DENARIUS METALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024
November 14, 2024

The following discussion and analysis of the results of operations and financial condition ("MD&A") for Denarius Metals Corp. (the "Company" or "Denarius Metals") should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes thereto for the three and nine months ended September 30, 2024 (the "Interim Financial Statements"), which are available on the Company's web site at www.denariusmetals.com and on www.sedarplus.ca. Readers are encouraged to read the Cautionary Note Regarding Forward Looking Information included on page 23 of this MD&A. The financial information in this MD&A is derived from the Interim Financial Statements prepared in accordance with IFRS Accounting Standards ("IFRS") for interim financial statements in International Accounting Standard – Interim Financial Reporting ("IAS34"). ***All figures contained herein are expressed in United States dollars ("USD"), except as otherwise stated.***

Highlights

Denarius Metals is an emerging metals producer with two mines, Zancudo in Colombia and Aguablanca in Spain, expected to be in production within the next 12 months. In March 2024, the Company graduated its listing to Cboe Canada followed by a change of its trading symbol to "DMET". The Company continues to trade on the OTCQX in the United States under the symbol "DNRSF".

In the first nine months of 2024, the Company incurred total exploration, development and capital expenditures of approximately $9.5 million, including $7.4 million related to the construction and development activities at its Zancudo Project. In addition, the Company paid $8.1 million of the amount payable for its acquisition of a 50% interest in Rio Narcea Recursos, S.L. ("RNR"), owner of the Aguablanca Project, and paid an additional $0.8 million of capital contributions to the RNR joint venture to fund activities in preparation for the re-start of operations next year. In the first nine months of 2023, total exploration and capital expenditures amounted to $11.6 million, including $4.1 million at the Zancudo Project and $5.4 million for the drilling program at the Lomero Project in Spain.

To fund its investing activities in 2024, the Company raised total net proceeds of $17.2 million in the first nine months of 2024 through the sale of a net smelter royalty ("NSR") on Zancudo's future production and private placements of Convertible Debenture Units and common shares. In October 2024, the Company raised a further $3.2 million of net proceeds through a private placement of Units, including common shares and warrants. Mr. Serafino Iacono, Executive Chairman and CEO of the Company, has participated in all three private placements in 2024 with a total investment of CA$10.3 million representing approximately 46% of the total gross proceeds. As at November 14, 2024, Mr. Iacono beneficially owns and controls approximately 19.9% of the Company's issued and outstanding common shares.

In anticipation of receiving approval of the Environmental Impact Study ("EIS") that will enable it to commence mining operations at its Zancudo Project, the Company is finalizing a toll milling arrangement with a local third party to be able to commence early production while the 1,000 tonnes per day processing plant is being constructed. The processing plant equipment has been arriving at the project site during the third quarter of 2024 and will be fully mobilized prior to the end of the year. Installation and commissioning are expected to be completed with the plant operational in the first quarter of 2025. Earlier this year, the

Company arranged a long-term offtake contract for Zancudo's gold-silver concentrate production with Trafigura Pte. Ltd. ("Trafigura"), a leading global commodities group. The Company and Trafigura are also finalizing definitive documentation for a $9.0 million prepayment financing that will be funded to the Company in instalments as specified milestones, including the EIS approval, are reached in the development and construction program at the Zancudo Project.

Denarius Metals commenced a 10,000 meters surface infill diamond drilling program at its Zancudo Project in April 2024 to upgrade Inferred Resources to the Indicated category and to support future mine development. The drilling program is focused on two priority areas, Los Albertos and Las Brisas, and has been designed at 50x50 meters drill centers. The infill drilling program started in the first priority target, Los Albertos, with two drill rigs operating from six purpose-built surface drill platforms. In September, the Company released the results received from the final assays for 32 drill holes from the Los Albertos target, totalling approximately 4,790 meters. Multiple high gold and silver grades have been intersected in most of the drill holes completed on Los Albertos target, confirming the continuity and extending the mineralization on the main structure and also delineating a northwest-southeast-trending ore shoot on the main Manto Antiguo structure, which is still open along strike and to the west. These results confirm the results from previous drilling campaigns and have delineated a high-grade ore shoot, which is still open along strike and to the west, within the main Manto Antiguo structure that could enhance the resource estimate and production grade down the line. Drilling on the second target, Las Brisas, commenced in August and will be completed in the fourth quarter of 2024. The results from the 2024 drilling program will serve as a guide for mine development and offer the potential for additional resource growth and extension of the mine's life.

The acquisition of a 50% interest in RNR in late 2023 continues to be an important catalyst to build the Company's presence in Spain and to accelerate its creation of a long-life polymetallic producer leveraging the synergies between the Aguablanca and Lomero Projects. RNR's two primary assets include a 5,000 tonnes per day processing plant (the "RNR Plant") and the Aguablanca underground mine, one of the only mines in Spain able to produce both nickel and copper. RNR has both its mining and environmental permits in place. Application was made for approval of the Water Concession in June 2022 that will allow the RNR joint venture to de-water and prepare the underground mine to commence production in 2025. In light of the delay in receiving the approval, the Company and the RNR Shareholder Group are engaged in discussions to revise the terms for the remaining EUR 15 million to be paid in connection with the Company's acquisition of its 50% interest in the joint venture. The Company is continuing to assess its options in the market to finance the remaining amount payable to the RNR Shareholder Group and the funding required for the capital investment to re-start the Aguablanca Project in 2025. As operator of the RNR joint venture, the Company arranged commercial terms in 2024 with Boliden Commercial AB, a subsidiary of Boliden AB, for the sale at market prices of 100 per cent of the nickel-copper concentrates to be produced at the Aguablanca Project. At the nearby Lomero Project, a preliminary economic assessment ("PEA") incorporating the processing of its material at the RNR Plant is in process and is expected to be completed in early 2025.

On November 12, 2024, the Company closed the acquisition of 100% of the issued and outstanding shares of Europa Metals Iberia S.L. ("EMI") from Europa Metals Ltd. ("Europa"). EMI, now a wholly-owned Spanish subsidiary of the Company, holds the Toral Project in Leon Province, Northern Spain. Since early 2023, the Company has spent approximately $3.1 million carrying out an exploration program at the Toral Project pursuant to a Definitive Option Agreement with Europa. The Company's work to date provides it with confidence in the potential for the Toral Project to become a long-life underground mining operation which has the possibility, subject to further economic study, to eventually supply material to the RNR Plant. The Company issued 7,000,000 common shares to Europa at closing of the EMI acquisition and the Definitive Option Agreement was terminated. An update of the Mineral Resource estimate ("MRE") for the Toral Project will be completed by the end of 2024 followed by a PEA in the first half of 2025.

The Company reported a net loss of $9.5 million ($0.14 per share) in the third quarter of 2024 compared with a net loss of $1.0 million ($0.02 per share) in the third quarter of 2023. This brings the net loss for the first nine months of 2024 to $12.1 million ($0.18 per share) compared with a net loss of $5.0 million ($0.10 per share) in the first nine months of 2023. The main drivers in the net loss for the first nine months of 2024 were the $3.1 million of G&A expenses, the $5.5 million of finance costs, the $3.2 million loss on financial instruments and the $0.8 million of costs associated with the acquisition of the RNR joint venture investment. The net loss in the first nine months 2023 net loss included $2.6 million of G&A expenses and a $1.9 million non-cash charge for accumulated foreign currency translation adjustments related to its disposition of the Guia Antigua Project.

Selected Financial Information

	Third Quarter		Nine Months	
	2024	2023	2024	2023
Net loss	$ (9,466)	$ (965)	$ (12,054)	$ (5,045)
Per share – basic and diluted	(0.14)	(0.02)	(0.18)	(0.10)
Exploration and capital expenditures	3,630	3,816	9,544	11,580

	September 30, 2024	December 31, 2023
Balance sheet ($000's):		
Cash and cash equivalents	$ 2,796	$ 7,628
Total assets	97,344	89,443
Convertible Debentures (at fair value) (1)	32,373	22,653

(1) As at September 30, 2024, the total principal amount of Convertible Debentures issued and outstanding amounted to CA$33.1 million, up from CA$20.6 million at December 31, 2023.

Description of Business

Denarius Metals is a Canadian junior company engaged in the acquisition, exploration, development and eventual operation of polymetallic mining projects in high-grade districts.

