



(FORMERLY PREMIUM NICKEL RESOURCES LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Fourth Quarter and Full Year Ended December 31, 2024

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March 19, 2025

Introduction

This Management's Discussion and Analysis (this "**MD&A**") dated March 19, 2025 is intended to supplement the consolidated financial statements of Premium Resources Ltd. (the "**Company**" or "**PREM**" and formerly Premium Nickel Resources Ltd.) for the years ended December 31, 2024 and 2023 (the "**Financial Statements**") and the related notes thereto, and to assist the reader to assess material changes in the financial condition and results of operations of the Company for such periods. The Company's presentation currency is Canadian dollars. Reference herein to \$ or CAD is to Canadian dollars, US\$ or USD is to United States dollars, and BWP is to Botswana pula. "This quarter" or "the quarter" means the fourth quarter ("**Q4**") of 2024. "The current year" means the twelve months ended December 31, 2024 and "the prior year" means the twelve months ended December 31, 2023. On December 31, 2024, the daily exchange rate: (i) for one United States dollar expressed in Canadian dollars was US\$1.00 = C\$1.4389 (or C\$1.00 = US\$0.6950); (ii) for one Botswanan Pula expressed in Canadian dollars was BWP 1.00 = C\$0.1018 (or C\$1.00 = BWP 9.8232); and (iii) for one Botswanan Pula expressed in United States dollars was BWP 1.00 = US\$0.0707 (or US\$1.00 = BWP 14.1346).

The financial statements and the financial information contained in this MD&A were prepared in accordance with generally accepted accounting principles in the United States ("**US GAAP**"). See further details in "*Recent Developments*" below.

In this MD&A, unless the context otherwise requires, references to the Company or PREM refer to Premium Resources Ltd. and its consolidated subsidiaries. All monetary amounts in the discussion are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information within the meaning of Canadian securities legislation (see "*Cautionary Note Regarding Forward Looking Statements*" below). All forward-looking information, including information not specifically identified herein, is made subject to cautionary language in this MD&A. Readers are cautioned to refer to the disclosure in this MD&A under the heading "*Cautionary Note Regarding Forward Looking Statements*" when reading any forward-looking information. This MD&A is prepared in accordance with Form 51-102F1 – *Management's Discussion and Analysis* adopted by the Canadian Securities Administrators and has been approved by the Board of Directors of the Company.

Readers are also encouraged to read the other public filings of the Company, which are available on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile. Other pertinent information about the Company can be found on the Company's website (<https://premiumresources.com/>).

Company Overview

PREM is a mineral exploration and evaluation company focused on the discovery and advancement of high-quality nickel-copper-cobalt-platinum group metals ("**Ni-Cu-Co-PGM**") resources. PREM is committed to governance through transparency, accountability, and open communication within PREM's team and stakeholders.

The Company's principal business activity is the exploration and evaluation of PREM's flagship asset, the Selebi nickel-copper-cobalt sulphide mine in Botswana and, separately, the Company's Selkirk nickel-copper-cobalt-platinum group elements sulphide mine, also in Botswana.

The Selebi and Selkirk mines are permitted with 10-year mining licences, granted in 2022, and renewable upon the submission of approved mine plans and other customary conditions, and benefit from significant local infrastructure. The Company's flagship Selebi mines include two operational shafts, the Selebi and Selebi North shafts and related infrastructure such as rail, power and roads (the "**Selebi Mines**"). The Selkirk mine together with related infrastructure is referred to herein as the "**Selkirk Mine**" and together with the Selebi Mines, the "**Mines**".

PREM is headquartered in Toronto, Ontario, Canada and is publicly traded on the TSX Venture Exchange (the "**TSXV**") under the symbol "PREM". Prior to November 20, 2024, the Company traded on the TSXV under its previous name and symbol, Premium Nickel Resources Ltd. and PNRL, respectively. In addition, the Company's common shares (the "**Common Shares**") are currently quoted on the OTC Pink Open Market under the symbol "PRMLF".

Recent Developments

Transition to United States Generally Accepted Accounting Principles

Historically, the Company has prepared its financial statements under International Financial Reporting Standards, as issued by the International Accounting Standards Board, for reporting as permitted by security regulators in Canada, as well as in the United States under the status of a foreign private issuer and a non-accelerated filer as defined by the United States Securities and Exchange Commission (the "SEC"). In fiscal 2024, the Company determined that it no longer qualified as a non-accelerated filer under the SEC rules, as the SEC rules apply to foreign private issuers. As a result, the Company elected to report with the SEC on domestic forms and comply with domestic company rules, which permit the Company to continue to avail itself of accommodations available to non-accelerated filers that file on domestic issuer forms. Consequently, the Company transitioned to preparing its financial statements using US GAAP for its SEC filing requirements.

The Company's consolidated financial statements for the years ended December 31, 2024, and 2023 have been prepared in accordance with US GAAP.

Summary of Activities

In 2023, PREM commenced its Phase 2 drill program undertaking a combination of resource and continued exploration drilling at the Selebi Mines to demonstrate the size potential of the Selebi Mines mineral system, with the aim of establishing an initial mineral resource estimate prepared in accordance with *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* ("**NI 43-101**") on the Selebi Mines (the "**Initial Selebi MRE**").

On September 20, 2024, the Company filed a NI 43-101 technical report in respect of the Initial Selebi MRE, entitled "*NI 43-101 Technical Report, Selebi Mines, Central District, Republic of Botswana*" (the "**Selebi Technical Report**") and dated September 20, 2024 (with an effective date of June 30, 2024) for its Selebi Mines. The Initial Selebi MRE will serve as the basis for future engineering and economic studies. The Selebi Technical Report was filed on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile.

The Selebi North underground ("**SNUG**") resource and exploration drilling program continued throughout 2024 and into 2025. During 2024 and up to the date of this report, the Company has drilled approximately 45,827 metres in 87 holes, bringing the SNUG drilling program total to 63,947 metres in 162 holes. Assays for a total of 33,963 metres across 80 completed holes have not been accounted for in the Initial Selebi MRE.

The Company has begun testing the deeper borehole electromagnetic ("**BHEM**") plates from N2 Limb and South Limb at SNUG. These assay results will continue to be released as they are received and confirmed by the Company.

During 2024, drill core from 17 historic holes at the Selkirk Mine were resampled to augment the historical database. Prospecting licences were explored through data compilation, differential global positioning system ("**DGPS**") of historic collars, surface prospecting, and two surface electromagnetic ("**EM**") surveys. Resampling of additional holes is underway with 20 holes transferred from Selkirk to the core processing facility at Selebi.

On January 10, 2025, the Company filed a Selkirk MRE, entitled "*NI 43-101 Technical Report, Selkirk Nickel Project, North East District, Republic of Botswana*" (the "**Selkirk Technical Report**") and dated January 8, 2025 (with an effective date of November 1, 2024) for the Selkirk Mine. The Selkirk MRE serves as a solid foundation for advancing the Selkirk deposit to an economic study. The Selkirk Technical Report was filed on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile.

For more information relating to the contemplated activities and milestones on the Mines, please see "*Exploration and Evaluation Activities*" below.

Highlights and Key Developments

- On January 1, 2024, James Gowans was appointed as the Chair of the board of directors (the "Board of Directors" or the "Board").
- Since January 1, 2024, the Company has reported assay results from the Selebi Mines from a total of 88 drill holes and 1 hole extension, pursuant to news releases issued from January 18, 2024 to January 27, 2025, the full text of which are available on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile and on the Company's website (<https://premiumresources.com/>).
- On June 14 and June 21, 2024, the Company closed two tranches of a non-brokered private placement offering of units of the Company (the "**Units**"), pursuant to which the Company issued a total of 35,256,409 Units at a price of \$0.78 per Unit for gross proceeds of approximately \$27.5 million (the "**June 2024 Financing**"). Each Unit is comprised of one Common Share and one Common Share purchase warrant. For a more detailed summary of the June 2024 Financing, see "*Liquidity — Financings*".
- On June 24, 2024, Norman MacDonald was appointed to the Board of Directors.
- On September 19, 2024, the Company announced the appointment of Paul Martin to the Board of Directors of the Company to fill a vacancy resulting from John Hick's retirement from the Board of Directors.
- On September 20, 2024, the Company filed the Selebi Technical Report. For details of the Initial Selebi MRE, see "*Selebi Mines, Botswana*".
- On November 11, 2024, the Company announced the extension of the study phase for the Selebi Mines project pursuant to the terms of the Selebi asset purchase agreement (the "**Selebi APA**") with the liquidator of BCL Limited ("**BCL**"). This extension follows successful completion by the Company of the work and investment milestones required by the Selebi APA. It provides the Company with an additional one year, to February 1, 2026, to complete an economic study and make the next milestone payment, in the amount of US\$25 million, under the Selebi APA.
- On November 18, 2024, the Company announced that it had changed its name from "Premium Nickel Resources Ltd." to "Premium Resources Ltd." Further, on November 20, 2024, the Company's Common Shares commenced trading under the new name and new stock ticker symbol "PREM".
- On December 2, 2024, the Company announced the retirement of Keith Morrison as Chief Executive Officer and a director of PREM, effective December 31, 2024. As of such date, Paul Martin began serving as the interim CEO.
- On January 10, 2025, the Company filed the Selkirk Technical Report. For details of the Selkirk MRE, see "*Selkirk Mine, Botswana*".
- On March 18, 2025, the Company announced the closing of a significant refinancing, including the introduction of a new strategic investor group and the deleveraging of its balance sheet with the conversion of its three-year term loan (the "**Term Loan**") with Cymbria Corporation ("**Cymbria**") into equity. On closing of the financing, Morgan Lekstrom was appointed Chief Executive Officer effective March 20, 2025. Mr. Lekstrom will also join the Board of Directors of the Company. James K. Gowans will retire as Chair of the Board but continue as a director of PREM, and Paul Martin will transition from his role as Interim Chief Executive Officer to Chairman of the Board.

Corporate Social Responsibility

The Company is committed to conducting its business in a socially responsible and sustainable manner, with a focus on environmental stewardship, health and safety, community engagement and ethical conduct. The Company has established policies and procedures in its *Code of Business Conduct and Ethics* to ensure compliance with applicable laws and regulations, as well as industry standards for responsible mining. PREM recognizes the importance of stakeholder engagement and works closely with local communities, indigenous groups and other stakeholders to ensure their concerns and perspectives are heard and addressed.

Exploration and Evaluation Activities

The following table outlines the key milestones, estimated timing and costs related to each of the Mines, based on the Company's reasonable expectations, intended courses of action and current assumptions and judgement, with information based as of December 31, 2024.

