



LUCKY MINERALS INC.
FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2024

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GENERAL

This Management's Discussion and Analysis ("MD&A" or "Report") of the financial condition of Lucky Minerals Inc. (an exploration stage company) ("Lucky" or the "Company") and results of operations of the Company for the year ended October 31, 2024 (the "Year" or the "Period") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at June 30, 2025 (the "Report Date"). The Report should be read in conjunction with the consolidated financial statements including the notes thereto for the year ended October 31, 2024 and the consolidated financial statements including the notes thereto for the year ended October 31, 2023 (collectively, the "Financial Statements"). The Financial Statements are presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"), and Lucky's accounting policies are described in the notes to the Financial Statements. All dollar amounts in the Report are in Canadian dollars unless otherwise noted.

The Financial Statements, together with the MD&A, are intended to provide investors with a reasonable basis for assessing the performance and potential future performance of the Company and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. Please refer to the risks and cautionary notices of this MD&A.

FORWARD-LOOKING STATEMENTS

The Company's Financial Statements, and this accompanying MD&A, contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "Risks and uncertainties" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "Risks and uncertainties" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from

any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Additional information relating to the Company and its operations can be obtained from the offices of the Company, on the Company's website: www.luckyminerals.com and on SEDAR at www.sedar.com.

OVERALL PERFORMANCE

Description of Business

Lucky is a Canadian-based mineral exploration company which owns, through its subsidiary, a 100% interest in the Fortuna Project in Ecuador. The Fortuna Project is a royalty-free 550km² (55,000 Ha, or 136,000 Acres) exploration concession, and is located in southern Ecuador. Lucky may also acquire and explore additional mineral properties, as such opportunities arise.

The Company is registered in British Columbia under the Business Corporations Act and is engaged in acquiring and exploring mineral property interests. The Company's head office and principal business address is Suite 615, 800 West Pender Street, Vancouver, British Columbia V6C 2V6. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "LKY", and it is a reporting issuer in the provinces of British Columbia, Alberta and Manitoba. The Company also trades on the Frankfurt Stock Exchange under symbol "8LM", and in the United States on the OTCQB under the symbol "LKMNF".

Highlights During the Period

Securities Transactions During fiscal 2023 and 2024

- The Company closed a private placement ("Offering") pursuant to which it issued units ("Units") comprised of common shares ("Shares"), warrants ("Warrants"), and paid finders' fees in cash and warrants ("Finders' Warrants") as follows:

Private Placement June 2023

Closing Date	June 20, 2023
Gross Proceeds	\$53,000
Shares Issued	1,060,000
Warrants Issued	1,060,000
Warrant Exercise Price	\$0.05
Warrant Expiry Date	June 20, 2027

- The Company closed a private placement, pursuant to which it issued units "Units" comprised of common shares ("Shares") and transferable warrants ("Warrants") as follows:

Private Placement January 2023

Closing Date	January 27, 2023
Gross Proceeds	\$700,000
Shares Issued	12,500,000
Warrants Issued	12,500,000
Warrant Exercise Price	\$0.100
Warrant Expiry Date	January 27, 2026

At July 31, 2023, 2,000,000 units were cancelled whereby \$112,000 subscription receivable in connection with these units were reversed.

- On January 23, 2023, the Company issued 4,252,891 common shares of the Company in respect of \$212,645 in drilling services received by the Company.
- On December 31, 2022 the Company issued 66,909 shares, with a fair value of \$2,676, in connection with interest on the convertible debenture.
- On June 30, 2023 the Company issued 66,909 shares, with a fair value of \$1,004, in connection with interest on the convertible debenture.

Proposed Disposition of Goldminex and the cancellation of certain claims for Fortuna Project by the Government of Ecuador

On November 27, 2023, the Company entered into a sales agreement to sell its 100% ownership in Goldminex to an arms-length vendor for in exchange for a cash consideration of US\$800. This transaction is still subject to the shareholders' approval and the TSX-V approval.

The Company decided to fully impair the Fortuna Property in light of the nominal amount of the sale proceeds expected to receive from the sales of Goldminex S.A. holding the claims for the Fortuna Project and the lack of the funds to advance this project.

During fiscal 2024, the Company has let some of the claims lapsed due to lack of funds to pay for the annual tenure costs and those claims have been cancelled by Ecuador government.

Option Agreement for Prudhomme Project

On December 20, 2023, the Company has entered into an arm's length option agreement (the "Option Agreement") dated as of December 18, 2023, with Fire Gold Resources Inc. ("Fire Gold"), and Patricia Lafontaine ("Lafontaine" and together with Fire Gold, the "Vendors"), pursuant to which the Company has been granted an option (the "Option") to acquire a 100% beneficial and legal interest in the Prudhomme Project located in Northern Quebec, Canada (the "Property").