In Spain, the Company owns a 100% interest in the Lomero Project, a polymetallic deposit located on the Spanish side of the prolific copper rich Iberian Pyrite Belt, and a 50% interest in RNR, which owns a 5,000 tonnes per day processing plant and has the rights to exploit the historic producing Aguablanca nickel-copper mine, located in Monesterio, Extremadura, Spain, approximately 88 km northwest of the Lomero Project. The Company has also been carrying out an exploration campaign on the Toral Zn-Pb-Ag Project located in the Leon Province, Northern Spain pursuant to an option agreement with Europa. On November 12, 2024, the Company acquired a 100% interest in EMI from Europa. EMI holds a 100% interest in the Toral Project.

In Colombia, Denarius Metals is carrying out construction activities at its 100%-owned Zancudo Project, which includes the historic producing Independencia mine, to develop production and cash flow expected to commence in the fourth quarter of 2024 through local contract mining. The Company is also carrying out a 10,000 meters drilling program on the Zancudo deposit which remains open in all directions.

On March 27, 2024, the Company graduated its listing from the TSX Venture Exchange ("TSXV") to Cboe Canada and then on April 3, 2024, the Company changed its symbol on Cboe Canada from "DSLV" to

“DMET”. The Company also trades on the OTCQX Market in the United States under the symbol “DNRSF”.

Issued and Outstanding Securities

As at November 13, 2024, the Company had the following securities issued and outstanding:

Securities	Cboe Canada Symbol	Number	Shares Issuable	Exercise price per share	Expiry or Maturity
Common shares	DMET	93,478,007			
Stock options		200,000	200,000	CA$0.52	2024
		200,000	200,000	CA$0.55	2026
		515,000	515,000	CA$4.45	2026
		260,000	260,000	CA$6.50	2026
		4,000,000	4,000,000	CA$0.52	2028
		400,000	400,000	CA$0.59	2029
		127,500	127,500	CA$1.00	2030
		490,000	490,000	CA$4.50	2031
			6,192,500		
Warrants	Unlisted	23,504,402	23,504,402	CA$0.60	March 2, 2026
	DMET.WT	75,000,000	7,500,000	CA$8.00	March 17, 2026
	Unlisted	803,700	80,370	CA$8.00	March 17, 2026
	Unlisted	16,036,625	16,036,625	CA$0.60	April 4, 2026
	Unlisted	4,149,149	4,149,149	CA$0.85	October 31, 2026
	Unlisted	6,698,014	6,698,014	CA$0.60	May 30, 2027
			57,968,560		
Convertible Debentures	DMET.DB	CA$19,272,000	42,826,666	CA$0.45	October 19, 2028
	Unlisted	CA$13,808,000	23,013,333	CA$0.60	May 30, 2029
		CA$33,080,000	65,839,999		

Securities Issued in the First Nine Months of 2024

(i) Convertible Debentures Units Offering Closed on May 30, 2024 and June 25, 2024

In the second quarter of 2024, the Company closed a private placement in two tranches, issuing a total of 13.8 million convertible debenture units ("Convertible Debenture Units") for total gross cash proceeds of CA$13.8 million (equivalent to approximately $10.0 million). The Convertible Debenture Units comprised an aggregate principal amount of CA$13.8 million of senior unsecured convertible debentures (the "Convertible Debentures due 2029") and 6.9 million unlisted warrants (the “Convertible Debenture Warrants”) of the Company. Total issuance costs related to the Convertible Debenture Units amounted to approximately $0.3 million, most of which was recognized in finance costs in the nine months ended September 30, 2024 related to the Convertible Debentures due 2029. A portion of the issuance costs was allocated to the Convertible Debenture Warrants and recognized in the statement of equity in the nine months ended September 30, 2024.

The Convertible Debentures due 2029 are non-callable and mature and become payable in full on May 30, 2029, unless otherwise converted, prepaid or accelerated in accordance with their terms. The Convertible Debentures due 2029 bear interest at 12% per annum, paid monthly in equal installments in cash. At closing, the Company set aside a portion of the gross proceeds amounting to a total of approximately CA$1.7 million (equivalent to approximately $1.2 million) in trust to fund the monthly interest payments during the first 12 months of the term of the Convertible Debentures due 2029.

Commencing June 30, 2025, and at the end of each quarter thereafter, the Company will pay a gold premium on the principal amount of the Convertible Debentures due 2029 in cash. The gold premium will be calculated as a percentage equal to 25% of (i) the amount, if any, by which the London P.M. Gold Fix on the quarterly measurement date exceeds $2,000 per ounce (the "2024 Floor Price") divided by (ii) the 2024 Floor Price.

At any time prior to maturity, the Convertible Debentures due 2029 are convertible at a holder's option into common shares of the Company at a conversion price of CA$0.60 per share.

(ii) Common Share Private Placement Closed on August 13, 2024 and September 5, 2024

In the third quarter of 2024, the Company closed a non-brokered private placement (the "Common Share Private Placement") in two tranches, issuing a total of 8,473,332 common shares for gross cash proceeds of CA$3.8 million (approximately $2.8 million). The common shares issued in the Common Share Private Placement are subject to a hold period expiring four months and one day after the date of issuance. The Company intends to use the net proceeds of the Common Share Private Placement, together with the net proceeds from its Convertible Debenture Units offering, to fund its Aguablanca Project in Spain, its Zancudo Project in Colombia and for general corporate purposes.

Securities Issued Subsequent to September 30, 2024

(i) Units Private Placement Closed on October 31, 2024

On October 31, 2024, the Company closed a private placement issuing a total of 8,298,300 Units at CA$0.55 per Unit for gross proceeds of CA$4.6 million (approximately $3.3 million). Each Unit consisted of one common share and one-half common share purchase warrant. Each full warrant entitles the holder to purchase one common share of the company at a price of CA$0.85 per common share at any time on or before October 31, 2026. The common shares and warrants issued in the Offering are subject to a hold period in Canada ending March 1, 2025. The Company intends to use the net proceeds of the offering to finance its Zancudo project in Colombia and its Aguablanca project in Spain, and for general corporate purposes.

(ii) Acquisition of 100% Interest in EMI and the Toral Project

On November 12, 2024, the Company issued 7,000,000 common shares to Europa in conjunction with the acquisition of 100% of the issued and outstanding shares of EMI, which holds the Toral Project in Northern Spain. These common shares are subject to a hold period ending on March 13, 2025.

Outlook

As Denarius Metals continues to make progress in the execution of its strategy to have two projects in production within the next 12 months, several catalysts, some of which are out of the Company's control, must fall into place. Receipt of the approval of the EIS at the Zancudo Project, initially expected to be received in the first half of 2024, will be an important next step in the Company's plans to start production at Zancudo and to have a source of internally generated cash flow, particularly in the current robust gold and silver price environment. The mine contractor is ready to commence operations once the EIS approval is received and the Company is finalizing a toll milling arrangement with a local third party to be able to commence early production while the 1,000 tonnes per day processing plant is being constructed. The processing plant equipment has been arriving at the project site during the third quarter of 2024 and will be fully mobilized prior to the end of the year. Installation and commissioning are expected to be completed with the plant operational in the first quarter of 2025.

In addition, the Company is also finalizing documentation of a secured prepayment financing of up to $9.0 million with Trafigura that will be funded as the Company reaches prescribed milestones, the first being the EIS approval, during the completion of its construction activities at the Zancudo Project. The prepayment financing will be repaid from production during the 26 months following start-up of the processing plant.

In Spain, as the Company awaits receipt of the Water Concession for the Aguablanca Project, priority continues to be given to preparation for the re-start of the RNR Plant and the de-watering of the Aguablanca underground mine to facilitate the start of production in 2025 through a local contract miner. The Company is continuing to assess its options in the market to finance the remaining EUR 15 million payable to the RNR Shareholder Group and the funding required for the capital investment to re-start the Aguablanca Project in 2025. At the Lomero Project, a PEA incorporating the processing of its material at the RNR Plant is in process and is expected to be completed in early 2025. At the Toral Project, an update of the MRE will be completed by the end of 2024 followed by a PEA in the first half of 2025.

Projects - Spain

Aguablanca Project, Monesterio, Extremadura, Spain

On November 29, 2023, the Company acquired a 50% interest in RNR which has the rights to exploit the historic producing Aguablanca nickel-copper mine located in Monesterio, Extremadura, Spain, approximately 88 km northwest from the Company's Lomero Project. The Aguablanca Project is the only nickel deposit in Spain and one of the few in Europe. This acquisition gives the Company a second mine expected to be in operation with Aguablanca set to resume production through underground mining within the next 12 months. The acquisition also accelerates a path to production for the Company's Lomero Project using excess capacity available in the RNR Plant and potentially may process material in the future from the Toral Project.

