TEARLACH RESOURCES LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2024

This Management Discussion and Analysis ("MD&A"), dated and current as of August 29, 2024, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended June 30, 2024 ("Financial Statements") and the annual audited consolidated financial statements for the year ended September 30, 2023 and the notes thereto of Tearlach Resources Limited (the "Company") which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated. Additional information related to the Company is available on the Company's website at www.tearlach.ca and SEDAR at www.sedarplus.ca.

This MD&A contains forward-looking information and statements which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

Forward-Looking Statements

Certain information included in this discussion may constitute forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact may be forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: "believes", "expects", "anticipates", "intends", "estimates", "plans", "may", "should", "would", "will", "potential", "scheduled" or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, that the Company will receive all necessary approvals in connection with the agreements, market fundamentals will result in sustained Lithium demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Properties in a timely manner, the availability of financing on suitable terms for the development and continued operation of the Company's projects and its ability to comply with environmental, health and safety laws.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, among others, requirements for additional capital, operating and technical difficulties in connection with mineral exploration and development activities, actual results of exploration activities, including on the Properties, the estimation or realization of mineral reserves and mineral resources, the fact that the Company's interests in the Properties are an option only and there is no guarantee that such interests, if earned, will be certain, the timing and amount of estimated future production, the costs of production, capital expenditures, the costs and timing of the development of new deposits, requirements for additional capital, future prices of lithium, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, lack of investor interest in future financings, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental approvals (including of the TSX Venture Exchange), permits or financing or in the completion of development activities, changes in laws, regulations and policies affecting mining operations, title disputes, the inability of the Company to obtain any necessary permits, consents, approvals or authorizations, environmental issues and liabilities, and risks related to joint venture operations, and other risks and uncertainties disclosed in the company's continuous disclosure documents. All of the Company's Canadian public disclosure filings may be accessed via www.sedarplus.ca, and readers are urged to review these materials.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not undertake any obligation to update any of the forward-looking statements in this report. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.

Description of Business

Tearlach Resources Limited (the "Company" or "Tearlach") is a British Columbia, Canada, incorporated company which has been primarily engaged in the acquisition, exploration, and development of lithium projects in the Americas. The Company's head office is at 1120 – 789 West Pender St., Vancouver, B.C., Canada, V6C 1H2. The Company is listed on Tier 2 of the TSX Venture Exchange ("Exchange") under the trading symbol TEA.

Exploration and Evaluation Assets:

SAVANT EAST PROJECT

On January 21, 2022, the Company entered into an option agreement to acquire a 100% interest in the Savant East project in Ontario comprised of 6 mining claims. Under the terms of the option agreement, the Company may earn a 100% interest in the project by paying an aggregate of $97,000 cash ($48,000 paid) over three years.

The project is subject to a 1.5% net smelter royalty ("NSR") on the property, and the Company can purchase 0.5% of the NSR for $500,000.

During the period ended June 30, 2024, the Company incurred exploration expenses of $12,145 on the Savant East Project.

WESLEY LITHIUM PROJECT

On September 22, 2022, the Company entered into an option agreement to acquire 100% of the Wesley Lithium Property, comprised of 7 mining claims in Ontario. Under the terms of the option agreement, the Company may earn a 100% interest in the project by paying an aggregate of $82,000 cash over a three-year period ($31,000 paid).

The optionors will retain a 1.5% NSR on the Property, and the Company can purchase 0.5% of the NSR for $500,000.

During the period ended June 30, 2024, the Company incurred exploration expenses of $43,207 on the Wesley Project.

HARTH LITHIUM PROJECT

On September 26, 2022, the Company entered into an option agreement to acquire 100% of the Harth Lithium Property, comprised of 6 mining claims in Ontario. Under the terms of the option agreement, the Company may earn a 100% interest in the project by paying an aggregate of $91,000 cash over a three-year period ($37,000 paid).

The optionors will retain a 1.5% NSR on the Property, and the Company can purchase 0.5% of the NSR for $500,000.