Key Milestones for Project	Expected Timing of Completion	Anticipated Costs
Selebi Mines & Selkirk Mine		
Advancement towards economic studies ⁽¹⁾	Ongoing, costs to December 31, 2025	\$13 million to \$16 million
Operating costs	Ongoing, costs to December 31, 2025	\$13 million to \$16 million

Notes:

- (1) The key milestones are to complete the metallurgical studies, further drilling and advancement of underground development to support drilling, test the deep BHEM plates beneath the Selebi Main deposit, continue the assaying of historical drill core at Selkirk, and advance engineering studies.

Readers are cautioned that the above represents the opinions, assumptions and estimates of management considered reasonable at the date the statements are made and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those described above. See "Cautionary Note Regarding Forward Looking Statements".

Selebi Mines, Botswana

The Selebi Mines were acquired on January 31, 2022, through an asset purchase agreement with the liquidator of BCL. Before giving effect to the future extension of the boundary of the Selebi mining licence discussed below under "*Contractual Obligations and Contingencies – Phikwe and Southeast Extension*", the Selebi Mines comprised a single mining licence covering an area of 11,504 hectares located near the town of Selebi Phikwe, approximately 150 kilometres southeast of the city of Francistown, and 410 kilometres northeast of the national capital Gaborone. The Selebi Mines include two operational shafts, Selebi and Selebi North, as well as all related surface (rail, power and roads) and underground infrastructure. The Selebi deposit began production in 1980 and Selebi North began production in 1990. Mining terminated at both operations in 2016 due to weak global commodity prices and a failure in the separate Phikwe smelter processing facility. The BCL assets were subsequently placed under liquidation in 2017.

On September 20, 2024, the Company filed the Selebi Technical Report on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile. The highlights of the Initial Selebi MRE, which information is supported by the Selebi Technical Report, is summarized in the table below:

Selebi Mines Mineral Resource Estimate, June 30, 2024

Classification	Deposit	Tonnage	Grade		Contained Metal	
		(Mt)	(% Cu)	(% Ni)	(000 t Cu)	(000 t Ni)
Indicated	Selebi North	3.00	0.90	0.98	27.1	29.5
	Total Indicated	3.00	0.90	0.98	27.1	29.5
Inferred	Selebi Main	18.89	1.69	0.88	319.2	165.5
	Selebi North	5.83	0.90	1.07	52.5	62.4
	Total Inferred	24.72	1.50	0.92	371.7	227.9

The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the Selebi Technical Report. Readers are cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability.

Exploration Activities

Selebi North

In August 2023, an underground resource and exploration drilling program at Selebi North was initiated, which continued throughout 2024 and into 2025. During 2024 and up to the date of this report, the Company has drilled approximately 45,827 metres in 87 holes, bringing the SNUG drilling program total to 63,947 metres in 162 holes. Assays for a total of 33,963 metres across 80 completed holes have not been accounted for in the Initial Selebi MRE. The program is a combination of infill and exploration drilling to follow the extension of the mineralization down-dip and down-plunge. The core is sampled and sent to ALS Chemex in Johannesburg for analysis. All holes were surveyed with a gyro instrument and selected holes were surveyed with BHEM. BHEM surveys have been completed in 89 underground holes.

Selebi Main

A total of 748 metres of surface drilling has been completed at Selebi Main in 2024 and to date. Historic hole sd120 was wedged at 500 metres and sd120-W1a was drilled to a length of 1,201 metres. This new hole, sd120-W1a, completed in September 2024, intersected massive sulphides at a distance of 46 metres north-northeast (minegrid) from the historic hole. A second hole, sd102a, was wedged at 491 metres and abandoned at 538 metres.

Further information on assay results can be found in the Company's news releases which are available on the Company's website (<https://premiumresources.com/>) and on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile. Assay results will continue to be released as they are received and confirmed by the Company.

Studies

In addition to the assays, the Company has released results of metallurgical studies, including leaching and precipitation studies using the Platsol process. To view these results of the metallurgical testing please see news releases entitled "*Premium Nickel Resources Ltd. Announces Results of Recent Metallurgical Testing of Samples from Selebi and Selkirk Mines*" dated September 13, 2023 and "*Premium Nickel Resources Ltd. Announces High Extraction Rates for All Metals in Recent Metallurgical Test Work Supporting Low Carbon Metal Production*" dated February 22, 2024. Copies of both releases are available on the Company's website (<https://premiumresources.com/>) and on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile.

Engineering trade off studies are nearing completion by DRA Global out of Johannesburg. These include alternative mining methods, electrification of the underground mining fleet, refurbishment of historical critical infrastructure, crushed ore conveying versus use of haul trucks, and blasting options.

During the year ended December 31, 2024, the Company incurred \$28,017,207 (2023 - \$21,469,132) in exploration and evaluation expenditures on the Selebi Mines. The Company incurred \$8,735,401 to acquire the Selebi Mines, and has incurred a further \$69,296,576 in exploration and evaluation expenditures project-to-date as at December 31, 2024.

Outlook – Selebi

The Company is continuing the SNUG exploration drilling program in 2025. Part of the program includes testing of the BHEM plates positioned down-dip and down-plunge from N2 and South Limbs, targeting expansion of the mineral resource of the Selebi North deposit. These BHEM plates are situated outside the Initial MRE boundary. The exploration program will include two underground drills with one drill targeting the area between the N2 Limb and N3 Limb while the second drill will focus on testing 100 metres down plunge of the South Limb.

In addition to the drilling, the Company is advancing metallurgical studies. Flowsheet designs are planned to be completed, taking into consideration the recently completed studies done on X-ray transmission ore sorting and pre-concentration. Smelting and hydrometallurgy preliminary studies are planned, along with the initial testing of the preferred option.

Selkirk Mine, Botswana

The Selkirk Mine was acquired in August 2022 through an asset purchase agreement with the liquidator of Tati Nickel Mining Company ("TNMC"). The Selkirk property consists of a single mining licence covering an area of approximately 14.6 square kilometres and four prospecting licences covering an area of approximately 126.7 square kilometres. The project is situated 28 kilometres south-east of the town of Francistown, and 75 kilometres north of the Selebi Mines. The four prospecting licences expired September 30, 2024, and applications for renewal were submitted prior to the expiry date. The Company received verbal confirmation that they were renewed during the first quarter of 2025 and will expire September 30, 2026.

On November 27, 2024, the Company announced the results of the Selkirk MRE. On January 10, 2025, the Company filed the Selkirk Technical Report on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile. The key highlights of the Selkirk MRE, which is supported by the Selkirk Technical Report, is summarized in the table below:

Selkirk Mine Mineral Resource Estimate, November 1, 2024

Classification	Tonnage	Grade				Contained Metal			
	(Mt)	(% Cu)	(% Ni)	(g/t Pd)	(g/t Pt)	(000 t Cu)	(000 t Ni)	(000 oz Pd)	(000 oz Pt)
Inferred	44.2	0.30	0.24	0.55	0.12	132	108	775	174

The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the Selkirk Technical Report. Readers are cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability.

Exploration Activities

The Selkirk MRE serves as a solid foundation for advancing the Selkirk deposit to an economic study. It was prepared using results from 232 surface and 10 underground historical drillholes drilled between 2003 and 2016, five 2016 drillholes sampled by PREM in 2021, and 17 historical drillholes resampled in 2024. Analytical results from PREM re-sampling showed higher platinum group element values compared to historic results and additional resampling is expected to result in higher Pt and Pd grades and contained metal.

Further, the Selkirk MRE was prepared under the conceptual processing scenario of producing two separate concentrates. Additional work on alternate processing options may result in higher recoveries. Cobalt, a potentially valuable by-product, has not been included in the Selkirk MRE as cobalt analyses are not consistently available throughout the deposit. Planned metallurgical studies will determine payability of cobalt at the Selkirk Mine.

Exploration programs have been ongoing at the prospecting licences located adjacent to the Selkirk mining licence, with DGPS of seven historical drillhole collars and two surface EM surveys completed in Q2 2024. The strongest EM anomaly occurs over the Rooikoppie Prospect, a gossan that was targeted by BCL drill holes. These five holes were located, DGPS coordinates collected, and two holes, DRKP001 and 002, were sampled in Q3 2024. Assays showed no significant results in Ni, Cu, or PGMs.

Studies

The Company has been exploring alternate processing options, including producing a lower grade nickel concentrate suitable for hydrometallurgical processing. Phase 1 hydrometallurgical test-work using the Platsol process began in late 2023 and was completed in January 2024. To view results of the metallurgical testing, please see the Company's news releases entitled "Premium Nickel Resources Ltd. Announces Results of Recent Metallurgical Testing of Samples from Selebi and Selkirk Mines" dated September 13, 2023 and "Premium Nickel Resources Ltd. Announces High Extraction Rates for All Metals in Recent Metallurgical Test Work Supporting Low Carbon Metal Production" dated February 22, 2024.

Recoveries of all the payable metals (Ni, Cu, Co, Au, Pt and Pd) to the solution phase were very high (generally >99%) in the initial batch autoclave testing. The downstream processes have been tested at bench scale and, although it is not possible to precisely quantify final metal recoveries to saleable products until continuous, integrated piloting is completed, overall

recoveries of all payable metals should be >95% based on commercial experience of base metal hydrometallurgical plants. This study demonstrated that alternate processing options are potentially viable at Selkirk.

During the year ended December 31, 2024, the Company incurred \$1,477,696 (2023 - \$1,233,342) in exploration and evaluation expenditures on the Selkirk Mine. The Company incurred \$327,109 to acquire the Selkirk Mine, and has incurred a further \$3,058,502 in exploration and evaluation expenditures project-to-date as at December 31, 2024.

Outlook – Selkirk

The Company will continue its expanded re-sampling program of historic core.

The Company has planned additional metallurgical studies at Selkirk including flowsheet designs, X-ray transmission ore sorting and pre-concentration.

Other Properties

Maniitsoq Nickel-Copper-PGM Project, Southwest Greenland

No exploration work was carried out in Greenland in 2024. In early December 2024, the Company notified the Government of Greenland that it was relinquishing its licences effective immediately and is awaiting final approval from authorities.

Canadian Nickel Projects - Sudbury, Ontario

Post Creek Property

The Post Creek property is located 35 kilometres east of Sudbury in Norman, Parkin, Alymer and Rathburn townships and consists of 64 unpatented mining claim cells in two separate blocks, covering a total area of 847 hectares held by the Company. The Company acquired the property through an option agreement in April 2010, which was subsequently amended in March 2013. As at the date of this MD&A, the Company holds a 100% interest in the Post Creek property and is obligated to pay advances on a net smelter return of \$10,000 per annum, which will be deducted from any payments to be made under the net smelter return.