The acquisition of RNR, determined to be an asset acquisition, was completed by Alto Minerals S.L.U. ("Alto"), a wholly-owned subsidiary of Denarius Metals in Spain, and owner of the Company's Lomero Project. Alto acquired 50% of all of the issued and outstanding shares of RNR in an arm's length transaction with the RNR Shareholder Group for cash consideration totaling EUR 25 million (equivalent to approximately $27 million). The Company paid EUR 2.5 million at the acquisition date and two further instalments of EUR 2.5 million each were paid on April 2, 2024 and June 5, 2024. On June 25, 2025, the Company and the RNR Shareholder Group agreed to modify the instalment due on June 30, 2024 with EUR 2.5 million being paid on July 1, 2024 and the balance of approximately EUR 3.3 million to be paid later on receipt of the Water Concession for the use of groundwater in the mining operation. As at November 14, 2024, a total of approximately EUR 9.2 million (equivalent to approximately $10.2 million) related to the instalments due June 30, 2024 and September 30, 2024 has not been paid by the Company. The Company and the RNR Shareholder Group are in discussion regarding the terms for a revised payment plan for these amounts and the forthcoming EUR 5.8 million (approximately $6.5 million) instalment due on December 31, 2024.

In connection with the acquisition, the Company agreed to pay a finder's fee of EUR 200,000 to an unrelated third party, of which EUR 100,000 was paid in cash in April 2024 and the balance of EUR 100,000 was recently settled through the issuance of 231,123 common shares of the Company in October 2024.

In addition, the Company, through Alto, and the RNR Shareholder Group entered into a joint venture agreement (the "JV Agreement") pursuant to which Alto has appointed three members of the RNR board of directors and the RNR Shareholder Group has appointed the remaining three members. Pursuant to the JV Agreement, Alto has been appointed as the operator of the Aguablanca Project. RNR is a joint venture in which the Company, through Alto, has joint control. As a result, the Company is accounting for its investment in RNR using the equity method.

Recognizing the importance of the RNR Plant to the Company's future development of its Lomero Project, the Company and the RNR Shareholder Group agreed in the JV Agreement to negotiate and enter into the necessary agreements for Alto to process ore from the Lomero Project at the RNR Plant under mutually agreed conditions, taking into account market conditions at the time of negotiation. Additionally, the Company and the RNR Shareholder Group agreed in the JV Agreement to explore the possible integration of the Lomero Project with the Aguablanca Project with the aim of incorporating the projects, currently held in two separate companies, into a joint venture between Alto and the RNR Shareholder Group.

As operator of the RNR joint venture, the Company arranged commercial terms in 2024 with Boliden Commercial AB, a subsidiary of Boliden AB, for the sale at market prices of 100 per cent of the nickel-copper concentrates to be produced at the Aguablanca Project. The initial term of the agreement covers the period through mid-2031 and is renewable annually thereafter. The concentrates will be shipped from Aguablanca through the Huelva Port to Boliden's state-of-the-art nickel flash smelting facilities located in Harjavalta, Finland, the only nickel sulphide smelter in the European Union.

Mineral Resource and Mineral Reserve Estimates

On April 11, 2024, the Company announced the results of the Aguablanca Pre-Feasibility Study ("PFS"). The Aguablanca PFS, with an effective date of March 24, 2024, was prepared by Mr. Scott E. Wilson, CPG, President of Resource Development Associates Inc., who is an independent qualified person. In conjunction with the Aguablanca PFS, the Company announced a MRE for the Aguablanca underground mine estimated in accordance with the CIM Definition Standards for Mineral Resources and Reserves, prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council on May 14, 2014. The Aguablanca PFS will be supported by a NI 43-101 independent report (" RNR Technical Report") which was published and filed on SEDAR+ at www.sedarplus.ca and Denarius Metal's website at www.denariusmetals.com on May 23, 2024. The RNR Technical Report will include detailed information on the key assumptions, parameters and methods used to estimate the MRE and the Mineral Reserves for the Aguablanca Project.

The MRE is based on 496 diamond drillholes containing 25,025 assay intervals. Drilling includes two exploration holes which were recently drilled in 2023. Outlier grades were capped prior to compositing to 24,250 two-meter intervals. Nickel, copper and cobalt mineralization was estimated using ordinary kriging techniques based on detailed variography analysis of the mineral deposit. Gold, platinum and palladium mineralization was interpolated using inverse distance estimation techniques. Three-dimensional geology models were constructed to identify the mineralized domains of the mineral deposit. Mineralization is constrained geologically to the mineralized domains to accurately reflect the is situ mineralization. The mineral resource estimate was completed using Vulcan scientific software in a 3D block model, with blocks ranging from 4x4x4 meters down to 2x2x2 meters which is a size reflective of the selective mining unit envisioned for underground mining of the deposit.

The following table summarizes the MRE for the Aguablanca underground mine:

Resource Category	Cutoff (Ni%)	Tonnage (K tonnes)	Grade							Contained Metal						
			Ni (%)	Cu (%)	Co (%)	Pd (ppm)	Pt (ppm)	Au (ppm)	NiEq (%)	Ni (Klbs)	Cu (Klbs)	Co (Klbs)	Pd (Oz)	Pt (Oz)	Au (Oz)	NiEq (Klb)
Measured	0.35%	4,048	0.66	0.60	0.02	0.29	0.34	0.17	0.95	58,836	53,512	1,473	38,033	43,919	21,954	84,493
Indicated	0.35%	1,273	0.64	0.52	0.02	0.27	0.31	0.14	0.89	17,986	14,462	503	11,060	12,492	5,760	24,919
Measured + Indicated		**5,321**	**0.65**	**0.58**	**0.02**	**0.29**	**0.33**	**0.16**	**0.93**	**76,822**	**67,974**	**1,976**	**49,094**	**56,411**	**27,715**	**109,412**
Inferred	0.35%	4	0.67	0.61	0.02	0.31	0.37	0.17	0.96	66	60	2	45	54	24	95

Notes:

1. Reasonable prospects of eventual economic extraction were assessed by enclosing the mineralized material in the block model estimate in a 3D wireframe shape that was constructed based upon geological interpretations as well as adherence to a minimum mining unit with geometry appropriate for underground mining.
2. The cutoff grade of 0.35% Ni considered mining costs of:
   a. Metal selling prices Ni at $7.30/lb and Cu selling prices of $3.50/lb,
   b. Recoveries of Ni 82.8% and Cu 93.6%, and
   c. Costs including mining, processing, general and administrative (G&A), and off-site realization (TCRC).
3. Nickel Equivalent is estimated as ((3.50/7.30) * Cu grade) + Ni Grade.
4. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
5. Mineral resources are inclusive of mineral reserves.
6. Figures may not add up due to rounding.

The mine plan in the Aguablanca PFS is based on Mineral Reserves, as summarized in the following table, which have been estimated for a combination of sub-level extraction and long-hole open stoping underground mining methods. The MRE in the table above is inclusive of the Mineral Reserves estimate, which represents approximately 89% of the tonnes in the Measured and Indicated category of the MRE.

Reserve Category	Cutoff (Ni%)	Tonnage (K tonnes)	Grade							Contained Metal						
			Ni (%)	Cu (%)	Co (%)	Pd (ppm)	Pt (ppm)	Au (ppm)	NiEq (%)	Ni (Klbs)	Cu (Klbs)	Co (Klbs)	Pd (Oz)	Pt (Oz)	Au (Oz)	NiEq (Klb)
Proven	0.35%	3,650	0.67	0.61	0.02	0.29	0.34	0.17	0.97	54,051	49,281	1,343	34,454	39,798	19,835	77,678
Probable	0.35%	1,062	0.67	0.53	0.02	0.28	0.31	0.14	0.92	15,582	12,452	429	9,419	10,578	4,875	21,553
Proven + Probable		**4,713**	**0.67**	**0.59**	**0.02**	**0.29**	**0.33**	**0.16**	**0.96**	**69,633**	**61,733**	**1,772**	**43,874**	**50,375**	**24,709**	**99,231**

Notes:

1. CIM Definition Standards were followed for Mineral Reserves
2. Mineral reserves are not additive to mineral resources
3. Mineral reserves are based on the March 24, 2024 mineral resource estimate
4. Totals may not add up due to rounding
5. Mineral reserves are reported using $7.30/lb Ni, $3.50/lb Cu, $12/lb Co, $2,000/oz Au, $900/oz Pt and $1,200/oz Pd
6. The cutoff grade of 0.35% Ni considered mining costs of:
   a. Metal selling prices Ni at $7.30/lb and Cu selling prices of $3.50/lb,
   b. Recoveries of Ni 82.8% and Cu 93.6%, and
   c. Costs including mining, processing, general and administrative (G&A), and off-site realization (TCRC).
7. Mineral reserves are constrained within a mine design.
8. Units are metric tonnes, metric grams, troy ounces and imperial pounds. Contained metal are estimates of in situ material and do not account for dilution of processing losses.