During the period ended June 30, 2024, the Company incurred exploration expenses of $43,206 on the Harth Project.

PAKWAN AND MARGOT LITHIUM PROJECTS

On December 4, 2022, the Company entered into a purchase agreement to acquire 100% interest in the Pakwan and Margot Lithium Projects in Ontario. Pursuant to the purchase agreement, the Company may acquire a 100% interest in the projects by paying, per project, $200,000 ($100,000 paid per project) on the signing of the purchase agreement and $100,000 in year 2, plus $2,000,000 upon successful drilling results of 10 meters of 1% or greater Li2O. The vendors will retain a 3% NSR on each of the projects and the Company can purchase 0.5% of each of the NSR for $1,000,000.

On March 29, 2023, the Company entered into an amendment agreement to defer the remaining $100,000 payment per project due on the signing of the purchase agreement. Pursuant to the amendment agreement, the payment is now due after the Company completes a non-flow-through private placement of $1,500,000 or more.

Pursuant to the purchase and amendment agreements, the Company will make the following payments per project on behalf of the seller which will be deducted from the year 2 payment of $100,000 per project:

	Cash Payments
On or before May 11, 2023 (paid)	$16,000
On or before May 11, 2024 (paid)	$20,000
On or before May 11, 2025 (optional)	$30,000

On January 18, 2024, the Company entered into an amendment agreement for Pakwan and Margot Lithium Projects to defer the $100,000 payment per project due in year 2. Pursuant to the amendment agreement, the payment is now due after the Company completes a non-flow-through private placement of $2,000,000 or more.

On September 13, 2023, the Company entered into an option agreement to acquire 100% interest in the Margot lake south properties which consist of certain claims (the "Margot Lake South") in Ontario. Pursuant to the option agreement, the Company may acquire a 100% interest in the Margot Lake South Property by paying consideration as follows:

	Cash Payments
Upon TSXV approval (paid)	$10,000
On or before 1st Year Anniversary (optional)	$16,000
On or before 2nd Year Anniversary (optional)	$20,000
On or before 3rd Year Anniversary (optional)	$30,000

Upon exercise of the option, the Company has agreed to grant a 1.5% NSR to the assignor and the Company can purchase 0.5% of the NSR for $500,000.

The Margot Lake south property is adjacent and connected to the Margot property and is treated as an expansion of the Margot property.

On December 11, 2022, the Company entered into a purchase agreement to acquire 100% interest in the Pakwan Extension Claim block in Ontario, comprised of 23 cell claims. Pursuant to the purchase agreement, the Company acquired a 100% interest in the property by paying $20,650 including $650 claim staking fees. The vendor holds a 2% NSR on the Property, and the Company can purchase 1% of the NSR for $1,000,000.

During the period ended June 30, 2024, the Company incurred exploration expenses of $12,490 on the Pakwan and Margot Projects.

GABRIEL LITHIUM PROJECT

On January 9, 2023, the Company entered into an option agreement to acquire up to 70% interest in the Gabriel Lithium Project in Nevada. The Company paid $67,430 (US$50,000) for a 30-day exclusivity period for due diligence. Under the terms of the option agreement, the Company may earn a 51% interest in the project by incurring exploration expenditures of US$5,000,000 consisting of (i) at least US$500,000 in expenditures on or before January 9, 2024; (ii) make an option payment of US$100,000 on or before April 30, 2024; and (iii) at least US$4,500,000 in expenditures on or before January 9, 2026 (together, the "Initial Earn In").

Subject to completing the Initial Earn-In, the Company shall have the option to elect within thirty days of completing the Initial Earn-In to earn an additional 19% interest in the project for an aggregate interest of 70% by: (i) expending an additional US$10,000,000 in expenditures; and (ii) by bearing the costs of preparation of a National Instrument 43-101 compliant bankable feasibility study for the development and construction of a lithium mine on the project. This option will terminate if not exercised by the Company by January 9, 2028.

During the period ended June 30, 2024, the Company relinquished the rights to acquire the Gabriel Lithium Project. Consequently, the Company recorded a write-off of exploration asset of $1,792,503 for the period ended June 30, 2024.