In connection with the Option Agreement, four precedent conditions are required to be met:

- 1) The Company intends to consolidate (the "Consolidation") its common shares at a ratio of 20 pre-Consolidation common shares for one post-Consolidation common shares (the "Consolidated Share") to be completed prior to or concurrently with the closing of the Option Agreement") (Not completed as at October 31, 2024).
- 2) The Company is required to complete a concurrent equity financing to raise not less than \$200,000 (the "Concurrent Financing")(Not completed as at October 31, 2024);
- 3) The Company is required to settle in full the unsecured demand loan issued by the Company in the principal amount of \$1,380,000 (\$1,453,518 inclusive of interest, as at July 31, 2023);
- 4) The Company is required to receive TSX-V approval (Not completed as at October 31, 2024).

In order to exercise the Option and acquire a 100% interest in the Property, the Company is required to:

(a) incur at least \$4,000,000 in exploration expenditures on the Property over 4 years. A minimum

of \$1.5 million is to be incurred in the first two years.

(b) issue common shares to the Vendors as follows: (i) such number of common shares of the Company ("Common Shares") having an aggregate value of \$150,000 at a deemed issue price per share equal to that of the securities issued pursuant to a concurrent financing of the Company on or before ninety (90) business days after the date of execution of the Option Agreement and the date on which certain conditions precedent (as set forth in the Option Agreement) are fulfilled or waived in accordance with the Option Agreement (the "Satisfaction Date"); (ii) such number of Common Shares having an aggregate value of \$200,000 on or before the first anniversary of the Satisfaction Date, calculated based on the 5 day trading average price of the Common Shares on the TSX Venture Exchange ("TSXV") ending prior to the day on which the respective payment is due (the "5-day VWAP"), in quarterly installments; (iii) such number of Common Shares having an aggregate value of \$200,000 on or before the second anniversary of the Satisfaction Date, calculated based on the 5-day VWAP, in quarterly installments; and (iv) such number of Common Shares having an aggregate value of \$200,000 on or before the third anniversary of the Satisfaction Date, calculated based on the 5-day VWAP, in quarterly installments;

(c) make milestone cash payments to the Vendors in the aggregate amount of \$6,250,000 as follows: (i) an aggregate of \$750,000 within six (6) months of the Company filing on SEDAR+ a final technical report prepared in compliance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), which establishes a mineral resource estimate on the Property containing greater than 0.5 billion pounds of copper equivalent; (ii) an aggregate of \$500,000 within six (6) months of the Company filing on SEDAR+ a bankable feasibility study in respect of the Property, including an ore reserve calculation compliant with NI 43-101; (iii) an aggregate of \$1,000,000 within 30 days of the board of directors of the Company approving to proceed with commercial production of the Property; and (iv) an aggregate of \$4,000,000 within 30 days of the Company commencing commercial production of the Property. The Vendors will retain a 2% Gross Metals Royalty ("GMR") on the Property. For so long as the Company holds an interest in the Property the Company shall have the right to purchase at any time 1% of the Vendors' GMR (for cancellation) for a purchase price of \$2,000,000.

Subsequent to the Option Agreement, there were seven subsequent amendments. Below is a summary of all the amendments:

- a) Amendments to the cash payments to the Vendor under the Option Agreement, First Amendment Agreement, Second Amendment Agreement, Third Amendment Agreement, Fourth Amendment, Fifth Amendment, Sixth Amendment and Seventh Amendment are:
 - i. \$50,000 cash to the Vendors (80% to LaFontaine and 20% to Fire Gold) which was paid on August 29, 2025;
 - ii. \$35,000 cash to LaFontaine paid on August 29, 2025;
 - iii. \$750,000 cash to the Vendors (80% to LaFontaine and 20% to Fire Gold) within six months of the Company's filing on SEDAR+, a final technical report prepared in compliance with National Instrument 43-101 – Standards of Disclosure for Mineral

Projects, which establishes a mineral resource estimate on the Property containing greater than 0.5 billion pounds of copper equivalent (Outstanding as at October 31, 2024);

- iv. \$10,000 cash to LaFontaine on or before March 29, 2025 (Paid on March 27, 2025);
- v. A minimum expenditure of \$20,000 of admissible expenses on the Property due for renewal in June 2025 spent on or before May 15, 2025 (filed on May 10, 2025);
- vi. A minimum expenditure of \$15,000 of admissible expenses spent on the balance of the Property on or before October 15, 2025 (outstanding as at October 31, 2024);

b) Amendment to the Outside Date to on or before October 31, 2025.