Aguablanca PFS

The Aguablanca PFS supports the economic viability of the Aguablanca Project. Activities to be carried out in 2024 will require approximately $6.1 million of capital investment, of which the Company must fund its 50% share, to restart the existing 5,000 tpd RNR Plant, to de-water the open pit mine and to commence underground mine development. This will culminate in first production of nickel-copper concentrates in early

2025. Only 50% of the processing plant's capacity will initially be deployed for the Aguablanca Project, preserving the opportunity to use the remaining capacity for the planned development of the Company's nearby Lomero Project at a later date. The Company is currently carrying out an international tender process to identify a long-term offtake arrangement suitable for the sale of these concentrates.

Over the projected 6-year LOM, production from the mining and processing of approximately 4.8 million tonnes of material is expected to recover 43.2 million pounds of payable nickel and 34.6 million pounds of payable copper through the sale of approximately 406,359 tonnes of nickel-copper concentrates. LOM all-in sustaining costs are expected to average $4.04 per pound of payable nickel on a by-product credit basis. The Aguablanca Project incorporates local contract mining and is expected to stimulate the local economy, benefitting Extremadura and surrounding communities through direct and indirect employment at the Aguablanca Project, local sourcing of services and supplies and community programs funded by the Company. At long-term nickel and copper prices of $7.30 per pound and $3.50 per pound, respectively, total LOM undiscounted after-tax Project cash flow from mining operations on a 100% basis amounts to $105.7 million. At a 5% discount rate, the net present value of the total LOM after-tax Project cash flow on a 100% basis amounts to $83.1 million. The Aguablanca PFS has an after-tax internal rate of return of 213% and payback by the end of 2025.

Lomero Project, Iberian Pyrite Belt

The Company owns a 100% interest in the Investigation Permit Nº 14,977, also identified as Rubia, covering the areas occupied by the former Lomero-Poyatos Concessions and the mine within them in Southern Spain (collectively, the "Lomero Project"). The Lomero Project is owned by Alto and is subject to a 2% net smelter returns royalty granted in connection with the acquisition of the project in April 2021.

The Rubia Permit is an investigative mining permit covering 15 graticular blocks totalling approximately 454 hectares within the adjoining municipalities of El Cerro del Andevalo and Cortegana within Huelva, Andalucia, southern Spain. The area covered by the Rubia Permit is located approximately 85 km northwest of Seville and 60 km northeast of the port of Huelva and includes the area previously occupied by 13 mining concessions including the former Lomero-Poyatos mine. The Lomero Project is a polymetallic deposit located within the Iberian Pyrite Belt, which is one of the largest districts of pyrite-rich massive sulphide deposits in the world.

In April 2023, the Company announced that it received approval from the Mining Department in Huelva for a three-year extension of the Rubia Permit. The extension of the Rubia Permit was granted by the Department of Mines in Huelva in conjunction with its approval of the Company's planned drilling program for 2023.

The Company also announced in April 2023 that it has been granted Investigation Permit "Palomarejo" Nº 14.978 to the west of the Rubia Permit. The Palomarejo Permit covers an area of 151 hectares in the Cortegana area (Huelva), increasing the Company's exploration area by about 30%, and is in a similar geological setting as the adjacent polymetallic Lomero-Poyatos deposit. The Palomarejo Permit has an initial three-year term and may be extended for another three years.

In August 2021, the Company, through Alto, entered into an agreement with the creditors of Corporation de Recursos Iberia SL ("CRI") pursuant to which it agreed to acquire all the assets of CRI related to the Lomero Project, including, but not limited to, physical assets, lands, warehouse and exploration assets, in exchange for making payments to the creditors of CRI. CRI was involved in a bankruptcy process in Spain and, on May 23, 2024, the Commercial Court nº 12 of Madrid approved the Company's agreement with the creditors of

CRI. In aggregate, the Company agreed to pay a total of EUR 1.9 million (equivalent to approximately $2.1 million) to the creditors of CRI, including EUR 1.3 million (equivalent to $1.4 million) that will be paid in five instalments over a four-year period. Cash in trust of approximately $0.4 million was used in June 2024 to fund certain payments to the creditors of CRI and a total of approximately $0.1 million was paid in cash to the creditors of CRI in the third quarter of 2024. In connection with the acquisition, the Company had historically incurred $0.8 million of costs that were considered deferred acquisition costs until the completion of the transaction and incurred an additional $0.4 million of transaction costs included in accounts payable and accrued liabilities at September 30, 2024. The acquisition of the CRI assets was accounted for as an asset acquisition, with the acquisition costs paid allocated primarily to the E&E assets related to the Lomero Project. The transaction costs incurred by the Company related to this transaction have been capitalized as part of the consideration amount.

Mineral Resource Estimate

The Lomero Project has a rich history of exploration and production to substantiate the potential for future exploitation. To date, the Company's exploration program has principally comprised surface and validation drilling, including twinning of historical drill holes, to confirm its understanding of the existing geological model for the known Lomero-Poyatos deposit.

Following the acquisition of the Lomero Project in 2021, the Company commenced its Phase 1 surface validation and in-fill drilling program comprised of approximately 26,000 meters in 83 diamond drill holes. The program, completed in July 2022, identified mineralization over a strike length of 1 km and with a vertical extension of 400 m, increasing the Company's confidence in the geological model using data validated from previous historic drilling campaigns. In July 2022, the Company prepared an initial MRE based on the results of its Phase 1 drilling program.

In October 2022, the Company commenced its Phase 2 surface validation and in-fill drilling program comprised of approximately 13,225 meters in 42 diamond drill holes. Results from the Phase 2 program, completed in February 2023, confirmed the expected higher grades at depth and validated the lateral and horizontal continuity of the massive sulphide and semi-massive sulphide mineralized lenses. The Phase 2 program also confirmed the presence of higher-grade mineralized zones within the broader resource envelope.

The Company followed up with a Phase 3 surface validation drilling program completed in July 2023 comprised of approximately 4,760 meters in 20 diamond drill holes. Phase 3 drilling was designed to complete the verification of selected high-grade underground holes drilled in the 1980s by Indumetal/Billiton. Phase 3 drilling also confirmed zonation of metals in the deposit, with significant copper mineralization showing grades >0.6% distributed in the central and eastern sectors of the deposit, and significant gold-silver-zinc and lead mineralization showing grades over 2.0 g/t Au, 20 g/t Ag and 0.5% for Zn and Pb distributed in the western and eastern sectors of the deposit and at depth.

On November 2, 2023, the Company filed the Lomero Technical Report on SEDAR+. The Lomero Technical Report included an updated MRE for the Lomero Project, with an effective date of July 31, 2023, incorporating the results from its Phase 2 and Phase 3 drilling programs. The updated MRE converted approximately 73% of the initial Inferred MRE prepared in 2022 to the Indicated Mineral Resources category. The current geological model and the updated MRE for the Lomero-Poyatos deposit include the results obtained from a total of 146 holes representing 44,228 meters of drilling completed to date by the Company plus another 55 historical holes drilled by CMR in 2001 to 2007 representing 10,053 meters.

The updated MRE for the Lomero Project is shown in Table 1 below. The mineral resource evaluation work was completed by Mr. Benjamin Parsons, MAusIMM (CP#222568), Principal Consultant (Resource Geology) with SRK Consulting (U.S.), Inc. ("SRK"), who is an independent qualified person. The Mineral Resources have been reported based on copper equivalent ("CuEq") with the key assumptions included in the notes to the table. In order to meet "reasonable prospects for eventual economic extraction" requirement, the Lomero deposit has been deemed amenable to both open pit and underground mining (for the remaining material which has displayed continuity above the defined cut-off grades), with the cut-off grades of 0.4% CuEq for open pit resources and 0.6% CuEq for underground resources established using benchmarked costs taken from similar deposits within the Iberian Pyrite Belt and metallurgical recoveries based on the outcomes of the initial metallurgical test work completed by the Company between 2022 and 2023.