SHELBY PROPERTIES

The Company entered into an assignment and assumption agreement dated January 11, 2023, as amended on February 9, 2023, whereby the assignor agreed to assign all of its rights to an option to acquire a 100% interest in and to six lithium claim groups located in the James Bay region of Quebec.

Pursuant to the terms of the assignment agreement, the Company has the option to acquire a 100% interest in the Shelby Property for the following consideration:

	Cash Payments	Shares to be issued
Upon TSXV approval (paid and issued)	$545,454	537,154
On or before 1st year anniversary (optional)	$545,454	237,154
On or before 2nd year anniversary (optional)	$545,454	237,154
On or before 3rd year anniversary (optional)	$545,454	237,154

The Company may elect to pay the cash equivalent value for any share issuance obligations under the Option Agreement.

The Company has agreed to pay a bonus of $1,000,000 for each property in the event a National Instrument 43-101 compliant mineral resource valued over $100 million or more is established with respect to the property.

Upon exercise of the option, the Company has agreed to grant a 3% NSR on each assigned project to the assignor and the Company can purchase 0.5% of the NSR for $1,000,000.

In the event the Company elects to abandon one or more assigned projects in accordance with the term of the option agreement, the remaining consideration payable and issuable by the Company will be reduced by $90,909 in cash and 39,525 shares per assigned project duly abandoned.

The Company has not made the required January 11, 2024, $545,454 payment and 237,154 share issuances and is in the process of renegotiating the agreement.

During the period ended June 30, 2024, the Company incurred exploration expenses of $6,910 on the Shelby Project.

FLISZAR, ROSE NORTH, AND MUSCOVITE LITHIUM PROPERTIES

On January 20, 2023, the Company entered into an option agreement to acquire 100% interest in the Fliszar Lithium and Rose North Lithium properties which consist of 116 claims (the "Fliszar Property") in Quebec. Pursuant to the option agreement, the Company may acquire a 100% interest in the Fliszar Property by paying consideration as follows:

	Cash Payments	Shares to be Issued	
Upon TSXV approval (paid)	$125,000	51,652	*
On or before 1st Year Anniversary (optional)	$125,000	51,652	
On or before 2nd Year Anniversary (optional)	$125,000	51,652	
On or before 3rd Year Anniversary (optional)	$125,000	51,652	

* Cash paid $125,000 in lieu of shares.

The Company may elect to pay the cash equivalent value for any share issuance obligations under the option agreement. Upon the exercise of the option, the Company has agreed to grant the optionor a 2% net smelter returns royalty, and the Company can purchase 1.5% of the royalty for $2,000,000. The Company has agreed to pay the optionor a one-time bonus of $1,000,000 in the event a National Instrument 43-101 compliant mineral resource valued over $100 million or more is established with respect to the Fliszar Property. The bonus is payable in cash or shares at the election of the Company.

On January 20, 2023, the Company entered into an option agreement to acquire 100% interest in the Muscovite Lithium Property, which consists of 84 claims (the "Muscovite Property") in Quebec. Pursuant to the option agreement, the Company may acquire a 100% interest in the Muscovite Property by paying consideration as follows:

	Cash Payments	Shares to be Issued	
Upon TSXV approval (paid)	$62,500	25,826	*
On or before 1st Year Anniversary (optional)	$62,500	25,826	
On or before 2nd Year Anniversary (optional)	$62,500	25,826	
On or before 3rd Year Anniversary (optional)	$62,500	25,826	

* Cash paid $62,500 in lieu of shares.

The Company may elect to pay the cash equivalent value for any share issuance obligations under the option agreement. Upon the exercise of the option, the Company has agreed to grant the optionor a 2% net smelter returns royalty, and the Company can purchase 1.5% of the royalty for $2,000,000. The Company has agreed to pay a one-time bonus of $1,000,000 in the event a National Instrument 43-101 compliant mineral resource valued over $100 million or more is established with respect to the Muscovite Property. The bonus is payable in cash or shares at the election of the Company.