RESULTS OF OPERATIONS

Exploration and evaluation property expenditures

The Company incurred the following expenditures at the Fortuna property for the years ended October 31, 2024 and 2023:

	October 31, 2024	October 31, 2023
Exploration and Evaluation Expenditures	\$	\$
Camp and accommodations	-	47,107
Compliance reporting	-	57,328
Camp costs	-	403,617
Community relations	-	212,547
Drilling	-	431,090
Field personnel	-	199,184
Geological evaluations	-	458,328
Sampling	-	60,150
Security	-	203,112
Travel	-	9,882
Total	-	2,082,345

During the year ended October 31, 2024, the Company incurred tenure costs of \$1,318,670 (2023: \$1,007,563 capitalized as exploration and evaluation assets) at the Fortuna project and impaired entirely to the profit and loss in the respective fiscal 2024 and 2023.

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General and other expenditures

	Three months ended October 31		Year ended October 31	
	2024	2023	2024	2023
	(\$)	(\$)	(\$)	(\$)
General operating expenditures				
Salaries, consulting, management, Director' fees	42,718	33,522	262,033	414,301
Shareholder, transfer agent, regulatory	1,000	5,102	40,286	277,235
Professional - legal, accounting, other	34,649	91,763	181,597	273,654
Provision for bad debts	-	36,357	-	36,357
Foreign exchange loss (gain)	37,538	(5,748)	17,028	(157,707)
General office administration, rent, insurance	(1,792)	14,609	23,559	99,695
	114,113	139,248	524,503	943,545
Other expenditures/income				
Amortization	-	18,137	8,249	59,531
	-	18,137	8,249	59,531
Exploration and evaluation expenditures	(3,440)	141,525	-	2,082,345
	(3,440)	298,910	532,752	3,085,411
Accretion and interest expense	27,600	37,792	111,080	276,423
Loss (gain) on disposition of equipment	-	(14,091)	-	238,845
Loss (gain) on disposition of subsidiary	830,444	-	-	-
Impairment for exploration and evaluation assets	322,687	2,920,185	1,318,670	7,355,775
Change in fair value for derivative liability	-	10,698	-	(5,106)
	1,180,731	2,879,000	1,429,750	7,865,937
Net loss	1,291,404	3,177,910	1,962,502	10,951,348

For the three months ended October 31, 2024 ("2024 Quarter") as compared with the three months ended October 31, 2023 ("2023 Quarter")

During the 2024 Quarter, the Company incurred a net loss of \$1,291,404 as compared with a net loss of \$3,177,910 in the 2023 Quarter, primarily due to correction/reversal of the gain of disposition of subsidiary for \$830,444. The sale of Goldminex is still subject to the TSX-V approval. Recognition of the impairment for exploration and evaluation assets of \$322,686 in the 2024 Quarter (2023 Quarter - \$2,920,185) was related to the accrued tenure costs for the Fortuna Project in the profit and loss in the 2024 Quarter. General and administrative expenditures for the 2024 Quarter decreased as compared with the 2023 Quarter as a result of: Professional fees decreased in respect of services received in the 2024 Quarter in connection with general corporate services. Expenditures made at the Fortuna project were (\$3,440) in the 2024 Quarter as compared to \$141,525 in the 2023 Quarter as the Company was waiting for the

approval of the disposition of the Fortuna project since the first quarter of fiscal 2024.

For the year ended October 31, 2024 ("2024") as compared with the year ended October 31, 2023 ("2023")

During 2024, the Company incurred a net loss of \$1,962,502 as compared with a net loss of \$10,951,348 in 2023. General and administrative expenditures for 2024 decreased as compared with 2023: the Company not re-engaging certain consultants during 2024; shareholder, transfer agent and regulatory fees decreased with less corporate development activities in 2024. Expenditures made at the Fortuna project were \$NIL compared to \$2,082,345 in 2023 as the Company was waiting for the approval of the disposition of the Fortuna project since November 2023. Recognition of the impairment for exploration and evaluation assets of \$1,318,670 in 2024 (2023 - \$7,355,775) was related to the accrued tenure costs for the Fortuna Project recognized in the profit and loss in the 2024.

SELECTED ANNUAL INFORMATION

Year ended	Net loss (\$)	Loss per share (\$)	Total assets (\$)	Non-current liabilities (\$)
October 31, 2024	1,962,502	(0.01)	19,269	-
October 31, 2023	10,951,348	(0.06)	36,570	-
October 31, 2022	4,039,674	(0.03)	7,929,922	8,024

SUMMARY OF QUARTERLY RESULTS

The following table summarized the results of operations for the eight most recent quarters.