Table 1: SRK CIM Compliant Mineral Resource Statement effective July 31, 2023 for the Lomero Project, Spain, reported based on Copper Equivalent ("CuEq") (2)

Class	Mining Type	Mass (Mt)	Average Value					Material Content					Metal	
			Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (koz)	Ag (koz)	Cu (t)	Pb (t)	Zn (t)	CuEq (%)	CuEq (t)
Indicated	OP (4)	5.92	2.22	23	0.74	0.45	1.02	422	4,468	43,867	26,492	60,454	1.96	115,702
	UG (5)	1.82	2.45	28	0.41	0.50	1.07	143	1,627	7,392	9,029	19,439	1.74	31,600
	Total	**7.73**	**2.27**	**25**	**0.66**	**0.46**	**1.03**	**565**	**6,095**	**51,259**	**35,521**	**79,893**	**1.91**	**147,302**
Inferred	OP (4)	1.93	1.79	24	0.28	0.60	1.22	111	1,475	5,340	11,562	23,618	1.47	28,317
	UG (5)	1.52	1.94	21	0.30	0.45	1.12	95	1,003	4,544	6,860	17,045	1.45	22,043
	Total	**3.45**	**1.86**	**22**	**0.29**	**0.53**	**1.18**	**206**	**2,478**	**9,884**	**18,422**	**40,662**	**1.46**	**50,359**

Notes:

(1) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Gold, silver, copper, lead and zinc assays were capped where appropriate. It is assumed based on regional benchmarking that all the elements included in the CuEq calculation have a reasonable potential to be recovered and sold.

(2) The CuEq calculation has been defined using the following formula:

CuEq =((Au*21.38)+(Ag*0.42)+(Cu*69.45)+(Pb*12.68)+(Zn*25.46)/99.21)/ Cu Recovery

(3) Mineral resources are reported using an assumed CuEq cut-off grade based on metal price assumptions*, variable metallurgical recovery assumptions**, mining costs, processing costs, general and administrative (G&A) costs and variable NSR factors***. Mining, processing and G&A costs total US$31/t for Open Pit Mining and US$45/t for Underground Mining which includes assumptions for prices, recoveries and payabilities. The CuEq cut-off grade 0.4% CuEq (OP) and 0.6% CuEq (UG) is calculated by dividing the costs by the Cu Factor and recoveries.

(*) Metal price assumptions considered for the calculation of Metal Equivalent grades are: Gold (US$/oz 1,900.00), Silver (US$/oz 24.0), Copper (US$/lb 4.50), Lead (US$/lb 1.15) and Zinc (US$/lb 1.50)

(**) Cut-off grade calculations assume variable metallurgical recoveries as a function of grade and relative metal distribution. Average metallurgical recoveries are: Gold (35%), Silver (55%), Copper (70%), Lead (50%) and Zinc (77%).

(***) Cut-off grade calculations and metal equivalencies assume variable CuEq factors as a function of smelting, transportation costs and royalties (3%).

(4) Open pit (OP) mineral resources are constrained within NPV optimized pits which SRK based on assumed mining costs defined.

(5) Underground (UG) mineral resources represent all material below the proposed limiting pit shell which have been confirmed visually to form contiguous units with a minimum width of 2.5 x 2.5 x 1.25m

Toral Project, Leon Province

On November 22, 2022, the Company entered into a Definitive Option Agreement with Europa pursuant to which Europa had granted two options to the Company to acquire up to an 80% ownership interest in EMI. EMI owns a 100% interest in the Investigation Permit Nº 15,199 which covers the area occupied by the Toral Project in Northern Spain. In October 2023, as part of the Company's commitment under the Definitive Option Agreement, a formal application for a mining license for the Toral Project was completed and submitted to the Junta of Castille and Leon, the local mining authority. While the mining license application is being assessed, EMI's Investigation Permit remains in effect.

Mineral Resource Estimate

On November 30, 2022, following completion of its 2022 drilling campaign, Europa announced an updated JORC 2012 compliant MRE for the Toral Project prepared by Addison Mining Services Ltd. with an effective date of November 5, 2022 comprising:

- An *Indicated Mineral Resource* of approximately 7Mt @ 5% Zn, 3.7% Pb and 29 g/t Ag, containing 349,000 tonnes of zinc, 260,000 tonnes of lead and 6.6 million ounces of silver, and
- An *Inferred Mineral Resource* of approximately 13Mt @ 4.1% Zn, 2.3% Pb and 19 g/t Ag containing 540,000 tonnes of zinc, 300,000 tonnes of lead and 8 million ounces of silver.

Following Europa's 2022 drilling campaign, the database supporting the MRE for the Toral Project included a total of 61,545 meters of drilling.

First and Second Options under the Definitive Option Agreement

Pursuant to the Definitive Option Agreement, the Company was granted a First Option, exercisable until November 22, 2025, to subscribe for a 51% equity interest in EMI by (i) spending, as operator of EMI, a total of $4.0 million on the Toral Project over the three-year period, (ii) completing a preliminary economic assessment and (iii) completing and submitting a mining license application in respect of the Toral Project to the local mining authority. In 2023, the Company carried out a 6,200 meters drilling campaign at the Toral Project, the results of which are being incorporated into the existing database to support the preparation of an updated MRE expected to be completed later in 2024 followed by the preparation of a PEA to be completed in the first half of 2025. As of September 30, 2024, the Company has funded a total of approximately $3.1 million during the First Option period related to EMI's exploration program, including VAT receivable, pursuant to a loan agreement dated November 22, 2022 between the Company, Europa and EMI (the "EMI Loan"). In July 2024, EMI received its 2023 VAT refund of approximately $0.4 million and these funds have been retained by EMI to fund continuing expenditures at the Toral Project.

As at September 30, 2024, EMI has an amount payable to Europa (the "Europa Advances") of approximately AUD 6.5 million (equivalent to approximately $4.5 million; December 31, 2023 – AUD 6.5 million, equivalent to $4.4 million). Pursuant to the Definitive Option Agreement, Europa agreed that, on the closing of the Company's exercise of the First Option, the Europa Advances would be settled by EMI through an issuance of additional equity of EMI to Europa.

The Definitive Option Agreement also provided the Company with a Second Option to acquire an additional 29% equity interest in EMI by delivering a prefeasibility study and making a cash payment of $2.0 million to Europa within the 12-month period following the closing of the First Option.

Subsequent Event – Acquisition of 100% Interest in EMI

As noted on page 5, the Company closed the acquisition of 100% of the issued and outstanding shares of EMI (the "EMI Acquisition") from Europa on November 12, 2024. Europa also assigned the Europa Advances to the Company on closing of the EMI Acquisition. The purchase price in the EMI Acquisition represented the sum of the EMI Loan and the issuance of 7,000,000 common shares of the Company to Europa on closing of the EMI Acquisition. The common shares issued to Europa are subject to a hold period ending on March 13, 2025. The Definitive Option Agreement was terminated on closing of the EMI Acquisition.

The Company's work to date provides it with confidence in the potential for the Toral Project to become a long-life underground mining operation which has the possibility, subject to further economic study, to eventually supply material to the RNR Plant. Completing the acquisition of 100% of the Toral Project with share consideration also strengthens the Company's liquidity and improves its flexibility to manage the development schedule for its projects in Spain without having to meet the specific obligations mandated under the Definitive Option Agreement.

Projects - Colombia

Zancudo Project, Department of Antioquia

The Zancudo Project, acquired by the Company in conjunction with the February 2021 RTO Transaction, is located in the Municipality of Titiribi, Department of Antioquia, Republic of Colombia, approximately 30 km southwest of Medellin.

The Zancudo Project includes the historic producing Independencia Mine and is a high-grade gold-silver-quartz vein deposit with mineralization occurring in multiple veins that have been exploited over a strike length of 3.5 km. The average vein width is 0.35 m, with a maximum width of 3.0 m. The known vertical extent of mineralization is 400 m.

Mining of high-grade gold and silver veins was carried out in the historic Zancudo mining district from 1793 to 1948 with estimated production of between 1.4 and 2.0 Moz Au-equivalent. The Zancudo Project has access to labour, the Colombian national power grid and ample water resources. The Zancudo Project is subject to a 4% NSR royalty on future production, payable in cash.

Mineral Resource Estimate

On December 14, 2023, the Company filed the Zancudo Technical Report on SEDAR+ for the Zancudo gold-silver mineral deposit. The work on the Zancudo Technical Report was completed by Mr. Scott E. Wilson, CPG (#4025107RM), President of Resource Development Associates Inc., who is an independent qualified person. The Zancudo Technical Report includes an updated MRE for the Zancudo Project with an effective date of October 24, 2023.

At the time of the preparation of the Zancudo Technical Report, the Company had not completed any drilling on the Zancudo Project since its acquisition in 2021. The database for the updated MRE included a total of 40,100 meters of diamond drilling in 149 holes, including 33 underground holes drilled in the Independencia Mine, that was carried out at the Zancudo Project by Gran Colombia Gold and IAMGOLD over the period from 2011 through 2021.