The Post Creek property lies adjacent to the Whistle Offset Dyke Structure which hosts the past-producing Whistle Offset and Podolsky Cu-Ni-PGM mines. Post Creek lies along an interpreted northeast extension of the corridor containing the Whistle Offset Dyke and Footwall deposits and accounts for a significant portion of all ore mined in the Sudbury nickel district and, as such, represents favourable exploration targets. Key lithologies are Quartz Diorite and metabreccia related to offset dykes and Sudbury Breccia associated with Footwall rocks of the Sudbury Igneous Complex which both represent potential controls on mineralization.

No exploration work was completed in 2024 on the Post Creek Property. The claims have sufficient work credits to keep them in good standing until 2027. No material expenditures or activities are contemplated on the Post Creek property at this time.

Halcyon Property

The Halcyon property is located 35 kilometres northeast of Sudbury in the Parkin and Alymer townships and consists of 62 unpatented mining cells for a total of 1,024 hectares. Halcyon is adjacent to the Post Creek property and is approximately two kilometres north of the producing Podolsky Mine of FNX Mining. The property was acquired through an option agreement and as at the date of this MD&A, the Company holds a 100% interest in the Halcyon property and is obligated to pay advances on a net smelter return of \$8,000 per annum, which will be deducted from any payments to be made under the net smelter return.

No exploration work was completed on the Halcyon Property in 2024. The claims are in good standing through 2027. No material expenditures or activities are contemplated on the Halcyon property at this time.

Quetico Property

The Quetico property is located within the Thunder Bay Mining District of Ontario and consisted of 99 claim cells in two blocks. Cells were acquired to assess: (a) the Quetico Sub-province corridor, which hosts intrusions with Ni-Cu-Co-PGM mineralization related to a late 2690 Ma Archean magmatic event; and (b) the Neoproterozoic (1100 Ma MCR) magmatic event and related intrusions.

No work was carried out on the Quetico property in 2024. The last remaining claims expired on April 26, 2024.

Selected Financial Information and Financial Position

The following amounts are derived from the Financial Statements, prepared in accordance with US GAAP.

<i>In Canadian dollars, except number of shares outstanding</i>	Three months ended December 31,		Year ended December 31,		
Income Statement	2024	2023	2024	2023	2022
Net loss	11,274,951	10,176,556	42,420,283	32,376,069	27,306,350
Weighted average number of Common Shares outstanding – basic and diluted	185,708,588	138,475,825	168,932,859	128,509,525	109,661,379
Basic and diluted loss per share	0.06	0.07	0.25	0.25	0.25
Balance Sheet			December 31, 2024	December 31, 2023	December 31, 2022
Additional paid-in capital			145,025,333	116,069,973	77,302,736
Common Shares outstanding			185,708,588	149,300,920	116,521,343
Total assets			24,953,469	37,974,205	18,411,643
Current liabilities			4,655,182	5,891,289	12,462,372
Non-current financial liabilities ⁽¹⁾			19,229,349	18,192,547	1,530,341

Note:

(1) Non-current financial liabilities include the Term Loan, lease liabilities and vehicle financing.

Net Loss

The net loss of \$42,420,283 for the year ended December 31, 2024, was higher by \$10,044,214 compared to the prior year net loss of \$32,376,069, largely due to increased exploration activities of \$6,787,620 relating to the Botswana assets, an increase of \$2,333,076 in general and administrative expenses related to share-based compensation and the retirement of the Company's former Chief Executive Officer, and the higher interest expense and accretion on the Term Loan of \$1,434,306.

Total Assets

Total assets as at December 31, 2024, decreased by \$13,020,736 from the December 31, 2023 balance as a result of lower cash balances in the current period.

Current Liabilities and Non-Current Financial Liabilities

Current liabilities as at December 31, 2024, decreased by \$1,236,107 from December 31, 2023, due to a decrease in lease liabilities resulting from the repayment of principal and interest on the Syringa Lodge and drilling equipment leases. Non-

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current financial liabilities as at December 31, 2024, increased by \$1,036,802 from December 31, 2023, as a result of the accretion of costs associated with the Term Loan.

Quarterly Results of Operations

<i>All amounts in this table are expressed in thousands of Canadian dollars, except shares and per share amounts</i>	2024	2024	2024	2024
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Statement of Operations and Comprehensive Loss				
Net loss	11,275	12,005	9,793	9,347
Net loss per share - basic and diluted	0.06	0.06	0.06	0.06
Statement of Financial Position				
Cash	6,106	17,358	28,082	9,367
Total assets	24,953	37,292	47,534	28,458
Additional paid-in capital	145,025	144,789	143,875	116,460
Common Shares outstanding	185,708,588	185,708,588	185,708,588	149,427,179
Weighted average shares outstanding – basic and diluted	185,708,588	185,708,588	154,972,579	149,373,068
<i>All amounts in this table are expressed in thousands of Canadian dollars, except shares and per share amounts</i>	2023	2023	2023	2023
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Statement of Operations and Comprehensive Loss				
Net loss	10,176	7,685	8,147	6,368
Net loss per share - basic and diluted	0.07	0.06	0.07	0.05
Statement of Financial Position				
Cash	19,246	8,853	21,608	5,314
Total assets	37,974	26,806	35,249	19,368
Additional paid-in capital	116,070	100,919	101,119	84,577
Common Shares outstanding	149,300,920	135,730,527	135,730,527	120,958,527
Weighted average shares outstanding – basic and diluted	138,475,825	135,730,527	121,283,186	118,246,915

Overall Performance and Results of Operations

As at the date of this MD&A, the Company has not earned revenue nor proved the economic viability of its projects. The Company's expenses are not subject to seasonal fluctuations or general trends other than factors affecting costs such as inflation and input prices. The Company's expenses and cash requirements will fluctuate from period to period depending on the level of activity at the projects, which may be influenced by the Company's ability to raise capital to fund these activities. Comparisons of activity made between periods should be viewed with this in mind. The Company's quarterly results may be affected by many factors such as timing of exploration activity, share-based compensation costs, capital raised, marketing activities and other factors that affect the Company's exploration and evaluation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fourth Quarter and Full Year Ended December 31, 2024



The following table summarizes the Company's Operations for the three and twelve-month periods ended December 31, 2024, and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
EXPENSES				
General exploration expenses	7,714,199	6,903,046	29,651,360	22,863,740
Depreciation and amortization	492,787	503,523	1,581,270	744,783
General and administrative expenses	2,949,052	2,104,114	7,980,178	5,647,102
DSUs granted	138,113	234,122	1,020,523	798,122
Fair value movement of DSUs	(489,520)	(122,638)	(963,340)	(128,114)
Net foreign exchange loss	47,725	138,103	408,086	395,020
LOSS FOR THE YEAR BEFORE OTHER ITEMS	10,852,356	9,760,270	39,678,077	30,320,653
Interest (income) expense, net	(116,547)	(5,919)	(114,114)	222,387
Interest expense and accretion on Term Loan and A&R Promissory Notes	792,141	946,736	3,109,319	2,357,560
Other income	(252,999)	-	(252,999)	-
Deferred tax recovery	-	(524,531)	-	(524,531)
NET LOSS FOR THE PERIOD	11,274,951	10,176,556	42,420,283	32,376,069

- **General exploration expenses** increased by \$811,153 and \$6,787,620 for the three and twelve months ended December 31, 2024, respectively, as the Company ramped-up drilling, geology, geophysics, mine development, and other activities at the Mines over the year.
- **Depreciation** for the three months ended December 31, 2024, was consistent with the prior year comparable period. Depreciation was higher for the year ended December 31, 2024, when compared to the previous year due to significant property, plant and equipment acquisitions in late 2023.
- **General and administrative expenses** increased by \$844,938 and \$2,333,076 for the three and twelve months ended December 31, 2024, respectively, mainly due to costs of \$1,168,729 associated with the retirement of the Company's Chief Executive Officer in December 2024, higher share-based compensation related to the Company's new restricted share unit ("RSU") plan and a change in the vesting pattern of the Company's 2024 stock option grants, as well as higher filing and professional fees relating to additional regulatory reporting requirements in 2024.
- **DSUs granted, net of fair value movement**, or deferred share units, represents the Company's long-term incentive program compensation granted to directors of the Company, net of period-end mark to market adjustments. The decrease of \$462,891 and \$612,825 for the three and twelve months ended December 31, 2024, respectively, is due to downward mark to market adjustments on outstanding units resulting from a decrease in the Company's share price. In addition, there was a voluntary reduction in directors' compensation for the three months ended December 31, 2024.
- **Interest income and expense** represents interest income earned on cash and cash equivalent deposits and interest expense on the Company's lease liabilities and vehicle financing. Net interest income increased by \$110,628 and \$336,501 for the three and twelve months ended December 31, 2024, respectively, as the Company held higher cash balances arising from the June 2024 Financing in guaranteed investment certificates. Further, the final instalments on the drilling equipment and Syringa Lodge leases were paid in 2024, resulting in lower interest expense for the current year periods.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fourth Quarter and Full Year Ended December 31, 2024



- **Interest expense and accretion on Term Loan and A&R Promissory Notes** comprises the accrued interest on the Company's Term Loan and amended and restated promissory notes, as well as the accretion of related transaction costs and fees. The decrease of \$154,595 for the three months ended December 31, 2024, relates to a higher undiscounted balance on the Term Loan in the current year period. The increase of \$751,759 for the year ended December 31, 2024, when compared to the previous year, reflects the cost of the Term Loan being outstanding for a full 12 months in 2024, compared to six months in 2023.
- **Deferred tax recovery** of \$524,531 related to the warrants issued with the Term Loan was recognized in the prior year period.

Cash Flows

The following table summarizes the Company's cash flows:

	Year ended December 31,	
	2024	2023
	\$	\$
Cash flows		
Operating activities	(37,599,434)	(29,462,860)
Investing activities	(1,022,231)	(5,254,964)
Financing activities	25,346,644	50,138,346
Increase (decrease) in cash and cash equivalents before effects of exchange rate changes	(13,275,021)	15,420,522
Effect of exchange rate changes on cash and cash equivalents	135,326	(1,337,885)
Change in cash and cash equivalents for the period	(13,139,695)	14,082,637
Cash and cash equivalents at the beginning of the period	19,245,628	5,162,991
Cash and cash equivalents at the end of the period	6,105,933	19,245,628

Operating Activities

Net cash used in operating activities for 2024 increased by \$8,136,574 compared to 2023 resulting from the ramp-up of drilling, geology, geophysics, mine development, and other activities at the Mines over the year.

Investing Activities

Key investing activities relate to the acquisition of property, plant and equipment. Net cash used in investing activities for 2024 decreased by \$4,232,733 compared to 2023. The higher spending in 2023 was related to the acquisition of mobile equipment and the upfront purchase of tools and parts for the three drills which were leased in 2023.