	Q4 2024 Oct 31 2024 (\$)	Q3 2024 Jul 31 2024 (\$)	Q2 2024 Apr 30 2024 (\$)	Q1 2024 Jan 31 2024 (\$)	Q4 2023 Oct 31 2023 (\$)	Q3 2023 Jul 31 2023 (\$)	Q2 2023 Apr 30 2023 (\$)	Q1 2023 Jan 31 2023 (\$)
Net income (loss)	(1,291,404)	(86,482)	(192,756)	(391,860)	(3,177,910)	(4,979,627)	(1,057,108)	(1,736,703)
Basic and diluted income (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.02)	(0.02)	(0.01)	(0.01)

The increase in loss and comprehensive loss in the Q4 of 2024 as compared with the Q3 of 2024 primarily relates to: (1) the reversal of the gain on disposition of subsidiaries as discussed in the earlier 2024 Quarter comparison paragraph, and (2) the recognition of the impairment charge for the Fortuna Project related to the accrued tenure costs for Q4 of 2024.

The decrease in loss and comprehensive loss in the Q3 of 2024 as compared with the Q2 of

2024 relates to the decrease in management fees. The decrease in loss and comprehensive loss in the Q2 of 2024 as compared with the Q1 of 2024 relates to no more impairment charge in the Q2 of 2024. The decrease in loss and comprehensive loss in the Q1 of 2024 as compared with the Q4 of 2023 relates primarily to the significantly less impairment charge for exploration and evaluation assets in 2024 Q1 versus that of 2023 Q4. This was due to the majority of the value of exploration and evaluation assets were impaired in 2023 Q4. The impairment of the residual value of the Fortuna Project of \$995,983 in 2024 Q1 was largely offset by the gain on disposition of Goldminex of \$830,444 in 2024 Q1.

The decrease in loss and comprehensive loss in the Q4 of 2023 as compared with the Q3 of 2023 relates primarily to the less impairment charge for exploration and evaluation assets. Loss and comprehensive loss in Q3 of 2023 contributed to the majority of the loss in fiscal 2023. The primary reason is the \$4,435,590 impairment charge for exploration and evaluation assets due to the significant drop in the market capitalization in Q3 of 2023.

LIQUIDITY, FINANCIAL CONDITION AND GOING CONCERN

The Company's cash and cash equivalents are comprised of bank deposits and a savings account. At October 31, 2024, the Company had cash of \$1,320. Accounts payable and accrued liabilities of \$4,032,064 are due in the first quarter of 2025 fiscal year. At October 31, 2024, the Company had a working capital deficit of \$5,629,407 (October 31, 2023: working capital deficit of \$3,719,198).

The Company is not in commercial production on any of its mineral properties and continues to incur operating losses, has limited financial resources, no source of operating cash flow, and there can be no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock, through entering into joint ventures or by realizing proceeds from the disposition of its mineral interests. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management plans to continue to secure the necessary financing through a combination of equity financing and entering into joint venture arrangements; however, there is no assurance that the Company will be successful in these actions.

The Financial Statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company must manage its treasury while satisfying regulatory requirements, maintaining its property agreements in good standing, and conducting exploration programs. As results of exploration programs are determined and other opportunities become available to the Company, management may seek to complete external financings as required in order to fund further exploration. Should the Company wish to continue fieldwork on its exploration projects, further financing will be required and the Company will either have to go to the market or engage a strategic partner to achieve this. Given the volatility in equity markets, unfavorable market conditions in the mining industry, cost pressures and results of exploration activities,

management regularly reviews expenditures and exploration programs and equity markets in order that the Company have sufficient liquidity to support its growth strategy.

OUTSTANDING SHARE CAPITAL AT THE REPORT DATE

At the Report date, the Company has the following securities `:

				(#)
Common shares				202,254,083
	Expiry date	\$/sh	#	
Warrants	27-Jan-26	0.10	10,500,000	
	19-Jun-27	0.05	1,060,000	
				11,560,000
Stock Options	25-Mar-26	0.10	700,000	
	01-Oct-26	0.10	7,755,000	
				8,455,000
				222,269,083

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has arrangements pursuant to which parties related to the Company by way of directorship or officer provide certain services, either directly or through companies owned or controlled by the officers and directors. Transactions were in the normal course of operations. The Company incurred the following transactions with directors and key management personnel during the year ended October 31, 2024 and 2023:

	October 31, 2024 (\$)	October 31, 2023 (\$)
Consulting fees	-	32,000
Directors' fees	-	35,000
Management fees	259,533	272,772
	259,533	339,772

A total of \$660,167 was owed to directors at October 31, 2024 (October 31, 2023: \$382,503)

PROPOSED TRANSACTIONS

There are no proposed transactions to be reported.