The following table summarizes the updated MRE for the Zancudo Project:

Class	Tonnes (kt)	Grade			Material Content		
		Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (koz)	Ag (koz)	AuEq [4] (koz)
Inferred	4,100	6.53	107	8.1	860	14,090	1,060

Notes:

1) Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves.
2) All figures are rounded to reflect the relative accuracy of the estimates. Gold and silver assays were capped where appropriate.
3) Mineral resources are reported at an in situ cut-off grade of 4.0 g/t AuEq over a 1.0 meter mining width, which was derived using a gold price of $1,850/oz, a silver price of $23.0/oz, and suitable benchmarked technical and economic parameters for underground mining (mining = $105.0, processing = $42.0, G&A and selling costs = $21.0 and royalties = 3.2%).
4) Metal equivalent is calculated with the formula AuEq = (Au *Au Recovery (75%) * AuPrice + Ag *Ag Recovery (80%) * AgPrice)) / (Au Recovery (75%) *Au Price).
5) It assumed that the Zancudo Project will produce a concentrate product based on assumed conventional gold and silver processing recoveries of 75% Au and 80% Ag from initial preliminary metallurgical sampling and benchmarked projects within the region.

Preliminary Economic Assessment

The Zancudo Technical Report also includes a PEA, effective as of October 24, 2023, which affirms the economic viability of the planned underground mining operation at the Zancudo Project. The PEA, based on the updated MRE, envisions an initial capital cost estimate of $14.8 million and a 10-year mine life over which the Company expects to generate net revenue of approximately $1.0 billion from the sale of approximately 576,000 payable ounces of gold and 8.8 million payable ounces of silver at a LOM average AISC of $1,059 per ounce of gold. The PEA incorporates local contract mining and indicative pricing terms for its concentrate production. At long-term gold and silver prices of $1,800 per ounce and $22 per ounce, respectively, total LOM undiscounted after-tax project cash flow from mining operations amounts to $266.4 million. At a 5% discount rate, the net present value of the total LOM after-tax project cash flow amounts to $206.3 million. The Zancudo Project PEA has an after-tax internal rate of return of 287% and payback in 2025. The PEA is preliminary in nature and it includes Inferred Resources that are considered too speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the estimates presented in the PEA will be realized.

Phosphates Project, Department of Boyacá

In July 2023, the Company acquired 100% of the issued and outstanding shares of Emerene, a Panamanian company which owns several phosphorite mining rights in the Department of Boyacá in the central northeastern part of Colombia. The acquisition of the phosphate concessions is in keeping with the Company's long-term sustainability initiatives and is expected to provide a source of cash flow to the Company when in production. The development of a phosphate mining operation in Colombia is expected to support the growth in locally sourced fertilizer for use in the Colombian agriculture industry. The Company's next steps include the completion of some further technical studies and to seek a partner who will carry out the mining activities, keeping the investment by the Company to start up operations to a minimum.

Results of Operations and Overall Performance

($000's)	Third Quarter 2024	2023	First Nine Months 2024	2023
G&A expenses	$ 991	$ 791	$ 3,143	$ 2,572
Finder's fee and other costs associated with acquisition of joint venture investment	63	-	835	-
Share-based compensation expense	26	209	275	305
Finance costs	1,823	6	5,524	14
Loss on financial instruments	6,880	-	3,165	287
Recognition of accumulated foreign currency translation adjustment on disposal of foreign operation	-	-	-	1,917

The Company's ***G&A expenses*** are generally attributed to costs associated with the corporate functions of the public company, including personnel related costs, board fees, legal and audit fees, accounting advisory fees, insurance, shareholder relations and investor relations program costs. The increase in G&A expenses in the first nine months of 2024 to $3.1 million, compared with $2.6 million in the first nine months last year, can be attributed to an increase in activity-based legal and audit/accounting fees and the costs incurred by the Company in the migration of its listing to Cboe Canada in March 2024.

In the first nine months of 2024, the Company incurred $0.8 million of ***costs associated with its acquisition of a 50% interest in the RNR joint venture***, including a finder's fee, technical and legal fees.

Share-based compensation expense represents the service cost of stock options granted by the Company under its long-term incentive program and that typically vest over a one-year period following the grant date. The $0.3 million expense in the first nine months of 2024, similar to the amount recognized in the first nine months last year, primarily reflects the cost of stock options granted in May 2023 that completed their vesting in May 2024. In February and July 2024, the Company granted a total of 400,000 stock options to two new directors for which the share-based compensation recognized in the nine months ended September 30, 2024 was $44,000.

Finance costs during the first nine months of 2024 amounted to $5.5 million, up from $14,000 in the first nine months last year, and included the following major items:

- Interest paid in cash on the Convertible Debentures totaling $1.7 million. No Convertible Debentures were outstanding during the first nine months last year;
- Financing costs of $0.3 million associated with the issuance of the Convertible Debentures due 2029 in the second quarter of 2024;
- The recognition of $0.4 million for a portion of the Minimum Payment Adjustment under the Zancudo NSR that becomes due and payable in the second quarter of 2025 (refer to discussion on page 17); and,
- Non-cash accretion of interest on financial liabilities in the amount of $3.1 million, primarily attributable to the amount payable in connection with the acquisition of the RNR joint venture investment in the fourth quarter of 2023. The total amount payable in instalments in 2024 of EUR 22.5 million (equivalent to approximately $24.5 million) was recorded at a discounted amount equivalent to $21.0 million on the acquisition date and is being accreted with a charge to finance costs over the period to December 31, 2024.

The Company recognized a ***loss on financial instruments*** in the first nine months of 2024 of $3.2 million for the change in fair values of the Convertible Debentures. The loss on financial instruments of $0.3 million in the first nine months of 2023 resulted from a change in the fair value of the units issued in the Rights Offering completed by the Company on March 2, 2023.

In February 2023, the Company and Aris Mining mutually agreed to terminate the license agreement at the Guia Antigua Project in Colombia and Aris Mining reimbursed the Company for exploration expenditures incurred by the Company in 2021 and 2022 in the amount of approximately COP 10.7 billion (equivalent to approximately $2.2 million) in cash. In the first quarter of 2023, as a result of the disposal of this foreign operation, the Company recognized the ***accumulated foreign currency translation adjustment***, previously included in accumulated other comprehensive loss on the balance sheet, of $1.9 million in the consolidated statement of operations.

Net loss

The Company reported ***net loss*** of $9.5 million ($0.14 per share) in the third quarter of 2024 compared with a net loss of $1.0 million ($0.02 per share) in the third quarter of 2023. This brings the net loss for the first nine months of 2024 to $12.1 million ($0.18 per share) compared with a net loss of $5.0 million ($0.10 per share) in the first nine months of 2023. The main drivers in the net loss for the first nine months of 2024 are the $3.1 million of G&A expenses, the $5.5 million of finance costs, the $3.2 million loss on financial instruments and the $0.8 million of costs associated with the acquisition of the RNR joint venture investment. The net loss in the first nine months 2023 net loss included $2.6 million of G&A expenses and a $1.9 million non-cash charge for accumulated foreign currency translation adjustments related to its disposition of the Guia Antigua Project.

Summary of Quarterly Results

The following table provides a summary of the Company's quarterly results, including certain items that represent the main drivers of the Company's quarterly net loss/income:

	2024			2023				2022
$000's except per share data	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr
G&A expenses	$ (991)	$ (1,198)	$ (954)	$ (1,199)	$ (791)	$ (854)	$ (927)	$ (884)
Finance costs	(1,823)	(2,070)	(1,631)	(1,372)	(6)	(5)	(3)	(7)
(Loss) gain on financial instruments	(6,880)	11,973	(8,258)	(6,705)	-	-	(287)	-
Recognition of accumulated foreign currency translation adjustment on disposal of foreign operation and Guia Antigua impairment charge	-	-	-	-	-	-	(1,917)	(4,268)
Net (loss) income	$ (9,466)	$ 8,523	$ (11,111)	$ (9,391)	$ (965)	$ (942)	$(3,138)	$(5,147)
Per share - basic and diluted	(0.14)	0.13	(0.18)	(0.15)	(0.02)	(0.02)	(0.11)	(0.25)
Exploration and capital expenditures	3,630	3,027	2,887	3,435	3,816	4,347	3,417	2,068

Results of operations can vary significantly by quarter as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by the level of working capital, the availability of external financing, the time required for ongoing administration and maintenance of the Company and its exploration and mining projects.

The Company issued the Convertible Debentures due 2028 in the fourth quarter of 2023 and followed up with the issuance of the Convertible Debentures due 2029 in the second quarter of 2024. The Convertible Debentures are financial liabilities and have been designated at FVTPL. Changes in assumptions used in the determination of fair value estimates for the Convertible Debentures including, but not limited to, volatility factors, risk-free rates, stock price, credit spreads and liquidity discounts may also generate losses or gains on financial instruments that cause the results of operations to vary significantly by quarter.

