	(276,944)	(177,806)	(16,597)

Kermode has no revenue or operating income. There is no significant seasonality to the business.

The factors that have caused variations over the quarters necessary to understand general trends that have developed over time concern the Company's strategy for business development.

For example, Kermode has entered property purchase option agreements with prospectors rather than staking claims directly itself. This business strategy choice has caused Kermode to issue relatively large numbers of shares to option claims rather than pay relatively small amounts of cash to stake claims. The reason for this choice is management's pursuit of opportunities to work with prospectors who can provide exploration services on their own projects for Kermode on a turn-key basis entirely paid in shares. As Kermode continues to do such deals with these prospectors, the "Total Assets" reported has generally increased quarter-quarter. Also, the "Exploration and Evaluation Assets" has also increased and the Shareholders' Deficiency has also increased.

The changes in quarterly net loss from one period to another were also impacted by the timing of recognition of share-based payment expense as well as the timing and quantum of recognition of impairment losses on the exploration and evaluation assets.

Share Capital

Three months ended January 31, 2025

During the three months ended January 31, 2024, the Company:

- issued 250,000 common shares valued at \$2,500 pursuant to shares-for-services agreements with the former CFO.
- issued 4,549,863 common shares valued at \$45,499 pursuant to shares-for-services agreements with an exploration services provider.

Subsequent to January 31, 2025

The Company:

- issued 2,061,133 common shares as consideration of services for \$20,611 pursuant to shares-for-services agreements with an exploration services provider.

Liquidity and Capital Resources

The audited financial statements for the period ended January 31, 2025, have been prepared on the basis of accounting principles applicable to a going concern. This assumes that Kermode will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Kermode has incurred operating losses over several fiscal years, has limited financial resources, no source of operating cash flow and no assurances that sufficient funding, including adequate financing, will be available to further explore its mineral property projects and to cover the overhead costs necessary to maintain a public company in good standing. The Company has financed its operations to date primarily through the issuance of common shares. The Company will continue to seek capital through the issuance of common shares.

As at January 31, 2025, the Company had a cash balance of \$6,187 (October 31, 2024 - \$5,056) available to settle current liabilities of \$420,661 (October 31, 2024 - \$347,122) and a current working capital deficit \$406,319 (October 31, 2024 - \$318,466).

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The discovery, development and acquisition of mineral properties are unpredictable events. Future metal prices, the success of exploration programs and other property transactions can have a significant impact on capital requirements. The Company does not expect to receive significant income from any of its properties within the foreseeable future. Should the Company decide to further develop any of its properties, the Company may fund its capital requirements by arranging further equity financing, issuing long-term debt, selling royalties, arranging joint ventures with other companies, or through a combination of the above. The Company may also consider the sale of certain non-core properties in order to raise additional capital.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

Kermode has no proposed transactions at this time.

Transactions with Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of

Directors and corporate officers. The Company had the following transactions with key management personnel during the three months ended January 31, 2025 and 2024:

	January 31, 2025	January 31, 2024
	\$	\$
Director fees:		
1344748 BC Ltd. (Ryan Hounjet), CEO and Director	5,000	-
A Purewal Development and Consulting Ltd. (Amar Purewal), Director	5,000	-
Cask Marketing Inc. (Stephen Wall), Director	2,500	-
Management fees:		
Peter Bell, CEO	15,000	14,000
NewCrest Consulting (Andrew Low), former CFO	-	14,000
Professional fees:		
Malaspina Consultants Inc. (Matt Anderson), CFO	15,230	-
Share-based compensation to Management & Directors	2,016	2,685
	44,746	30,685

During the period ended January 31, 2025, the Company:

- i) Incurred \$12,500 (2024 - \$Nil) in director fees including the following: \$5,000 (2024 - \$Nil) to a company controlled by the a director, Ryan Hounjet; \$5,000 (2024 - \$Nil) to a company controlled by a director, Amar Purewal, and \$2,500 (2024 - \$Nil) to a company controlled by a director, Stephen Wall.
- ii) incurred \$15,000 (2024 - \$28,000) in management fees including the following: \$15,000 (2024 - \$14,000) to the CEO, Peter Bell, and \$Nil (2024 - \$14,000) to the former CFO, Andrew Low.
- iii) incurred \$15,230 (2024 - \$Nil) of professional fees to a company where the former CFO, Matt Anderson, is a shareholder.

