MENĒ INC.

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED

DECEMBER 31, 2024

Introduction

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of the operations of Menē Inc. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the fourth quarter and year ended December 31, 2024. This discussion should be read in conjunction with the consolidated financial statements as at December 31, 2024 and December 31, 2023 with the notes thereto (the "Financial Statements"). This MD&A is dated as of April 30, 2025, unless otherwise indicated.

Unless otherwise indicated and as hereinafter provided, all financial information contained in this MD&A, the audited consolidated financial statements, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All monetary amounts in this MD&A are expressed in Canadian dollars, unless otherwise noted. Unless otherwise noted or the context indicates otherwise "we", "us", "our", or the "Company" refer to Menē Inc. and its direct subsidiary.

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws. You should carefully read "Cautionary Note Regarding Forward-looking Statements" in this MD&A and should not place undue reliance on any such forward-looking statements.

Use of Non-IFRS Financial Measures

Throughout this document, references may be made to certain financial measures that are not measures of performance under IFRS to provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business. These non-IFRS measures include Non-IFRS Adjusted Revenue, Non-IFRS Adjusted Income (Loss), Adjusted Earnings Before Interest, Tax, Depreciation and Amortization ("Adjusted EBITDA"), Net Working Capital, and Tangible Common Equity. These measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. They are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective and should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS.

Non-IFRS financial measures used in this MD&A are defined and reconciled to their most directly comparable IFRS measure in "Non-IFRS Financial Measures".

Cautionary Note Regarding Forward-Looking Information

This MD&A contains or refers to certain forward-looking information. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "may", "potential" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. All information other than information regarding historical fact, which addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future, is forward-looking information. Forward-looking information does not constitute historical fact but reflects the current expectations the Company has regarding future results or events based on information that is currently available. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not occur. Such forward-looking information in this MD&A speak only as of the date of this MD&A. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to:

- expectations regarding the ability to raise capital and grow through acquisitions;
- growth strategy and opportunities;
- expectations of marketing expenditure programs;
- our intention to build a physical distribution system, including retail store outlets, stores-within-stores and the leasing of physical space to showcase its jewelry through proprietary jewelry display cases that display the real-time pricing for each jewelry item;
- our ability to source target companies and grow through acquisitions as well as internal expansion;
- our ability to integrate acquisition targets;
- our ability to obtain necessary capital;
- consumer demand and changes in consumer preferences;
- government regulation;
- taxation policies;
- product liability;
- anticipated and unanticipated costs;
- trademarks, copyrights and other intellectual property rights;
- the outcome of legal proceedings;
- the economy in general;
- conditions in the jewelry industry, including competitive conditions;
- the economic condition of the Company's competitors;
- the retention of key personnel; and
- online sales and privacy breaches.

With respect to the forward-looking information contained in this MD&A, the Company has made certain assumptions regarding, among other things: (i) cash flow from the Company's operations; (ii) general economic, financial market, regulatory and political conditions in which the Company operates; (iii) consumer interest in the Company's products; (iv) competition; (v) anticipated and unanticipated costs; (vi) government regulations applicable to the Company's business and operations, and its impacts thereon; (vii) the Company's ability to obtain qualified staff, equipment, and services in a timely and cost-efficient manner; (viii) the Company's ability to conduct operations in a safe, efficient and effective manner; (ix) the Company's ability to carry out its marketing plans and their effectiveness; (x) the efficacy of the Company's security measures; (xi) the Company's product development plans and timeframes for completion. Although the Company believes that the assumptions inherent in any forward-looking information are reasonable, forward-looking information is not a guarantee of future events or performance. Our outlook is offered to provide information about current expectations for fiscal year 2025. This information may not be appropriate for other purposes. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty therein.

Risks and other factors that could cause actual results or events to differ materially those expressed in forward-looking information include but are not limited to the risk discussed in the section entitled "Risks and Uncertainties" and elsewhere in this MD&A, and in materials that we from time to time file with, or furnish to, the Canadian securities regulatory authorities. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended.

Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake any obligation to update or revise any forward-looking information, except as required by law.

BUSINESS OVERVIEW

Menē crafts pure 24 karat gold and platinum jewelry that is transparently sold by gram weight. Menē marries innovative technology, timeless design, and pure precious metals to create pieces which endure as a store of value thereby restoring the relationship between jewelry and savings.

Through Mene.com customers can buy jewelry, monitor the value of their collection over time, and sell or exchange their pieces by gram weight at the prevailing market prices for gold and platinum.

Menē launched its e-commerce website, Mene.com, on an invite-only basis on November 15, 2017. On January 8, 2018, Menē officially launched its brand and website to the greater public.

COMPANY FORMATION

Menē first incorporated through Menē U.S., a Delaware corporation. It incorporated on November 10, 2016 under the legal entity name Menē Inc. Subsequently, Menē was incorporated in Canada under the Business Corporation Act (Ontario) on July 11, 2017 under the legal entity name Menē Inc., and Menē U.S. became a wholly owned subsidiary through share exchanges with the shareholders of Menē U.S.

The Company maintains a corporate, administrative, marketing, and innovation office at 334 Adelaide Street West, Suite 307, in Toronto, Canada, and operates a manufacturing facility in the Unites States.

THE SPIN-OFF, AMALGAMATION, AND INDEPENDENT LISTING OF MENĒ

Under the terms of the previously announced spin-off from Goldmoney Inc. ("Goldmoney"), Menē completed a three-cornered amalgamation with a wholly owned subsidiary of Amador Gold Corp. (the "Amalgamation"). Subsequent to the Amalgamation, Amador and the corporation continuing from the Amalgamation completed a vertical amalgamation and continued as the corporation named, "Menē Inc.". Following the completion of the Spin-off and Amalgamation, the Company became listed and began trading on the Toronto Stock Exchange Venture under the symbol MENE on November 6, 2018.

REVENUE MODEL

The Company generates revenue when jewelry is sold directly from the Company's website, Mene.com. Each piece is sold by weight, plus a transparent design and manufacturing premium, which is approximately 30% of the total value of each item. The company has designed proprietary technology which can effectively adjust the margins for each jewelry design based on demand and inventory levels. Customers can always see what this premium is on each product page knowing precisely what component of the purchase will be for the gold and platinum weight and what component for the jewelry.

The Company further generates revenue through its lifetime buyback program offered to customers. Customers can exchange or sell previously purchased jewelry through mene.com at the prevailing precious metal prices on the date that the Company has verified authenticity of the jewelry that was sold back to the Company.

The Company charges a 10% fee on the spot price of the precious metal weight on the date of authenticity (i.e., spot price x weight x 10%) if the customer included the original Certificate of Authenticity in their returned package. The Company defines this as the "Buyback Fee". The Company further charges a 5% fee on the spot price of the precious metal weight on the date of authenticity (i.e., spot price x weight x 5%) if the customer did not include the original Certificate of Authenticity in their returned package. The Company defines this as the "Assaying Fee".

KEY EVENTS

KEY MANAGEMENT CHANGES

On September 7, 2023, Vincent Gladu was appointed as President & Chief Executive Officer of the Company. Roy Sebag, who served as the Company's Chief Executive Officer since founding Menē in 2017 resigned from his position and transitioned to the role of Executive Chairman of Menē's Board of Directors.

On October 1, 2024, Sean Ty was appointed as Chief Financial Officer of the Company in place of Gavin Johnson, following Mr. Johnson's resignation as CFO, a position he held since 2023.

ACQUISITION OF MANUFACTURING FACILITY

On October 26, 2022, the Company completed its acquisition of a manufacturing facility in the United States. The Company paid US$500,000 in cash and issued 1,206,583 Class B shares to complete the transaction. This new facility should allow the Company to significantly scale its productive capacity and improve its ability to manufacture more units of jewelry per year.