Quarterly finance costs of the Company increased starting in the fourth quarter of 2023 primarily reflecting (i) the issuance of the Convertible Debentures due 2028 and (ii) the recognition of non-cash accretion on the amount payable for the acquisition of the RNR joint venture which was scheduled to be paid through instalments in 2024. Finance costs increased in the second quarter of 2024 reflecting the issuance of the Convertible Debentures due 2029.

The net losses for the first quarter of 2023 and the fourth quarter of 2022 included non-cash charges of $1.9 million and $4.3 million, respectively, related to the termination and disposition of the Guia Antigua Project license agreement.

Liquidity and Capital Resources

The Company's capital management objective is to have sufficient capital to be able to execute its business plan. The Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions and the risk characteristics of the underlying E&E and mining assets. The continued exploration and development of the Company's E&E and mining assets is dependent on the ability of the Company to secure sufficient funds through operations or other sources. Such funds may not be available on acceptable terms or at all.

With the acquisition of a 50% joint venture investment in RNR in the fourth quarter of 2023, the Company now has two mines being prepared to commence operations within the next 12 months, the Zancudo Project in Colombia and the Aguablanca Project in Spain. The commencement of operations at both projects requires local authority approval of pending applications for permits. At the Zancudo Project, the Company received its mining license in late 2023 and is awaiting approval of its Environmental Impact Study ("EIS"), receipt of which has been delayed from expectations earlier in the year, in order to start mining operations. Recent interactions with the local Colombian environmental authority indicate approval of Zancudo's EIS may be received prior to the end of 2024. At the Aguablanca Project, the application was filed for the Water Concession for the use of groundwater in the mining operation in June 2022. Receipt of approval of the Water Concession is required before de-watering activities can start at the Aguablanca project to gain access to the underground mine. It is estimated that the de-watering program will take 6 to 9 months to complete after which contract mining operations will be able to commence. Refurbishment of Aguablanca's processing plant will be carried out simultaneously with the de-watering program.

In light of the foregoing, the Company has taken steps to prioritize its expenditure programs in the first nine months of 2024 to concentrate on the Zancudo and Aguablanca Projects, as demonstrated by its cash used in investing activities as outlined on page 19, to bring these projects into production in order to generate an internal source of future operating cash flow. In 2024, the Company has financed its operating and investing activities with several financings and arrangements, in part necessitated by the delay in receiving Zancudo's EIS which has delayed access to certain funds available from Trafigura for the project construction and the commencement of mining operations. These financings in 2024 included (i) the NSR sale on Zancudo production, (ii) the Convertible Debenture Units offering, (iii) the Common Share Private Placement and (iv) subsequent to September 30, 2024, the Units Private Placement. The Company is also in the midst of finalizing the definitive documentation for a secured prepayment financing with Trafigura related to the Zancudo Project. The Company is continuing to assess its options in the market to finance the remaining EUR 15 million payable to the RNR Shareholder Group and the funding required for the capital investment to re-start the Aguablanca Project in 2025.

Zancudo NSR

As part of the funding for construction of the Zancudo Project, the Company finalized the sale on March 27, 2024 of a 3% NSR on future production from its Zancudo Project, receiving gross cash proceeds totaling \$5.0 million in late March/early April. The NSR agreement includes a Minimum Payment Adjustment which is calculated on an annual basis, commencing March 31, 2025, until the Zancudo Project reaches commercial production as defined in the NSR agreement. The Minimum Payment Adjustment will be paid in cash to the NSR holders and represents the difference between \$750,000 and the aggregate amount of actual NSR paid to the NSR holders during the preceding 12-month period. Once commercial production is achieved, the Minimum Payment Adjustment is cancelled. As the Zancudo Project is not yet in production, the Company recorded \$0.4 million in accounts payable and accrued liabilities at September 30, 2024 related to a pro rata portion of the potential Minimum Payment Adjustment due and payable in the second quarter of 2025. In addition, if commercial production, as defined in the NSR agreement, has not been achieved by the Zancudo Project by March 31, 2029, then the NSR holders may elect to sell to the Company, and the Company shall be obligated to purchase, the NSR for an amount equal to the upfront cash payment totaling \$5.0 million (the "Put Option"). Once commercial production has been achieved, the Put Option is cancelled.

Trafigura Offtake Agreement and Prepayment Financing Related to Zancudo Project

In April 2024, the Company agreed to commercial terms with Trafigura, a leading global commodities group, for the sale at market prices of 100% of the high-grade gold-silver concentrates to be produced at its Zancudo Project over the next eight years.

The Company also arranged a secured prepayment financing of up to \$9.0 million with Trafigura in conjunction with the offtake contract. The Company and Trafigura are in the process of finalizing definitive documents. The proceeds of the prepayment financing will be funded by Trafigura as the Company reaches prescribed milestones, including receipt of the EIS, during the completion of its construction activities at the Zancudo Project. The prepayment financing will be repaid from production during the 26 months following start-up of the processing plant.

Going Concern and Working Capital Deficit

The Company currently has no production and has no source of revenue. Further, during the first nine months of 2024, the Company reported a net loss of \$12.1 million (including \$6.5 million of non-cash charges) and net cash used in operating activities of \$3.2 million.

As at September 30, 2024, the Company has cash and cash equivalents of \$2.8 million and a working capital deficiency of \$53.7 million. The working capital deficiency includes:

- \$4.4 million of accounts payable and accrued liabilities, of which approximately \$2.5 million relates to the Zancudo Project and is expected to be repaid with proceeds from the Trafigura prepayment financing and future operating cash flow;
- \$32.4 million for the Convertible Debentures which are not repayable in cash within the next 12 months;

- $4.5 million for the amount payable from EMI to Europa that was assigned to the Company subsequent to September 30, 2024 in conjunction with the Company's acquisition of a 100% equity interest in EMI;
- Current portion of NSR liability in the amount of $0.4 million that is due for payment in the second quarter next year and is expected to be funded by future operating cash flow; and,
- $16.4 million (undiscounted total of EUR 15 million) for the amount payable in connection with the acquisition of the RNR joint venture investment, including a total of approximately EUR 9.2 million (equivalent to approximately $10.2 million) related to the instalments due June 30, 2024 and September 30, 2024 that have not been paid by the Company. The Company and the RNR Shareholder Group are in discussion regarding the terms for a revised payment plan for these amounts and the forthcoming instalment due December 31, 2024.

The Company will require additional sources of capital to fund ongoing operational requirements, planned exploration, development and capital expenditures related to its mineral property and E&E assets, and the amount payable related to the acquisition of the RNR joint venture investment. To continue as a going concern, the Company must generate sufficient operating cash flow to fund these requirements or secure new funding. The Company continues to evaluate other options to raise additional funding, including gross proceeds of up to CA$31.3 million which may be received in the future from the exercise of warrants with exercise prices of CA$0.60 and CA$0.85 per share as outlined on page 4. There can be no assurance that these initiatives will be successful. These material uncertainties cast significant doubt as to the ability of the Company to meet its business plan and obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company believes that the going concern assumption is appropriate for the Interim Financial Statements and that it will be able to fund its operational requirements and planned exploration and capital programs during the current year and beyond. There is no guarantee that the Company will be successful in its endeavors and no certainty as to the timing of the Company's impending exploration and development programs or the commencement of mining operations at its Zancudo or Aguablanca Projects. Should the going concern assumption not be appropriate and the Company is not able to realize its assets and settle its liabilities, the Interim Financial Statements of the Company would require adjustments to the amounts and classifications of assets and liabilities, and these adjustments could be material.

Operating activities

Net cash used in operating activities in the first nine months of 2024 amounted to $3.2 million, up from $1.8 million in the first nine months of 2023, largely due to an increase in G&A expenses to $3.1 million in the first nine months this year from $2.6 million in the same period last year and costs incurred in the first nine months this year of $0.8 million related to the Company's acquisition of the joint venture investment in RNR.