During the period ended June 30, 2024, the Company incurred exploration expenses of $3,670 on the Fliszar Properties.

The Company has not made the required payments of $187,500 and issuances of 77,478 shares and is in the process of renegotiating the agreements.

GEORGINA STAIRS PROJECT

In February 2023, the Company staked the Georgina Stairs Property comprised of 585 cell claims and Georgina East Property comprised of 500 cell claims in Ontario.

During the period ended June 30, 2024, the Company incurred exploration expenses of $74,242 on the Georgina Stairs Project.

RHYOLITE PEAK

The Company staked certain claims located in Nevada, USA.

LONG LAKE

On October 27, 2023, the Company entered into an option agreement to acquire 100% of the Long Lake Property, comprised of 18 mining claims in Ontario. Under the terms of the option agreement, the Company may earn a 100% interest in this project by paying an aggregate of $89,000 over a three-year period as follows:

i) $15,000 upon signing; (paid)
ii) $18,000 on the first anniversary of signing the option agreement;
iii) $24,000 on the second anniversary of signing the option agreement; and
iv) $32,000 on the third anniversary of signing the option agreement.

Upon exercise of the option, the vendors will be granted a 1.5% NSR on the property, and the Company can purchase 0.5% of the NSR for $500,000 at any time.

During the period ended June 30, 2024, the Company incurred exploration expenses of $6,505 on the Long Lake Property.

Discussion of Operations

Tearlach intends to explore its lithium assets and develop a portfolio of projects in North America through acquisition. Tearlach's primary objective is to position itself as North America's leading lithium exploration and development company.

The key determinants of the Company's operating results are:

(a) the state of capital markets, which affects the ability of the Company to finance its exploration activities;
(b) the write-down and abandonment of mineral properties as exploration results provide further information relating to the underlying value of such properties; and
(c) the supply and demand for, deliveries of, and the level and volatility of prices of commodities.

The Company does not have any properties in production and, therefore, did not generate any revenue from operations during the period. The Company has no earnings and therefore has historically financed its acquisition and exploration activities by the sale of common shares. Due to the Company's net loss, the continuation of the Company is dependent upon its ability to attain profitable operations and to generate cash flow and/or to raise equity capital through the sale of its securities or secure additional exploration funding through option or joint venture agreements on its exploration and evaluation assets, or through the sale of capital assets or exploration and evaluation assets. In order to obtain financing sufficient to continue operations, the Company will continue to seek private placement funding and joint venture partners and/or exploration funding for its properties.

Selected Annual Information

Year ended	Profit or (Loss)	Profit or (Loss) per share	General & Admin. Expenditures	Total Assets
	$	$	$	$
September 30, 2023	(6,505,819)	(0.08)	(6,743,219)	4,343,717
September 30, 2022	(153,050)	(0.00)	2,700	134,316
September 30, 2021	(136,359)	(0.00)	2,439	208,374

Summary Quarterly Results for the Eight Fiscal Quarters Ended June 30, 2024

A summary of the Company's financial information on a quarter-by-quarter basis for the preceding eight quarters appears below.

Period	Profit or (Loss)	Profit or (Loss) per share
3rd Quarter 2024	$ (241,912)	$ (0.00)
2nd Quarter 2024	$ (2,159,994)	$ (0.02)
1st Quarter 2024	$ (506,169)	$ (0.01)
3rd Quarter 2023	$ (1,315,488)	$ (0.02)
2nd Quarter 2023	$ (2,115,298)	$ (0.03)
1st Quarter 2023	$ (1,709,521)	$ (0.02)
4th Quarter 2022	$ (80,941)	$ (0.00)
3rd Quarter 2022	$ (20,416)	$ (0.00)

Results of Operations

The following discussion should be read in conjunction with the accompanying Financial Statements and related notes.

Nine months ended June 30, 2024

The Company realized a net loss of $2,908,075 for the nine months ended June 30, 2024 (2023 –$5,140,308).