Financing Activities

Net cash provided by financing activities for 2024 decreased by \$24,791,702 compared to 2023. During 2023, the Company obtained a Term Loan for gross proceeds of approximately \$20.0 million and closed private placements for gross proceeds of approximately \$39.8 million, using a portion of those funds to repay a \$7.0 million promissory note from Pinnacle Island LP. During 2024, the Company closed private placements for gross proceeds of approximately \$27.5 million.

Liquidity & Capital Resources

The Company, being in the exploration and evaluation stage, is subject to risks and challenges similar to companies in a comparable stage of exploration and evaluation. These risks include the challenges of securing adequate capital for exploration and advancement of the Company's material projects, operational risks inherent in the mining industry, and global economic and metal price volatility, and there is no assurance management will be successful in its endeavors.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fourth Quarter and Full Year Ended December 31, 2024



The properties in which the Company currently has an interest are in the pre-revenue stage. Operating cash outflows are highly dependent upon the exploration and evaluation programs taking place at that time. As such, the Company is dependent on external financing to fund its activities and the advancement of its projects. In order to carry out the planned project advancement and cover administrative costs, the Company will need to use its existing working capital and raise additional amounts as needed.

As at December 31, 2024, the Company had \$6,105,933 in available cash (December 31, 2023 – \$19,245,628), with no sources of operating cash flows, and no significant credit lines in place. As at December 31, 2024, the Company had working capital (calculated as total current assets less total current liabilities) of \$2,963,061 (December 31, 2023 – \$14,787,484). The decrease in working capital is mainly due to lower cash balances in support of exploration and evaluation activities.

Financings

On March 18, 2025, the Company closed a significant refinancing and the deleveraging of its balance sheet with the conversion of the Term Loan into equity (see "*Subsequent Events*"). Subject to any changes in the Company's operational plan, this transaction will provide the Company with the funds required to advance its planned activities and cover administrative costs through to the end of 2025.

On June 14, 2024, the Company closed the first tranche of the June 2024 Financing, pursuant to which the Company issued an aggregate 19,234,614 Units at a price of \$0.78 per Unit (the "**Issue Price**") for aggregate gross proceeds of \$15,002,999. Each Unit is comprised of one common share of the Company (each, a "**Common Share**") and one Common Share purchase warrant of the Company (each, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one Common Share for a period expiring 60 months following the date of issuance (the "**Expiry Date**") at a price of \$1.10 per Common Share. If, at any time prior to the Expiry Date, the volume-weighted average trading price of the Common Shares is at least \$2.00 per Common Share for a period of 20 trading days, the Company may, at its option, accelerate the Expiry Date within 30 days' notice to the Warrant holders.

On June 21, 2024, the Company closed the second tranche of the June 2024 Financing and issued an additional 16,021,795 Units at the Issue Price for gross proceeds of \$12,497,000. Together with proceeds from the first tranche, the total size of the June 2024 Financing was approximately \$27.5 million. As at December 31, 2024, the Company has expended \$21,178,020 of the June 2024 Financing.

On December 14, 2023, the Company closed a financing (the "**December 2023 Financing**") comprised of a brokered private placement of units (the "**December 2023 Private Placement**") and an amended Term Loan. Under the December 2023 Private Placement, the Company issued an aggregate of 13,133,367 Common Shares at a price of \$1.20 per Common Share for aggregate gross proceeds of \$15,760,040. The principal amount of the Term Loan was increased by \$5,882,353 (the "**Additional Principal Amount**") from \$15,000,000 to \$20,882,353. The Additional Principal Amount was subject to an original issue discount of approximately 15% and was advanced by Cymbria to the Company as a single advance of \$5,000,000. The net proceeds from the December 2023 Financing were \$19,743,845 after fees and expenses, which have been used to advance the exploration and evaluation of the Mines and for general corporate and working capital purposes. As at December 31, 2024, all of the net proceeds of the December 2023 Financing had been expended as planned.

Although the Company has been successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future. Factors that could affect the availability of financing include the progress and results of ongoing exploration and evaluation activities at the Mines, the state of international debt and equity markets, as may be impacted by inflation and investor perceptions and expectations with respect to global commodity markets. If necessary, depending on the amount of funding raised, the Company may explore opportunities to defer the timing of certain discretionary expenditures and the Company's planned initiatives and other work programs may be postponed, or otherwise revised.

Use of Proceeds

The following table provides a summary of the principal use of proceeds of the June 2024 Financing and the December 2023 Financing.

Principal Purpose	Estimated Amount as at December 31, 2024⁽¹⁾ \$000's	Amounts Expended as at December 31, 2024 \$000's
June 2024 Financing		
Activities relating to the Selebi Mines	22,500 ⁽²⁾	18,541
Activities relating to the Selkirk Mine	1,000 ⁽³⁾	936
General corporate and working capital	3,800 ⁽⁴⁾	1,701
	27,300	21,178

Principal Purpose	Estimated Amount \$000's	Amounts Expended as at December 31, 2024 \$000's
December 2023 Financing		
Activities relating to the Selebi Mines	11,520 ⁽⁵⁾	11,520
Activities relating to the Selkirk Mine	400 ⁽⁶⁾	400
General corporate and working capital	7,839 ⁽⁷⁾	7,839
	19,759	19,759

Notes:

- (1) The use of the June 2024 Financing proceeds has been updated as of December 31, 2024, to reflect any changes in planned activities, as outlined below.
- (2) Represents approximately: (i) \$21,200,000 for the advancement of the Selebi Mines towards an economic study; and (ii) \$1,309,125 for the last instalment of the purchase price of the Syringa Lodge.
- (3) Represents the cost to advance the Selkirk Mine to a mineral resource estimate and exploration activities on the prospecting licences.
- (4) Represents approximately: (i) \$1,313,014 allocated to the payment of interest on the Term Loan; and (ii) approximately \$2,500,000 allocated to general corporate expenses and working capital.
- (5) Represents approximately: (i) \$10,120,000 for the advancement of the Selebi Mines towards a NI 43-101 compliant mineral resource estimate; and (ii) \$1,400,000 for mining licence extension payment.
- (6) Represents certain geophysics and geology costs, care and maintenance and prospecting licences.
- (7) Represents approximately (i) \$2,080,000 allocated to the payment of interest on the Term Loan; and (ii) \$5,759,000 allocated to general corporate expenses.

Going Concern

The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations and its ability to obtain adequate financing. The Company incurred a net loss of \$42,420,283 for the year ended December 31, 2024 (December 31, 2023 - \$32,376,069). To date, the Company has not generated profitable operations from its resource activities. It is not possible to predict whether future financing efforts will be successful or if the Company will attain a profitable level of operations. These material uncertainties cast substantial doubt about the Company's ability to continue as a going concern. The accompanying Annual Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities, and the reported expenses and comprehensive loss that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material. In assessing whether a going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the date of this report.

Contractual Obligations and Contingencies

Contractual Obligations

As of December 31, 2024, the Company had no material commitments for capital expenditures over the next 12 months, however the Company had the following contractual obligations and commitments:

Selebi Mines

As per the Selebi APA, the aggregate purchase price payable to the seller for the Selebi Mines is the sum of US\$56,750,000 which amount shall be paid in three instalments:

- US\$1,750,000 payable on the closing date, and payment of care and maintenance funding contributions in respect of the Selebi Mines from March 22, 2021, to the closing date of US\$5,178,747. These payments have been made.
- US\$25,000,000 upon the earlier of: (i) approval by the Botswana Ministry of Mineral Resources, Green Technology and Energy Security ("**MMRGTES**") of the Company's Section 42 and Section 43 applications (for the further extension of the mining licence and conversion of the mining licence into an operating licence, respectively); and (ii) on the expiry date of the study phase, January 31, 2026. Pursuant to the Selebi APA, the study phase has been extended for one year from the original expiry date of January 31, 2025. This extension follows successful completion by the Company of the work and investment milestones required by the Selebi APA.
- The third instalment of US\$30,000,000 is payable on the completion of mine construction and production start-up by the Company on or before January 31, 2030, but not later than four years after the approval by the Minister of MMRGTES of the Company's Section 42 and Section 43 applications.

As per the terms and conditions of the Selebi APA, the Company has the option to cancel the second and third payments and return the Selebi Mines to the liquidator if the Company determines that the Selebi Mines are not economical. The Company also has an option to pay in advance the second and third payments if the Company determines that the Selebi Mines are economical. The Company's accounting policy is to measure and record contingent consideration when the conditions associated with the contingency are met. As of December 31, 2024, none of the conditions of the second and third instalments have been met, hence these amounts are not accrued in the Financial Statements.

In addition to the Selebi APA, the purchase of the Selebi Mines is also subject to a royalty agreement as well as a contingent consideration agreement with the liquidator. The royalty agreement consists of a net smelter royalty ("**NSR**") of 2% on the net value of sales of concentrate or other materials with respect to production from the Selebi mining licence, of which the Company has the right to buy-back 50%. The contingent consideration agreement consists of two components: (i) a sliding scale payment of US\$0.50/tonne of ore up to US\$1.40/tonne of ore with respect to the discovery of new mineable deposits greater than 25 million tonnes of ore and; (ii) price participation of 15% on post-tax net earnings directly attributable to an increase of 25% or more in commodity prices, on a quarterly basis, for a period of seven years from the date of first shipment of concentrate or other materials.

Both the Selebi Mines and Selkirk Mine are subject to a royalty payable to the Botswana Government of 5% of all precious metals sales and 3% of all base metals sales.

Phikwe South and the Southeast Extension

In August 2023, the Company announced that it had entered into a binding commitment letter with the liquidator of BCL to acquire a 100% interest in two additional deposits, Phikwe South and the Southeast Extension, located adjacent to and immediately north of the Selebi North historical workings. The acquisition of the Phikwe South and the Southeast Extension deposits is subject to customary closing conditions and has not yet closed as of March 19, 2025.

The upfront cost to the Company to acquire these additional mineral properties is US\$1,000,000. In addition, the Company has agreed to additional work commitments of US\$5,000,000 in the aggregate over four years. As a result of the extension of the Selebi mining licence, the remaining asset purchase obligations of the Company outlined in the Selebi APA will each increase by 10%, US\$ 5,500,000 in total, while the trigger events remain unchanged. The existing 2% NSR and contingent consideration

agreement held by the liquidator with respect to production from the Selebi mining licence will also apply to production from these additional deposits, subject to the Company's existing buy-back right for 50% of the NSR.

Selkirk Mine

In regard to the Selkirk Mine, the purchase agreement does not provide for a purchase price or initial payment for the purchase of the assets. The Selkirk purchase agreement provides that if the Company elects to develop Selkirk first, the payment of the second Selebi instalment of US\$25 million would be due upon the approval by the Minister of MMRGTES of the Company's Section 42 and Section 43 applications (for the further extension of the Selkirk mining licence and conversion of the Selkirk mining licence into an operating licence, respectively). For the third Selebi instalment of US\$30 million, if Selkirk were commissioned earlier than Selebi, the payment would trigger on Selkirk's commission date.