Investing activities

Net cash used in investing activities in the first nine months of 2024 amounted to $18.6 million compared with $9.4 million in the first nine months of 2023, including:

- $9.5 million of expenditures on the Company's E&E assets and mineral property, plant and equipment, down from $11.6 million in the first nine months of 2023, as detailed by project in the table below. In the fourth quarter of 2023, the Zancudo Project was transferred from E&E assets to mineral property, plant and equipment. Expenditures on the Zancudo Project increased to $7.4 million in the first nine months of 2024, up from $4.1 million in the same period last year, reflecting construction activities in preparation for the commencement of mining operations expected to start in the fourth quarter of 2024. In Spain, the immediate focus shifted in 2024 to the Aguablanca Project, which is expected to re-start operations in 2025. As such, expenditures in the first nine months of 2024 at the Lomero and Toral Projects decreased to $1.4 million and 0.7 million, respectively, from $5.4 million and $2.1 million, respectively, in the first nine months last year which included drilling campaigns at both projects.

- $8.1 million of acquisition payments (EUR 7.5 million) in the first nine months of 2024 to reduce the amount payable for the joint venture investment in RNR. These payments related to the March 31, 2024 and June 30, 2024 instalments. As at November 14, 2024, a total of approximately EUR 9.2 million (equivalent to approximately $10.2 million) related to the instalments due June 30, 2024 and September 30, 2024 has not been paid by the Company. The Company and the RNR Shareholder Group are in discussion regarding the terms for a revised payment plan for these amounts and the forthcoming instalment due December 31, 2024.
- $0.8 million of capital contributions to RNR to fund the Company's 50% share of costs incurred by the joint venture in the first nine months of 2024.
- $0.2 million paid in the first nine months of 2024 in connection with the acquisition of the CRI assets at the Lomero Project as described on page 9, including $0.1 million paid to the creditors of CRI and approximately $0.1 million of deferred acquisition costs. The Company paid $0.1 million of deferred acquisition costs in the first nine months last year.
- Investing activities in the first nine months of 2023 included $2.2 million of cash received from Aris Mining in February 2023 in connection with the termination of the Guia Antigua license agreement.

Total E&E and capital expenditures by project over the trailing eight quarters is as follows:

	2024			2023				2022
$000's	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr
Lomero Project	$ 516	$ 582	$ 320	$ 625	$ 1,340	$ 1,759	$ 2,333	$ 1,695
Zancudo Project	2,938	2,136	2,331	2,230	1,557	1,751	772	123
Toral Project	176	309	236	580	919	837	286	-
Guia Antigua Project	-	-	-	-	-	-	26	250
Total expenditures	$ 3,630	$ 3,027	$ 2,887	$ 3,435	$ 3,816	$ 4,347	$ 3,417	$ 2,068

Financing activities

Net cash provided by financing activities in the first nine months of 2024 was $17.1 million, including $9.7 million of net proceeds received from the issuance of the Convertible Debentures Units, $4.7 million of net proceeds received from the sale of the 3% NSR on Zancudo, $2.8 million from the Common Share Private Placement and $1.3 million from the exercise of warrants. Cash in trust provided $0.5 million of cash flow in the first nine months of 2024, representing $1.7 million used to find the interest expense paid on the Convertible Debentures, net of $1.2 million set aside from the proceeds of the Convertible Debenture Units in the second quarter of 2024 to fund the first 12 months' interest on the Convertible Debentures due 2029. As at September 30, 2024, cash in trust included $0.2 million to fund October's interest on the Convertible Debentures due 2028 and $0.8 million to fund the monthly interest through May 2025 on the Convertible Debentures due 2029.

Net cash provided by financing activities in the first nine months of 2023 was $11.2 million, including $5.9 million of net proceeds from the Rights Offering completed in March 2023 and $5.3 million of net proceeds from the Private Placement completed in April 2023.

Related Party Transactions

The Company entered into a consulting and advisory agreement related to social and environmental matters at the Company's Zancudo Project effective June 1, 2023 for services to be provided by a firm affiliated with a non-executive director of the Company at the time of signing the agreement. During the nine months ended September 30, 2024, the Company incurred a total of $135,000 in fees pursuant to this agreement (nine months ended September 30, 2023 - $80,000).

Aris Mining paid COP10,692,000,000 (equivalent to approximately $2.2 million) on February 27, 2023 to the Company in connection with the termination of the license agreement associated with the Guia Antigua Project.

These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments

The carrying value of cash and cash equivalents, other receivables, accounts payable and accrued liabilities and amount payable by EMI to Europa approximate their fair values as they are short-term in nature.

The Convertible Debentures due 2028 are a financial liability and have been designated at FVTPL. As such, the Convertible Debentures due 2028 were recorded at fair value at inception, being equal to the principal amount, and are subsequently remeasured with the change in fair value being recognized in the statement of operations, except the portion of the change in fair value due to changes in the Company's credit risk, which is recognized in the statement of other comprehensive income. The fair value of the Convertible Debentures due 2028 at September 30, 2024 of $21.4 million (principal amount - CA$19.3 million), down from $22.7 million (CA$20.6 million) at the end of December 2023, reflects the conversion of approximately 1.4 million debentures with a value of $1.9 million into common shares in the first nine months of 2024 and the application of a liquidity discount of 34.68% from the Black-Scholes value at September 30, 2024. During the first nine months of 2024, the Company recorded a loss on fair value of the Convertible Debentures due 2028 of $1.1 million in the statement of operations and a loss of $0.2 million related to the change in credit risk was recognized in the statement of other comprehensive loss.

The Convertible Debentures due 2029 are also a financial liability that have been designated at FVTPL. As such, the Convertible Debentures due 2029 were recorded at fair value at inception, being equal to the principal amount less the value ascribed to the warrants, and are subsequently remeasured with the change in fair value being recognized in the statement of operations, except the portion of the change in fair value due to changes in the Company's credit risk, which is recognized in the statement of other comprehensive income. The fair value of the Convertible Debentures due 2029 at September 30, 2024 was $10.9 million (principal amount - CA$13.8 million). In valuing the Convertible Debentures due 2029, the Company also applied a liquidity discount of 34.68% from the Black-Scholes value as at September 30, 2024. During the first nine months of 2024, the Company recorded a loss on fair value of the Convertible Debentures due 2029 of $2.0 million in the statement of operations and a gain of less than $0.1 million related to the change in credit risk was recognized in the statement of other comprehensive loss.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Accounting Policy Changes

IAS 1 – Presentation of Financial Statements and IFRS 2 Practice Statement 2

Effective January 1, 2024, the Company adopted the IASB's amendment to IAS 1, Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to management's intentions or expectations of exercising the right to defer settlement of the liability. Management would classify debt as non-current only when the Company complies with all the conditions at the reporting date. The amendments further clarify that settlement of a liability refers to the transfer of cash, equity instruments, other assets or services to the counterparty. The adoption of these amendments did not have an impact on the Interim Financial Statements.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires management to make significant estimates and assumptions in determining carrying values. Estimates are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ significantly from the amounts included in the consolidated financial statements. The critical estimates applied in the preparation of the Company's Financial Statements are consistent with those applied and disclosed in Note 4 to the audited consolidated financial statements for the year ended December 31, 2023.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Internal controls over financial reporting

Disclosure controls and procedures have been designed to provide reasonable assurance that all material information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate and recorded, processed, summarized and reported to allow timely decisions with respect to required disclosure, including in its annual filings, interim filings or other reports filed or submitted by it under securities legislation.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, are responsible for establishing adequate internal controls over financial reporting.

Changes in internal controls

During the three months ended September 30, 2024, there were no changes in the Company's internal controls over financial reporting that materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

Limitations of controls and procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Risks and Uncertainties

Exploration, development and mining of precious and other metals involve numerous inherent risks as a result of the economic conditions in the various areas of operation. As such, the Company is subject to several financial, operational and political risks that could have a significant impact on its profitability and levels of operating cash flows. Although the Company assesses and minimizes these risks by applying high operating standards, including careful management and planning of its facilities, hiring qualified personnel and developing their skills through training and development programs, these risks cannot be eliminated.

Readers are encouraged to read and consider the risk factors which are more specifically described under the caption *"Risk Factors"* in the Company's Annual Information Form dated as of April 25, 2024 which is available for view under Denarius Metals' profile on SEDAR+ at www.sedarplus.ca. 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 forward-looking statements relating to the Company.

Cautionary Note Regarding Forward Looking Statements

Certain statements in this MD&A constitute forward-looking information. Often, but not always, forward-looking statements use words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements, including but not limited to statements with respect to anticipated business plans or strategies, including future exploration activities that may be carried out by the Company, involve known and unknown risks, uncertainties and other factors which may cause the actual actions, events and results to be materially different from estimated actions, events or results expressed or implied by such forward-looking statements. The Company believes the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "*Risk Factors*" in the Company's Annual Information Form dated as of April 25, 2024 which is available for view under Denarius Metals' profile on SEDAR+ at www.sedarplus.ca. Although the Company has attempted to identify important factors that could 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 anticipated, estimated or intended. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.