- Consulting expenses decreased to $81,540 (2023 - $829,833) due to a decrease in consultants engaged.
- Management fees were $135,000 (2023 - $65,000) comprised of the CEO remuneration for the period. The difference is to capitalization of the management fee into projects in 2023.
- Office and general expenses decreased to $47,680 (2023 - $132,531) due to a decrease in office rent and a reduction in staff during the period.
- Professional fees incurred of $132,600 (2023 - $474,036) decreased due to the property acquisitions and private placement in 2023.
- Stock-based compensation was $477,712 (2023 - $1,045,788) for stock options granted and/or vested in the period.
- Shareholder communication expenses decreased to $229,989 (2023 - $2,359,616) due to decreased promotional activities.
- Write-off of exploration assets recorded of $1,792,503 (2023 - $nil) following the relinquishment of the Gabriel Project.

Three months ended June 30, 2024

The Company realized a net loss of $241,912 for the three months ended June 30, 2024 (2023 –$1,315,488).

- Consulting expenses decreased to $28,980 (2023 - $44,061) due to a decrease in consultants engaged.

- Management fees were $45,000 (2023 – ($15,000)) comprised of the CEO remuneration for the period.
- Office and general expenses decreased to $8,299 (2023 - $24,084) due to a decrease in office rent and a reduction in staff during the period.
- Professional fees incurred of $15,000 (2023 - $122,360) decreased due to the property acquisitions and private placement in 2022.
- Stock-based compensation was $97,984 (2023 - $522,893) for stock options granted and/or vested in the period.
- Shareholder communication expenses decreased to $33,649 (2023 - $554,340) due to decreased promotional activities.

Due to the Company's net loss, the continuation of the Company is dependent upon its ability to attain profitable operations and generate cash flow therefrom and/or to raise equity capital through the sale of its securities or secure additional exploration funding through option or joint venture agreements on its exploration and evaluation assets, or through the sale of capital assets or exploration and evaluation assets. In order to obtain financing sufficient to continue operations, the Company will continue to seek private placement funding and joint venture partners and/or exploration funding for its properties.

Liquidity and Solvency

The amount of cash on hand was $2,207 as at June 30, 2024, compared to $175,629 at September 30, 2023.

During the period ended June 30, 2024, net cash flows provided by the financing activities were $86,500 (2023 - $8,484,383) comprised of a promissory note from a company controlled by a director. The note is payable on demand and bears interest at 15% per annum. Received proceeds from the issuances of shares of $nil (2023 - $8,688,253). Promissory notes repaid of $nil (2023 - $151,036) and loan repaid of $nil (2023 – 52,834).

The primary use of cash was the funding of mineral property acquisition and exploration expenditures of $280,197 (2023 - $3,143,118). The Company has no earnings and, therefore, must finance its activities by joint ventures or by the sale of common shares or other financing sources.

As of June 30, 2024, the Company had a working capital deficiency of $985,428 (September 30, 2023: $27,112). The Company currently has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its properties or to enable it to fulfil its obligations under any applicable agreements. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Issuer's properties and the possible loss of title to such properties. The ability of the Company to continue as a going concern and realize the carrying value of its resource properties is dependent upon the continued financial support from related parties, the ability of the Company to raise equity financing to continue exploration and development activities or contract out further work with joint venture partners, the discovery of economically recoverable reserves, and upon future profitable operations or proceeds from the disposition of resource properties.

Outstanding Share Data

The following table summarizes the outstanding share capital, stock options, and warrants as of the date of the MD&A:

	Number of shares issued or issuable
Common shares	88,297,538
Stock options	3,896,250
Warrants	10,022,053
Special warrants	1,309,500
Total if all converted or exercised	**103,525,341**