CHANGES IN ACCOUNTING POLICIES

The Company's accounting policies for the year ended October 31, 2024 are described in Note 3 of the Financial Statements.

There were no changes in the Company's accounting policies during the year ended October 31, 2024.

FINANCIAL INSTRUMENTS

As at October 31, 2024, the Company's financial instruments consist of cash and cash equivalents, other receivables, accounts payable and accrued liabilities, due to related parties, and loans payable and demand loan. IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

As at October 31, 2024, the Company believes that the carrying values of other receivables, accounts payable and accrued liabilities, due to related parties, loan payable and demand loan approximate their fair values because of their nature and relatively short maturity dates or durations.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash. The Company's cash is held at large financial institutions such that counterparty risk is considered to be very low.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at October 31, 2024, this risk relates just to the Company's cash where interest rate risk is low due to the low prevailing interest rates.

RISK FACTORS AND UNCERTAINTIES

The principal business of the Company is the acquisition and exploration of mineral properties. Given the inherent risky nature of the exploration and mining business, the limited extent of the Company's assets and the present stage of development, investors should consider the following risk factors, among others:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially viable mineral reserves. Mineral exploration is highly speculative in nature,

involves many risks and frequently is non-economically viable. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality and experience of management, the level of geological and technical expertise, and the quality of the property available for exploration. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Significant financial investment is required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

Operating History and Availability of Financial Resources

The Company does not have any history of generating operating revenue and is unlikely to generate any significant amount in the foreseeable future. Hence, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations will continue to be financed primarily through the issuance of securities. The Company will need to continue its dependence on the issuance of such securities for future financing, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favorable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

Inflation and Metal Price Risk

The ability of the Company to raise interim financing to advance its Fortuna Project in Ecuador will be significantly affected by changes in the market price of the metals for which it explores. The prices of gold are volatile, and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supplies of and demands for gold and the stability of exchange rates can all cause fluctuations in these prices. Such external economic factors are influenced by changes in international investment patterns and monetary systems and political developments. The prices of gold have fluctuated significantly in recent years. Future significant price declines could cause investors to be unprepared to finance exploration and development of gold deposits, with the result that the Company may not have sufficient financing with which to advance its projects.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy, supply chain and financial markets. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chain and global economies more broadly. Volatility in commodity prices and supply chain disruptions may

adversely affect the company's business and financial condition.

The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts may materialize, and may have an adverse effect on the Company's business, results of operations and financial condition.

Share Price Volatility and Lack of Active Market

Worldwide Securities markets continue to experience a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Competition

The mineral resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

Government Regulations and Environmental Risks and Hazards

The Company's conduct is subject to various federal, provincial and state laws, and rules and regulations including environmental legislation in the countries of the Republic of Ecuador and United States of America. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

Reliance on Key Personnel

The Company relies on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain "key employee" insurance in respect of any of its senior management.

Licenses and Permits

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change under various circumstances.

There can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

Title to Property

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.

Risk of Legal Claims

The Company may become involved in disputes with third parties or government authorities in the future that may result in litigation. The results of these legal claims cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If the Company is unable to resolve these disputes in the Company's favor or if the cost of the resolution is substantial, such events may have a material adverse impact on the ability of the Company to carry out its business plan.

Foreign Countries, Political Risk and Regulatory Requirements

Through its wholly-owned subsidiary, the Company certain concessions in Ecuador consisting of 12 contiguous mining concessions which have been granted to the Company for a period of 25 years from various dates in 2017. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk, all of which could cause delays to the Company's operations. Mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may

adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to disputes and/or conflicts between State and Federal legislations and regulations, community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety.

Limited Financial Resources and Going Concern

The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources, no operating revenues and its ability to continue operating as a going concern is dependent upon management's success in raising additional monies to sustain the Company until cash flow from operations is adequate to sustain the Company's viability. Substantial expenditures are required to be made by the Company and/or its development partners to establish ore reserves and develop a mining operation. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. At present, the Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing exploration budgets. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects and the Company may become unable to carry out its business objectives. The Financial Statements contain a note that indicates the existence of material uncertainties that raise significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock or joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a materially adverse outcome on the Company and its securities, and its ability to continue as a going concern.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to equipment, natural disasters, terrorism, fire, loss of power, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security

breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Uninsurable

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.