Accounts payable and accrued liabilities as of January 31, 2025 include \$216,262 (October 31, 2024 - \$173,720) owed to companies controlled by directors of the Company, and former officers and directors, including Neil Briggs, Donald Moore, John Famy, Andrew Low, Peter Bell, Playfair Mining, Ricardo Ho and Shoni Bernard and a company, Malaspina Consultants Inc., where a current officer, Matt Anderson, is a shareholder. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Advances payable as of January 31, 2025 of \$29,808 (October 31, 2024 - \$29,808) are due to a company with common former directors. The amount is due to Wasco Management Ltd., a company owned by Kathleen Mitchell, the spouse of former officer and director Donald Moore. The amount is non-interest bearing, unsecured with no specified terms of repayment.

Critical Accounting Estimates

Please refer to the consolidated financial statements for the year ended November 30, 2024 on www.sedarplus.ca for critical accounting estimates.

NEW ACCOUNTING POLICIES AND PRONOUNCEMENTS

Please refer to the consolidated financial statements for the three months ended January 31, 2025 on www.sedarplus.ca for new accounting policies as well as future accounting pronouncements.

Financial Instruments and Other Instruments

The Company's financial assets and liabilities are cash, receivables, advances payable and accounts payable and accrued liabilities. The fair values of these financial instruments are estimated to be their carrying values due to their short-term nature. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity.

Outstanding Share Data

As of March 28, 2025, the Company had the following outstanding:

83,342,966 common shares

There were no Performance Share Units or Stock Options outstanding at this time.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the three months ended January 31, 2025 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, 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 NI 52-109.

For further information, and other information relating to the Company, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its Filings on SEDAR+ at www.sedarplus.ca.

Risks

The Company is engaged in the exploration, development and exploitation of mineral resources for base metals, precious metals, industrial minerals and diamonds. The properties of the Company are without a known body of commercial ore. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as property acquisition costs represent acquisition and holding cost, less amounts written off, and do not necessarily represent present or future values.

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give any assurance that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex.

The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

The Company requires licenses and permits from various governmental authorities to carry out exploration and development of its projects. Obtaining permits can be a complex, time consuming process. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

The Company has experienced losses in operations in prior years and has an accumulated deficit position. The Company expects to incur losses for the foreseeable future. The continuation of the Company's operations is subject to its ability to continue to be able to raise funding to support its operations. While the Company has been successful to date in raising funding there is no guarantee that it will continue to do so in the future.

The profitability of the Company's operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper, gold, silver or molybdenum. The prices of these commodities are affected by numerous factors beyond the Company's control.

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional common shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. Sales or issuances

of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new common shares should it desire to do so. In addition, if additional common shares or securities convertible into common shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of common shares.

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the Business Corporations Act (British Columbia), a director or senior officer who has a material interest in a contract or transaction or a proposed contract or transaction that is material to the Company, or a director or senior officer who is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction, is required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract or transaction. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company. Further, the non-management directors of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these persons and these persons will not devote all of their time to the business and affairs of the Company.

The Company is also subject to regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

Companies in all industries, including the mining industry, are susceptible to cyber risk. The Company's primary operational exposure to cyber risk is with respect to proprietary geological, geochemical and exploration data and related models. The Company, similar to companies in all industries, is exposed to common place cyber risks such as, but not necessarily limited to, phishing, spam, fraudulent attacks, denial of service attacks, data loss, data theft, data corruption. The Company outsources its IT management to IT professionals who implement, among other controls and mitigation strategies, system access and authentication controls, transactional authentication, system activity logging, audit trails, "exception" handling, on-prem and off-prem backup and storage of the Company's data.

Other

The economic uncertainties around persistent inflation pressure, geopolitical and other global factors have the potential to slow growth in the global economy. Future developments in these challenging areas could impact on the Company's results and financial condition and the full extent of that impact remains unknown.