Related Party Transactions

Transactions with the related parties during the three and nine months ended June 30, 2024 and 2023 were as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Consulting fees to the former CEO *	$ -	$ 5,000	$ -	$ 75,000
Management fees to the CEO (former CFO)	45,000	25,000	135,000	45,000
Professional fees to a company controlled by the CFO	15,000	36,921	77,490	127,554
Consulting and other fees to a company controlled by the VP of Exploration *	54,000	186,309	232,579	286,194
Consulting fees paid to a director and a director of a subsidiary*	-	47,763	10,722	102,528
	$ 114,000	$ 300,993	$ 455,791	$ 636,276

Amounts owing to (from) related parties were as follows:

	June 30, 2024	September 30, 2023
CEO and companies controlled by the CEO for management fees and expenses	$ 165,945	$ 3,562
CFO and companies controlled by the CFO for professional fees	36,848	11,243
VP Exploration and companies controlled by the VP Exploration, net of prepaids	144,708	(31,536)
Due to (due from) a director, net of prepaids	16,668	(3,706)
	$ 364,169	$ (20,437)

Included in accounts receivable are $15,750 due from a company controlled by the former CEO of the Company (September 31, 2023 - $15,750).

Unless otherwise noted, related party amounts are unsecured, bear no interest and have no fixed terms of repayment.

Management's Responsibility for Financial Statements

The Company's management is responsible for the presentation and preparation of the financial statements and the Management's Discussion and Analysis ("MD&A"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Accounting Principles

A detailed summary of all of the Company's significant accounting policies is included in Notes 2 and 3 to the annual audited consolidated financial statements for the year ended September 30, 2023.

Risks and Uncertainties

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as liquidity, operational, market, regulatory, and legal risks.

Management of Industry Risk

The Company is primarily engaged in mineral exploration and directly manages related industry risk issues. The Company's mineral exploration activities expose it to potential environmental liability risk. It is management's policy to review environmental compliance and exposure on an ongoing basis. The Company follows industry standards and specific project environmental requirements. The Company is currently in the exploration stage on its property interests and has not determined whether significant site recovery costs will be required. Management is unaware of and does not anticipate any significant environmental remediation costs or liabilities regarding its current operations.

Environmental lobby risks

The Company's operations may be adversely affected by changes in Governmental policies or other economic developments which are not within the control of the Company, including a change in policies, economic sanctions, and currency control. The Company is subject to various laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could increase the cost of operations.

Liquidity risk

As an exploration company, the Company has no or insignificant income and has expenditures to develop its properties as well as normal operating costs and, if the debt is taken on in future, debt service costs. Consequently, it has required and will at some point again in the future, require additional financing to continue in business, which may continue for some time. There can be no assurance that future financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from the treasury, control of the Company may change, and investors may suffer additional dilution.

The Company has a reasonable expectation that certain warrants and options maturing in the next year will be exercised. Should the Company's share price be below the exercise price at the time of maturity, this expectation will need to be adjusted, with a resultant adverse effect on the Company's liquidity, unless replaced by a share or debt issue.

To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Operational risks

Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental laws and regulations, hiring and retaining skilled employees and contractors and conducting operations in a cost-effective and safe manner. The Company continuously monitors and responds to changes in these factors and, to the best of its knowledge, adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

Market risks

Market risks include commodity prices (especially lithium-related), interest rates and the Canadian dollar exchange rate against various currencies, all of which are beyond the Company's control. The commodity prices can be influenced by global and regional supply and demand and the political and economic conditions of major mineral-producing countries throughout the world.

Regulatory risks

Regulatory risks include possible delays in or denials to the Company getting regulatory approval to transactions that the Board of Directors believe to be in the best interests of the Company.

Regulatory approval might include, for example, the wish in future to sell shares or assets to a non-Canadian company where the Canadian authorities regard such asset or share stake as strategic to Canada in the critical minerals sector. On a much smaller scale, regulatory risks and costs could include increased fees for filings and the introduction of any additional reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

Legal risks

In the mining industry, there is always a risk over the contractual interpretation of royalty rights and obligations, and it is possible that the Company's interpretation of its rights and obligations could be different from other parties' interpretation of them. This carries litigation risk.

For information on additional risks, please refer to the Company's condensed interim consolidated financial statements for the period ended June 30, 2024.