In addition to the Selkirk purchase agreement, the purchase of the Selkirk Mine is also subject to a royalty agreement as well as a contingent consideration agreement with the liquidator. The royalty agreement consists of an NSR of 1% on the net value of sales of concentrate or other materials with respect to production from the Selkirk mining licence, which the Company has the right to buy-back in full. The contingent consideration agreement is on similar terms as the Selebi Mines contingent consideration.

NSR Option

The Company received \$2,750,000 (the "**Option Payment**") from Cymbria for their right to participate in the Company's right to repurchase one-half of the Selebi NSR and the entirety of the Selkirk NSR. Cymbria has the right to put its options back to the Company in certain circumstances in return for the reimbursement of the applicable portion of the Option Payment. Cymbria also has the right to compel the Company to repurchase the applicable portion of its NSR from the relevant liquidator.

Term Loan

The Company had an outstanding Term Loan at December 31, 2024, in the amount of \$20,882,353 that bore interest at a rate of 10% per annum payable quarterly in arrears, with the principal maturing on June 28, 2026. The Term Loan was subject to certain covenants and provisions on events of default, repayments and mandatory prepayments, including: (i) increase in the interest rate payable on the Term Loan to 15% per annum upon the occurrence of an event of default; (ii) the Company could prepay all or any portion of the principal amount outstanding with a minimum repayment amount of \$500,000 and in an integral multiple of \$100,000, together with all accrued and unpaid interest on the principal amount being repaid; and (iii) mandatory prepayment was to be made when the Company had non-ordinary course asset sales or other dispositions of property or the Company received cash from the issuance of indebtedness for borrowed money. As at December 31, 2024, the Company was in compliance with the Term Loan covenants.

In March 2025, the Company announced a significant refinancing and the deleveraging of its balance sheet with the conversion of the Term Loan into equity (see "*Subsequent Events*").

While the Company has arranged this additional financing, the proceeds are intended for the advancement of exploration and evaluation activities at the Mines. Therefore, the Company will need to arrange additional financing to meet its commitments under the asset purchase agreements.

Contingencies

There are no environmental liabilities associated with the Mines as at the acquisition dates as all liabilities incurred prior to the acquisitions are the responsibility of the sellers, BCL and TNMC. The Company has an obligation for the rehabilitation costs arising subsequent to the acquisitions. As of December 31, 2024, there were no material rehabilitation costs for which the Company expects to incur, and management is not aware of or anticipating any contingent liabilities that could impact the financial position or performance of the Company related to its exploration and evaluation assets.

The Company's exploration and evaluation assets are affected by the laws and environmental regulations that exist in the various jurisdictions in which the Company operates. It is not possible to estimate any future contingent liabilities and the impact on the Company's operating results due to future changes in the Company's development of its projects or future changes in such laws and environmental regulations.

Related Party Transactions

Related party transactions are summarized below and include transactions with the following individuals or entities:

Key management (defined as members of the Board of Directors and certain senior officers) compensation was related to the following:

	Year ended December 31,	
	2024	2023
	\$	\$
Salaries and management fees	1,373,388	1,195,550
One-time retirement benefit	1,168,729	-
Site operations and administration	2,088,356	2,394,776
DSUs granted, net of fair value movements	57,183	670,008
Share-based compensation	1,252,483	657,138
	5,940,139	4,917,472

As a result of the 2023 Financing Transactions on June 28, 2023, and December 14, 2023, Cymbria and certain other funds managed by EdgePoint (the "**Financing Parties**") acquired a total of 16,037,800 Common Shares. The Financing Parties also acquired on closing of the 2023 Financing Transactions an aggregate of 6,024,000 warrants with an expiration date of June 28, 2026 and an exercise price of \$1.4375. Further, in connection with the June 2024 Financing, EdgePoint subscribed for 7,692,307 Units at \$0.78 per Unit for gross proceeds of approximately \$6.0 million.

As of December 31, 2024, EdgePoint beneficially owns 23,833,224 Common Shares and 13,716,307 Warrants, representing approximately 12.8% of the issued and outstanding Common Shares (approximately 18.8% on a partially-diluted basis assuming the exercise of all warrants held by EdgePoint). All warrants issued to EdgePoint as part of the June 2024 Financing include customary restrictions providing that EdgePoint will not exercise such number of warrants so as to bring its undiluted share ownership percentage above 20.0% of the Company's issued and outstanding Common Shares without obtaining the requisite shareholder and TSXV approval.

In connection with the June 2024 Financing, certain insiders of the Company subscribed for an aggregate of 1,389,140 Units for gross proceeds of \$1,083,529. Each subscription by an "insider" is considered to be a "related party transaction" for the purposes of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

For the year ended December 31, 2024, the Company paid interest of \$2,082,830 (2023 - \$793,392) to the Financing Parties.

Segmented Disclosure

The Company operates in one reportable operating segment, being that of the acquisition, exploration and evaluation of mineral properties, in three geographic segments, being Canada, Barbados, and Botswana. The Company's geographic segments are as follows:

	December 31, 2024	December 31, 2023
	\$	\$
Current assets		
Canada	4,066,121	15,894,177
Barbados	89,446	104,024
Botswana	3,462,676	4,680,572
Total	7,618,243	20,678,773
Property, plant and equipment		
Canada	-	8,726
Botswana	8,488,405	8,691,908
Total	8,488,405	8,700,634
Exploration and evaluation assets		
Botswana	8,846,821	8,594,798

The Company's exploration and evaluation activities are assessed at the individual project level. The Selebi and Selkirk projects below make up the Botswana geographic segment.

	Year ended December 31, 2024			
General Exploration Expenses	Selebi	Selkirk	Other	Total
	\$	\$	\$	\$
Drilling	6,703,402	-	-	6,703,402
Site operations, administration, and overhead	4,298,941	435,957	156,457	4,891,355
Infrastructure and equipment maintenance	3,872,782	-	-	3,872,782
Geology	3,042,562	505,783	-	3,548,345
Mine development	3,030,676	-	-	3,030,676
Electricity	2,904,188	27,377	-	2,931,565
Engineering and technical studies	1,066,361	248,343	-	1,314,704
Geophysics	993,152	107,942	-	1,101,094
Freight, tools, supplies, and other consumables	915,925	10,417	-	926,342
Health and safety	319,146	44	-	319,190
Environmental, social and governance	302,737	-	-	302,737
Share-based compensation	567,335	141,833	-	709,168
Total	28,017,207	1,477,696	156,457	29,651,360

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at December 31, 2024.

Financial Instruments

ASC 820 - Fair Value Measurement establishes a three-tier fair value hierarchy. The fair value hierarchy's three tiers are based on the extent to which inputs used in measuring fair value are observable in the market, and are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: One or more significant inputs used in a valuation technique are unobservable in determining fair values of the asset or liability.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of an asset or liability in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The carrying value of cash and cash equivalents, trade payables and accrued liabilities approximate their fair value due to their short-term nature, and therefore have been excluded from the table below. A summary of the carrying value and fair value of other financial instruments were as follows:

	Classification	December 31, 2024		December 31, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
		\$	\$	\$	\$
Lease liabilities	Level 2	-	-	1,611,143	1,611,143
DSU liability	Level 1	941,664	941,664	884,481	884,481
Vehicle financing	Level 2	246,137	246,137	236,124	236,124
Term Loan	Level 3	18,983,212	20,862,478	17,956,423	20,839,975
NSR option liability	Level 2	2,750,000	2,750,000	2,750,000	2,750,000

Lease liabilities and vehicle financing - The fair values approximate carrying values as the interest rates are comparable to current market rates.

DSU liability - the fair value of the DSUs is measured using the closing price of the Company's Common Shares at the end of each reporting period.

Term Loan – the Term Loan is carried at amortized cost. The fair value measurement of the Term Loan was based on an income approach.

NSR option liability – The fair value of the NSR options is determined using a valuation model that incorporates such factors as discounted cash flow projections, metal price volatility, and risk-free interest rate. As the NSR options are exercisable entirely at the discretion of Cymbria and the underlying projects are in the exploration stage, the fair value of the call and put on the options as at December 31, 2024 and December 31, 2023 is nil.

The carrying value of cash and cash equivalents, trade payables and accrued liabilities approximate their fair value due to their short-term nature.

The Company's financial instruments are exposed to certain market risks as discussed below:

Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and debt facilities. Interest payable on the Company's term loan and on the previously outstanding promissory note is at a fixed rate. Interest payable on the vehicle financing is based upon a variable base rate, being the lending institution's prime lending rate, plus a fixed rate margin.

Foreign Currency Exchange Risk

The Company primarily operates in Canada, Barbados and Botswana and undertakes transactions denominated in foreign currencies such as the US dollar and Botswana pula, and consequently is exposed to exchange rate risks. The value of cash and other financial assets and liabilities denominated in foreign currencies can fluctuate with changes in currency exchange rates. Exchange risks are managed by matching levels of foreign currency balances with the related obligations and by maintaining operating cash accounts in non-Canadian dollar currencies.

The following table illustrates the estimated impact a 5% USD and BWP change against the CAD would have on net loss before tax as a result of translating the Company's foreign denominated financial instruments:

Currency	Change	Effect on Net Loss (Earnings) Before Tax \$	Change	Effect on Net Loss (Earnings) Before Tax \$
USD	+5%	(77,981)	-5%	77,981
BWP	+5%	6,485	-5%	(6,485)

Credit Risk

The Company's credit risk is primarily associated with its cash and cash equivalents. The Company's exposure to credit risk arises from the potential default of the counterparty to its cash and cash equivalents, and the maximum exposure is limited to the carrying value of these instruments. The Company limits exposure to credit risk on its cash and cash equivalents by holding these instruments at highly-rated financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages the liquidity risk inherent in these financial obligations by regularly monitoring actual cash flows against its annual budget, which forecasts expected cash availability to meet future obligations. The Company will defer discretionary expenditures, as required, in order to manage and conserve cash required for current liabilities.

The following table shows the Company's undiscounted contractual obligations as at December 31, 2024:

	Less than 1 year \$	1 - 2 years \$	2 - 5 years \$	Total \$
Trade payables and accrued liabilities	4,477,580	-	-	4,477,580
Vehicle financing	136,935	86,479	22,723	246,137
Term loan	2,088,235	21,926,471	-	24,014,706
	6,702,750	22,012,950	22,723	28,738,423

The DSU liability of \$941,664 is not presented in the above liquidity analysis as management considers it not practical to allocate the amounts into maturity groupings.

Recently Adopted Accounting Pronouncements

ASU 2023-07, Segment Reporting - Improvements to Reportable Segment Disclosures. - The Accounting Standards Update ("ASU") is applicable to all public entities that are required to report segmented information in accordance with *ASC 280 - Segment Reporting* and is effective for annual reporting periods beginning after December 15, 2023. *ASU 2023-07, Segment Reporting - Improvements to Reportable Segment Disclosures* was issued to improve a public entity's disclosure of reportable segments, with the most significant requirement being for a public entity to disclose its significant segment expense categories

and amounts for each reportable segment. The Company adopted the new pronouncement effective January 1, 2024, with no impact to its consolidated financial statements.

Recently Issued Accounting Pronouncements and Disclosures Not Yet Adopted

ASU 2023-09, Income Taxes: Improvements to Income Tax Disclosures - In December 2023, the Financial Accounting Standards Board ("FASB") issued a final standard on improvements to income tax disclosures. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. This ASU becomes effective January 1, 2025. The Company is assessing the impact of this ASU, and upon adoption, may be required to include certain additional disclosures in the notes to its financial statements.

ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures - In November 2024, FASB issued an ASU which will require entities to provide disaggregated disclosure of specified categories of expenses that are included on the face of the income statement, including: purchases of inventory, employee compensation, depreciation, amortization and depletion. This ASU becomes effective January 1, 2027. The Company is assessing the impact of this ASU, and upon adoption, may be required to include certain additional disclosures in the notes to its financial statements.

Critical Accounting Estimates

The preparation of the Consolidated Financial Statements in conformity with US GAAP requires management to make assumptions and estimates that can affect reported amounts of assets, liabilities, revenue and expenses and the accompanying disclosures. Estimates are continuously evaluated and are based on management's historical experience and on other assumptions believed to be reasonable under the circumstances. However, different estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas involving a higher degree of complexity or significant management judgement, or areas where estimates are significant to the consolidated financial statements are:

(a) Recoverability of exploration and evaluation assets

The ultimate recoverability of the exploration and evaluation assets is dependent upon the Company's ability to obtain the necessary financing to complete the exploration and development and commence profitable production at its projects, or alternatively, upon the Company's ability to dispose of its interests therein on an advantageous basis. A review of the indicators of potential impairment is at minimum carried out at each reporting period.

Management undertakes a periodic review of these assets to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount of the assets is made. An impairment loss is recognized when the carrying value of the assets is higher than the recoverable amount and when mineral licence tenements are relinquished or have lapsed. In undertaking this review, management of the Company is required to make significant estimates of, among other things, discount rates, commodity prices, foreign exchange rates, availability of financing, future operating and capital costs and all aspects of project advancement. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the assets.

(b) Asset lives for depreciation and amortization

Property, plant and equipment comprise a large component of the Company's assets and as such, the depreciation of these assets have a significant effect on the Company's financial statements. Management must make estimates of the useful lives, as well as residual values, of each asset when calculating the depreciation of these assets. These useful life and residual value estimates are subject to various risks and uncertainties, and an asset's useful life may ultimately be shorter or longer than management's estimate, and residual values may differ from what was originally estimated.

(c) Going concern

The consolidated financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or has no realistic alternative but to do so. Assessment of the Company's ability to continue as a going concern requires the consideration of all available information about the future, which is at least, but not limited to, twelve months

from the end of the reporting period. This information includes estimates of future cash flows and other factors, the outcome of which is uncertain. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast substantial doubt upon the Company's ability to continue as a going concern, those uncertainties are disclosed.

(d) Valuation of share-based compensation and warrants

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock-based awards issued under the Company's stock option plan. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to, the Company's expected stock price volatility over the estimated term of the awards, and actual and projected stock option exercise behaviours. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in net loss over the requisite service period.

As part of the Company's financing transactions, units are issued containing Common Share purchase warrants. The fair value of these Common Share purchase warrants are calculated using a Monte Carlo model, which models the probability of a number of different outcomes not easily predicted.

(e) Deferred tax

The Company uses the asset and liability method in accounting for deferred taxes. Under this method, deferred taxes are recognized for future income tax. In preparing these estimates, management is required to interpret substantially enacted legislation as well as economic and business conditions along with management's tax and corporate structure plans which may impact taxable income in future periods.

(f) Asset retirement obligations

Management's best estimates regarding asset retirement obligations are based on the current economic environment. Changes in estimates of contamination, restoration standards and restoration activities result in changes to provisions from period to period. Actual asset retirement obligations will ultimately depend on future market prices for future restoration obligations.

Subsequent Events

On March 18, 2025, the Company closed a significant refinancing and the deleveraging of its balance sheet with the conversion of the Term Loan into equity (the "**Debt Conversion**").

The Company completed a private placement financing issuing 153,333,334 units of the Company at a price of \$0.30 per unit for aggregate gross proceeds of approximately \$46 million (the "**March 2025 Private Placement**"). Each unit consists of one Common Share and one-half of one warrant. Each warrant entitles the holder to acquire one additional Common Share at a price of \$0.55 per share until March 18, 2028. In addition, the Company issued 4,000,000 Common Shares at an issue price of \$0.30 per share to TriView Capital Ltd. for its services as finder.

In accordance with the previously announced debt settlement agreement, the Company has issued to Cymbria an aggregate of 69,607,843 units ("**Settlement Units**") at a deemed issue price of \$0.30 per unit in full satisfaction of the \$20,882,353 principal amount outstanding under the Term Loan, and the settlement of the \$268,896 accrued interest in cash. Each Settlement Unit consists of one Common Share and one Common Share purchase warrant (each, a "**Settlement Warrant**"). Each Settlement Warrant entitles the holder to acquire one additional Common Share at a price of \$0.40 per Common Share until March 18, 2028.

The Company also entered into advisory services agreements which include assistance with the identification of a new CEO, the Debt Conversion, and Company strategy. The advisors will continue to provide such services on an ongoing basis until June 30, 2025. The Company issued 12,750,000 Common Shares to the advisors at a deemed price per share of \$0.30 as consideration for their services. The shares remain subject to contractual resale restrictions for a 12-month period. The Company also paid its financial advisor a fee of US\$1,500,000, consisting of US\$500,000 in cash and US\$1,000,000 in 3,586,709 Common Shares issued at a price of US\$0.28 per share.

The Company also granted: (i) 5,750,000 stock options with each option having an exercise price of \$0.50, a term of five years, and vesting as to one-half on the date of grant and the balance on the first anniversary of the date of grant; and (ii) 3,175,000 RSUs, each RSU vesting in full on the first anniversary of the date of grant.

Operations in Emerging Markets

Guidance from Canadian securities regulators provides that issuers operating in markets deemed to be "emerging markets" include additional disclosure with respect to operations in such markets. The Company has its material properties and operating subsidiaries in Botswana. It is possible that operating in Botswana may expose the Company to a certain degree of political, economic and other risks and uncertainties. For these reasons, the following disclosure is included in contemplation of the guidance in Staff Notice 51-720 – *Issuer Guide for Companies Operating in Emerging Markets*. In conducting its operations in Botswana, the Company has, among other things: (i) engaged and maintained experienced management and technical teams located in Botswana and/or with extensive experience in operating properties in Africa; (ii) certain members of the Board of Directors and management routinely visit the Company's Botswana properties; (iii) retained advisors and technical experts in Botswana including its local counsel, Bookbinder Business Law ("**Bookbinder**"); and (iv) generally maintained robust internal control over its foreign subsidiaries, all of which are more particularly described below.

Subsidiaries and Operations in Botswana

The Company's principal business activity in Botswana is the re-development of the Mines.

The establishment and development of PNGPL and PNRPL, each of which is a Botswanan entity, adds an additional regulatory framework within which the Company operates and is supplementary to the regulatory framework existing in Canada. The Company holds its interest in the Selebi Mines and the Selkirk Mine indirectly through its 100% owned subsidiaries PNRPL and PNGPL, respectively.

The Company's operating entities in Botswana are governed in accordance with applicable local laws and entity-wide governance principles. The directors and management of the Company's operating entities in Botswana are generally comprised of a majority of senior management employees and where required by local laws, local residents, who are generally longstanding local management level employees, or local corporate counsel. In addition, certain members of the Company's management have experience conducting business in Botswana, as detailed below, where the Company has maintained operations since 2021. Operating in Botswana requires greater internal controls and adherence to a regulatory framework which creates challenges in relation to decision-making, communication, and compliance. The Company has experienced management and has retained legal advisors and consultants to help facilitate adherence to regulatory requirements in order to meet this challenge.

Experienced Board and Management

In addition to their experience with the Company, the Board of Directors and management also has extensive experience operating and managing investments and projects in Africa. Furthermore, they bring diverse expertise in areas such as global strategy, finance, exploration, technology, and corporate development. Their collective experience spans several decades and includes successful ventures in both public and private sectors. Certain members of the Board of Directors, management and senior officers of the Company have made trips to Botswana to gain a deeper understanding of the Company's operations and projects as well as to impart their experience and knowledge of the local business, culture and practices to the other members of the Board of Directors and officers.

Through the recently closed financing transaction (see "*Subsequent Events*"), the Company has added further expertise to the Board of Directors and management team. The Company's new Chief Executive Officer and Director, Mr. Morgan Lekstrom, has direct mine redevelopment experience in Africa through a previously held role with Golden Star Resources in supporting the redevelopment of an underground mine in Ghana, West Africa. Mr. Lekstrom has a diverse background and an established track record of delivering successes, including most recently, the successful building of NexGold Mining Corp., creating a near term development company with a clear path to building two new gold mines.

The Company also relies on the expertise of its local Botswana-based personnel, Mr. Borris Kamstra, Mr. Kneipe Sethlare, and Mr. Karabo Monepe, all of whom have extensive mining and government relations experience in Botswana. These individuals are in regular contact with management and attend regular management meetings. Below are details of their experience as it relates to the Company's Botswanan operations as well as the local context more broadly.

- Mr. Boris Kamstra is the COO of Premium Nickel Resources International Ltd. and the local African seasoned leader in the mining industry, with over 25 years of experience in senior and executive roles. Boris is South African and has worked his entire career within Sub-Saharan Africa. Most recently, he was the CEO of Alphamin Resources (TSXV:AFM) as well as

the Johannesburg Stock Exchange. He was instrumental in bringing the mine located in North Kivu DRC into full operation from a greenfield exploration program.

- Mr. Kneipe Setlhare is a mining engineer with over 15 years of experience in mining operations management. He acts as the Company's country director whose role is to oversee the Company's activities in Botswana. As country director, Mr. Setlhare ensures that the Company meets all requirements to maintain compliance with government regulations, obtain necessary approvals in a timely manner and manages the relationships with local communities. Mr. Setlhare has had previous roles at BCL and Discovery Metals Limited. His most recent role was as Executive Country Manager at Giyani Metals Corp., a public company listed on the Toronto Stock Exchange. In these roles, Mr. Setlhare has been involved in early-stage exploration, preliminary economic assessment, feasibility studies, mine development and commissioning, mine asset acquisitions and disposals.
- Mr. Karabo Monepe is currently the Senior Controller in the Company's Botswanan operations. He graduated from the University of Botswana in 2005 with a Bachelor's degree in Accounting. Mr. Monepe also possesses an ACCA qualification. He has substantial experience in planning and analysis, financial management and controls, financial reporting, auditing, and banking, acquired from previous roles at Laureilton Diamonds Inc. and Expresscredit Ltd.
- The Company's technical, metallurgical and ESG teams (which includes, among others, Sharon Taylor, Peter Lightfoot, Gerry Katchen, Phillip Mackey and Norm Lotter) also have significant experience with international projects, particularly in Africa (including experiences with BCL specifically or involved in projects in Botswana and Africa, in general).

Overall, the Company benefits from and relies on the collective wealth of expertise and experience in the Company's business and operations in Botswana of its Board of Directors, management, locally based personnel and technical teams.

Use of and Reliance on Experts and Local Advisors

The Company has retained Bookbinder, a Botswanan law firm to advise on various corporate and regulatory legal issues, including the Company's right to conduct business in Botswana, title verification over the Botswanan assets, and has relied on advice from Bookbinder with respect to such matters. Additionally, the Company has retained engineering and geoscientific services firms including SRK Consulting, SLR Consulting, DRA Global, SGS Mineral Services, and Expert Process Solutions. The Company ensures that any such counsel or provider retained has their credentials vetted and referenced, with considerable diligence and adherence to local licences, professional associations, and regulators.

The Company's officers and Board of Directors benefit from and rely on the advice and guidance provided by its Botswanan legal advisor as well as personnel based in Botswana of new developments in local mining regimes and new requirements that come into force from time to time, as they pertain to and affect the Company's business and operations in Botswana. Any material developments are subject to oversight and discussion by the Board of Directors.

Language, Cultural Differences and Business Practices

English is the official language of Botswana, in which the Audit and Risk Management Committee of the Company and the Company's external auditors are proficient. The most widely spoken language in Botswana is Setswana. The languages spoken by the board, management and technical team of the Company and its subsidiaries include Afrikaans, English and Setswana.

The financial records of the Company and both PNGPL and PNRPL, existing under the laws of Botswana are maintained in English. The Company does not believe that any material language or cultural barriers exist.

Related Parties

The Company is subject to Canadian and United States securities laws and accounting rules with respect to approval and disclosure of related party transactions and has policies in place which it follows to mitigate risk associated with potential related party transactions. The Company may transact with related parties from time to time, in which case such related party transaction may require disclosure in its consolidated financial statements and in accordance with relevant securities laws.

Risk Management and Disclosure

The Company has implemented a system of corporate governance, internal controls over financial matters, disclosure controls and procedures that apply to the Company and its subsidiaries, which are overseen by the Board of Directors and enacted by senior management of the Company. Executive management and the Board of Directors of the Company prepare and review the financial reporting of its subsidiaries, audited by BDO in Botswana, as part of preparing its consolidated financial reporting, and MNP LLP, the Company's external independent auditors, audit the consolidated financial statements under the oversight of the Audit and Risk Management Committee. In addition, management of each subsidiary entity reviews, on an annual basis, the financial activities of local operations, which includes a review of variances and trend analysis against approved budgets. These annual reviews are also part of routine discussions between the management of the subsidiary entities and the Company. As such, the Company's Board of Directors and management have insight into its subsidiaries' monthly operations and finances and can provide effective oversight of subsidiary level financial reporting and operations.

In general, the board of directors of each subsidiary entity is responsible for maintaining good corporate governance practices and risk controls. Board members and management of the Company regularly discuss business operations and risk management practices with directors and management of each subsidiary entity.

Internal Controls and Corporate Records

The Company prepares its consolidated financial statements on a quarterly and annual basis, using US GAAP and in accordance with relevant securities legislation. The Company implements internal controls over the preparation of its financial statements and other financial disclosures, including its MD&A, to provide reasonable assurance that its financial reporting is reliable. These systems of internal control over financial reporting, disclosure controls and procedures are designed to ensure that, among other things, the Company has access to material information about its subsidiaries.

In order for the Company's CEO and CFO to be in a position to attest to the matters addressed in the quarterly and annual certifications required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, the Company has developed internal procedures and responsibilities throughout the organization for its regular periodic and special situation reporting. This is done to provide assurances that information that may constitute material information will reach the appropriate individuals who review public documents and statements relating to the Company. Additionally, material information from the Company's subsidiaries is prepared with input from the responsible officers and employees so that it can be available for review by the CEO and CFO in a timely manner.

The Company maintains its bank accounts in Botswana with Absa Group Limited, a long-established commercial bank. The account is funded on an as-needed basis, and only when expenditures are to be made in-country. Any requests for funding in Botswana must be specific and supported by documentation. The majority of the Company's funds are kept with the Royal Bank of Canada or the Bank of Montreal, each of which is a major Canadian chartered bank, until such time funds are required to be expended in Botswana. Funds advanced to the Botswana bank are subject to strict internal controls, which includes approvals by the Company in Canada and the involvement of local country directors in Barbados and Botswana.

PNGPL and PNRPL's corporate records are managed by Company Formations (PTY) Ltd in Gaborone, Botswana. BDO Services (Pty) Ltd, an international professional services firm with a local office in Botswana, has undertaken PNGPL and PNRPL's tax administration services.

This comprehensive approach to subsidiary management and governance ensures that the Company and its subsidiaries operate under a unified strategic vision, with robust controls in place for financial management and corporate governance.

Risks and Uncertainties

Overview

The business of the Company being the exploration and evaluation of mineral properties in Botswana and Canada is speculative and involves a high degree of risk. These risks may have a material and adverse impact on the future operations, financial performance and condition of the Company and the value of the Common Shares. Although the Company has been successful in its past fund-raising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future.

Readers are encouraged to read and consider the risk factors which are more specifically described, *inter alia*, in this MD&A (see "*Financial Instruments*", "*Operations in Emerging Markets*" and "*Cautionary Note Regarding Forward-Looking Statements*"). Such risk factors could materially affect the future operating results of the Company and could cause actual events to differ materially from those described in the forward-looking statements relating to the Company. Readers are also encouraged to review other publicly filed disclosure regarding the Company, which are available on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile.

The risks and uncertainties discussed in this MD&A are not the only ones facing the Company. In evaluating an investment in the Company, the risks and uncertainties described below should be carefully considered. If any such risks actually occur, the business, financial condition and/or liquidity and results of operations of the Company could be materially adversely affected. In this event, the value of the Common Shares could decline and shareholders could lose all or part of their investment.

Further, the Company's view of risks is not static, and readers are cautioned that there can be no assurance that all risks to the Company, at any point in time, can be accurately identified, assessed as to significance or impact, managed or effectively controlled or mitigated. There can be additional new or elevated risks to the Company that are not described herein or in the Company's public filings to date.

Risk factors

Economics of Developing Mineral Properties

Substantial expenses are required to establish and upgrade mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operation or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence commercial production.

Negative Operating Cash Flow and Reliance on Additional Financing to Maintain and Continue Operations

The Company has negative cash flow from operations. As a result of the expected expenditures to be incurred by the Company for the exploration and advancement of the Company's material projects, the Company anticipates that negative operating cash flows will continue until one or both of the Company's material projects enters commercial production (if at all). There can be no assurance that the Company will generate positive cash flow from operations in the future.

The Company will require additional capital in order to fund its future activities for its material projects and maintain and grow its operations. Furthermore, additional financing, whether through the issue of additional equity and/or debt securities and/or project level debt, will be required to continue the development of the Company's material projects and there is no assurance that additional capital or other types of financing will be available or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all. Should the Company require additional capital to continue its operations, failure to raise such capital could result in the Company ceasing operations.

From time to time, the Company may issue new shares, seek debt financing, dispose of assets, or enter into transactions to acquire assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards.

Failure to obtain additional financing or to achieve profitability and positive operating cash flows will have a material adverse effect on its financial condition and results of operations.

Lack of Established Mineral Reserves

The Company is a mineral exploration and development company that is focused on the redevelopment of the previously producing Mines. To that end, the Company's properties have no established mineral reserves at this time. While the Selebi and Selkirk projects have mineral resource estimates in accordance with NI 43-101, the Company has not yet established any proven or probable mineral reserves on the Selebi Mines or Selkirk Mine projects. The lack of established mineral reserves means that the economic viability of the Selebi and Selkirk projects has not been confirmed. There is no assurance that further exploration will lead to the discovery of an economically viable mineral deposit.

Further, there is no assurance that any of the Company's projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon the development and commercial mining of economically viable mineral deposits, which in itself is subject to numerous risk factors.

The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish resources and reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that current work programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its work programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations.

Mineral Exploration and Development

The Company's projects are in their exploration and evaluation stages. The exploration of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge.

Most exploration projects do not result in the discovery of commercially-mineralized deposits. The commercial viability of exploiting any precious or base-metal deposit is dependent on a number of factors including infrastructure and governmental regulation, in particular those relating to environment, taxes and royalties. No assurance can be given that minerals will be discovered of sufficient quality, size and grade on any of the Company's properties to justify a commercial operation.

Development of the Company's properties will occur only after obtaining satisfactory exploration results. Although the Company's properties were past producing, few properties which are explored are ultimately developed into economically viable operating mines. There is no assurance that the Company's mineral exploration activities will result in the discovery of a body of commercial ore on its exploration properties. Several years may pass between the discovery and development of commercial mineable mineralized deposits.

Exploration projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), impact of health epidemics and other outbreaks of communicable diseases and other unanticipated interruptions.

Uninsured Risk and Hazards

Mining is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological

conditions. Such risks and hazards might impact the Company's business. Consequently, many of the foregoing risks and hazards could result in damage to, or destruction of, the Company's mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of exploration or other activities, delay in or inability to receive required regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. The Company may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot insure or against which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to the Company.

Volatility of Common Share Price

The price of Common Shares may be affected by a number of factors, including global macroeconomic developments and market perceptions of the attractiveness of particular industries and location of assets, which may increase the volatility of Common Share prices. The price of Common Shares will also be affected by the Company's financial conditions or results of operations as reflected in its liquidity position and earnings reports.

Other factors unrelated to the Company's operations and performance that may have an effect on the price of Common Shares include: reduced trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of Common Shares that persists for a significant period of time could cause the Company's securities to be delisted, further reducing market liquidity.

As a result of any of these factors, the market price of Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Volatility of Commodity Prices

The advancement of the Company's properties is dependent on the future prices of minerals and metals. As well, should any of the Company's properties eventually enter commercial production, the Company's profitability will be significantly affected by changes in the market prices of minerals and metals.

Base and precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Company's control. Such factors include, but are not limited to, actual and expected macroeconomic and political conditions, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of base and precious metals production, the availability and costs of substitutes, investments by commodity funds and other actions of participants in the commodity markets. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of base and precious metals are generally quoted), and political developments. The effect of these factors on the prices of base and precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Company's properties to be impracticable or uneconomical. As such, the Company may determine that it is not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Company's financial condition and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration and evaluation activities.

Governmental Regulation

Exploration, development, and operations on the Company's properties will be affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labor; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. Changes in such regulation could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted. The Company is at the exploration and evaluation stages on its material properties.

Exploration on the Company's properties requires responsible best-exploration practices to comply with the Company's policies, government regulations, and maintenance of claims and tenure.

If any of the Company's projects advance to the development stage, those operations will also be subject to various laws concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Permits, Licences and Approvals

The operations of the Company require licences and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences and permits that may be required to maintain its mining activities or advance its mineral properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

Environmental Regulations

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which the Company operates. Environmental legislation is evolving in a manner which has been subject to stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulations, if any, will not adversely affect the Company's operations. The cost of compliance with changes in governmental regulations has the potential to preclude entirely the economic development of a property. The Company has or will, as applicable, adopt environmental practices designed to ensure that it will comply with or exceed all environmental regulations currently applicable to it.

Changes in Tax Legislation or Accounting Rules Could Affect the Profitability of the Company

Changes to, or differing interpretation of, taxation laws in Canada, Barbados, Botswana, or any of the countries in which the Company's assets or relevant contracting parties are located, could result in some or all of the Company's profits being subject to additional taxation. New taxation rules or accounting policies enacted could result in the Company's profits being subject to additional taxation and could have a material adverse effect on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make acquiring additional resource properties by the Company less attractive to counterparties. Such changes could adversely affect the Company's ability to acquire new assets or make future investments.

Financial Risk

The Company is also exposed to risks relating to its financial instruments and foreign currency. The Company operates in Canada, Barbados and Botswana and undertakes transactions denominated in foreign currencies such as United States dollars, Euros, and the Botswanan pula, and consequently is exposed to exchange rate risks. The Company is also exposed to equity price risk; the movements in individual equity prices or general movements in the level of the stock market may potentially have an adverse impact on the Company's earnings. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken.

Risks of Doing Business Outside Canada

The Company's material mineral projects are located in the Republic of Botswana. The Company's anticipated operations outside North America could subject the Company to a variety of additional risks that may negatively impact its business and operations including any of the following: changes in rules and regulations (including required royalties); failure of local parties

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fourth Quarter and Full Year Ended December 31, 2024



to honour contractual relations; delays in obtaining or the inability to obtain necessary governmental permits; opposition to mining from environmental or other non-governmental organizations; limitations on foreign ownership; limitations on the repatriation of earnings; economic or tax policies; tariffs and trade barriers; regulations related to customs and import/export matters; longer payment cycles; tax issues; currency fluctuations and exchange controls; rates of inflation; challenges in collecting receivables; cultural and language differences; employment regulations; crimes, strikes, riots, civil disturbances, terrorist attacks, and wars; and deterioration of political relations with Canada or other governments or sanctions imposed by Canada or other governments. There will also be currency exchange risks in connection with the operations of the Company's foreign mineral assets, including the Mines.

In addition, Botswana is considered an emerging market. Emerging market investments generally pose a greater degree of risk than investments in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. Further, the current, or a future government may adopt substantially different policies, take arbitrary action which might halt exploration or production, re-nationalize private assets or cancel contracts, or cancel mining or exploration rights, any of which could result in a material and adverse effect on the Company's results of operations and financial condition. For details on the Company's operations in Botswana, please refer to the section entitled *"Operations in Emerging Markets"* in this MD&A.

Dependence on Business and Technical Expertise of Management Team

The Company is dependent on the business and technical expertise of its management team. If it is unable to rely on this business and technical expertise, or if any of the expertise is inadequately performed, the business, financial condition and results of the operations of the Company could be materially adversely affected until such time as the expertise could be replaced.

Acquisition of Botswanan Assets

On January 31, 2022, the Company closed the acquisition of the Selebi project. However, pursuant to the terms of the acquisition, the Company has to comply with certain milestone payments, which if not satisfied, will result in the Selebi project reverting to the BCL Liquidator. There are approximately US\$55 million in contingent post-closing milestone payments due to the BCL Liquidator in connection with the Selebi project, with (i) US\$25 million due on January 31, 2026, and (ii) another US\$30 million due upon the earlier of the commissioning and start of production at the Selebi project or four years from the Selebi mining licence renewal date. The failure of the Company to comply with all the post-closing covenants and contingent milestone payments relating to the Selebi project (if and when those milestones are achieved), could materially adversely affect the business, operations and financial conditions of the Company and impact the market price of the Common Shares. In addition, PREM closed its purchase of the Selkirk Mine in August 2022.

Share Capital Information

As of the date of this MD&A, the fully diluted share capital of the Company, including Common Shares issuable upon exercise of securities of the Company, is as follows:

Securities	Common Shares
Common Shares	428,986,474
Preferred shares ⁽¹⁾	13,131
DSUs	2,164,744
Warrants	188,579,919
Stock options	20,583,771
RSUs	4,175,000
Fully diluted share capital	644,503,039
<i>(1): The 118,186 outstanding preferred shares are convertible into Common Shares at a 9:1 ratio.</i>	

Disclosure Controls and Procedures

Management has established processes to ensure sufficient information is provided to them in support of representations that management has exercised reasonable diligence that: (a) the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the Financial Statements; and (b) the Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

Cautionary Note Regarding Forward Looking Statements

Statements contained in this MD&A that are not historical facts are forward-looking information (within the meaning of applicable Canadian securities legislation) that involve risks and uncertainties. In this MD&A, forward-looking information includes, but is not limited to: ongoing payments and covenants with respect to the Selebi acquisition and the Selkirk acquisition; the Company's anticipated plans and work program at the Mines, including the anticipated costs in respect thereof and the Company's ability to finance such anticipated costs; the timing and ability for the Company to achieve business and project milestones and anticipated remaining costs in respect thereof; the timing and ability to achieve the milestones in the Selebi Technical Report and Selkirk Technical Report; the utility of existing infrastructure at Selebi North; the Company's relationships with local communities, indigenous groups and other stakeholders at the project level; the Company's ability to convert and upgrade mineral resources; performance and results of operations; the Company's liquidity, including capital resources, going concern, financings and working capital; the Company's ability to operate in Botswana as an emerging market; the Company's ability to manage risks; the establishment, estimation and assumptions underlying any mineral reserves and mineral resources (if at all); the timing and amount of estimated future capital expenditures; the ability of exploration activities (including drill results) to accurately predict mineralization; management's belief (and underlying assumptions related thereto) that the Selebi and Selebi North deposits are connected at depth; the relationships between, and continuity of, the various deposits (if any); the results of the exploration activities and drill program at the Selebi Mines and other properties of the Company; currency fluctuations; requirements for additional capital; the ability of the Company to obtain additional capital (if at all), including on terms satisfactory to the Company; the contemplated use of proceeds by the Company from the financing transactions; the Company's plans and timeline to re-develop the Mines and the drilling planned by the Company; the Company's operations (and related risks) in Botswana; government regulation of mining operations; environmental risks; unanticipated reclamation expenses; title disputes or claims, limitations on insurance coverage, the timing and possible outcome of pending litigation and other statements that are not historical facts. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such risks and other factors that could cause actual results to differ materially from those anticipated in forward-looking information are described, *inter alia*, in this MD&A (see "*Financial Instruments*", "*Risk and Uncertainties*" and "*Operations in Emerging Markets*"). Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information in this MD&A speak only as of the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

Technical Information

Selebi Technical Report

The scientific and technical information in this MD&A relating to the Selebi Mines is supported by the technical report entitled "*NI 43-101 Technical Report, Selebi Mines, Central District, Republic of Botswana*", dated September 20, 2024 (with an effective date of June 30, 2024), and prepared by SLR Consulting (Canada) Ltd. for the Company, in accordance with NI 43-101. Reference should be made to the full text of the Selebi Technical Report, including the assumptions, limitations and

qualifications contained therein, as well as the data verification relating to the historic data compilation presented in this MD&A, and is available electronically on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile.

Selkirk Technical Report

The scientific and technical information in this MD&A relating to the Selkirk Mines is supported by the technical report entitled "*NI 43-101 Technical Report, Selkirk Nickel Project, North East District, Republic of Botswana*", dated January 10, 2025 (with an effective date of November 1, 2024), and prepared by SLR Consulting (Canada) Ltd. for the Company, in accordance with NI 43-101. Reference should be made to the full text of the Selkirk Technical Report, including the assumptions, limitations and qualifications contained therein, as well as the data verification relating to the historic data compilation presented in this MD&A, and is available electronically on SEDAR+ (<https://www.sedarplus.ca/>) under the Company's issuer profile.

Qualified Person and Other Technical Information

The scientific and technical information in this MD&A has been reviewed and approved by Sharon Taylor, Vice President exploration of the Company, who is a "qualified person" for the purposes of NI 43-101.

The 2022-2023 surface drilling program at the Selebi Mines was completed by Mitchell Drilling of Botswana utilizing a Sandvik UDR1500 and a Boart Longyear LF-160 diamond drill rig. The 2023-2024 underground drilling program at Selebi North is being carried out through an agreement with Forage who provided three Zinex U-5 drills for purchase and provided training of local operators. Short, inclined holes were drilled by Discovery drilling using a Boyles 56 drill. Surface drill core samples (47.75 mm diameter, NQ) and underground drill core samples (40.7 mm diameter BQTK) are cut in half by a diamond saw on site. Half of the core is retained for reference purposes. Samples are generally 1.0 to 1.5 metre intervals or less at the discretion of the site geologists. Sample preparation and lab analysis was completed at the ALS Chemex in Johannesburg, South Africa. Commercially prepared blank samples and certified Cu/Ni sulphide analytical control standards with a range of grades are inserted in every batch of 20 samples or a minimum of one set per sample batch. Analyses for Ni, Cu, Co and S are completed using a peroxide fusion preparation and ICP-AES finish (ME-ICP81). Ag analyses are completed using a four-acid digestion with ICP-AES Finish (ME-ICP61).

The scientific and technical information in this MD&A relating to the assets of the Company in Canada has been prepared by or under the supervision of Peter C. Lightfoot, Ph.D., P. Geo., the Consulting Chief Geologist of the Company, who is a "qualified person" for the purposes of NI 43-101. Dr. Lightfoot has reviewed and approved the disclosure in this MD&A relating to the assets of the Company in Canada.