FINANCING ROUNDS AND REPAYMENT

On December 21, 2018, Menē completed a bought deal offering of 14,286,000 units (the "Units") issued by way of short-form prospectus at a price of $0.70 per Unit, for aggregate gross proceeds of $10,000,200. Each Unit consisted of one Class B Share of the Company and one-half of one share purchase warrant of the Company (each whole share purchase warrant, a "Warrant"). Each Warrant was exercisable into one Class B Share at a price of C$1.00 until November 29, 2020.

On March 8, 2019, Menē completed a debt financing round in which a strategic lender purchased a 3.0% secured non-convertible note with a $20,000,000 aggregate principal amount due March 8, 2021. The lender was also issued 15,000,000 subordinate voting warrants of the Company, exercisable for an equal amount of Class B Shares at a price of $1.00 per Class B Share until November 29, 2020.

On March 19, 2020, the Company made a prepayment on the $20,000,000 note payable issued by the Company on March 8, 2019. The Company agreed to prepay $10,000,000 of the principal amount to the lender of the note payable in consideration for a cash payment of $9,300,000. The prepayment was effective from January 1, 2020 and the principal amount outstanding after the prepayment was $10,000,000.

On March 8, 2021, the Company entered into a debt retirement agreement for the note payable issued by the Company on March 8, 2019 to retire the balance of its outstanding debt (the "Debt Retirement"). Pursuant to the debt retirement agreement the Company issued an aggregate of 9,920,635 Class B Shares in settlement of $5,000,000 ($0.504 per Class B Share) and made a cash payment of $5,119,167 (including all accrued interest to the date of completion of the Debt

Retirement), in consideration for the retirement of a total of $10,119,167 in principal and accrued interest owing to the Lender.

On December 4, 2023, the Company entered into an agreement with Goldmoney to sell 3,372.82 ounces of gold finished goods inventory to the Bank of Montreal ("BMO"), at the prevailing spot price of gold on the date of sale, who will hold the inventory in an allocated inventory account. The transaction was executed through the Goldmoney inventory facility held with the Bank of Montreal, to repay a significant portion of the Goldmoney loan, totaling $9,250,719. There is no obligation for the Company to repurchase the finished goods inventory, nor is the Bank of Montreal under any obligation to fulfil any requests by the Company for repurchase. The Company will be required to pay a 3% standby charge based on the outstanding in the inventory facility.

OVERALL PERFORMANCE

During the year ended December 31, 2024 ("FY 2024"), the Company:

- Generated $25.8 million in revenue and $30.5 million in Non-IFRS Adjusted Revenue, an increase of $2.5 million (13%) and $2.7 million (12%) respectively year-over-year ("YoY"). See Non-IFRS Measures for a reconciliation of Non-IFRS Adjusted Revenue.
- Generated $7.5 million in gross profit, an increase of $1.6 million (28%) YoY.
- Total comprehensive loss of $0.03 million, an increase of $2.2 million YoY.
- Sold 218 kg of jewelry through 13,756 customer orders.
- Introduced 75 new products during the year.

Please see detailed discussion of the Company's performance for the period in the "Results of Operations" section of this MD&A.

BUSINESS INITIATIVES AND OUTLOOK

Management believes future revenue growth will be driven by the following key performance indicators:

- Customer satisfaction
- Brand reputation and appeal
- Number of customer sign ups
- Number of customer orders
- Average order value
- Number of unique product designs
- Percentage of repeat customer order activity
- Average customer acquisition cost through marketing
- Viral adoption and organic customer acquisition through word of mouth

Management's experience together with The Company's online business model allows Menē to avoid many of the costs that are typically incurred by traditional western jewelry brands. As a result, Menē is able to realize lower profit margins while remaining financially viable. This in turn allows Menē to build valuable long-term relationships with its customers through subsequent sales, exchanges, and buybacks of Menē jewelry.

SELECTED ANNUAL INFORMATION

The following table presents select annual consolidated information for the years ended December 31, 2024, 2023 and 2022:

	2024 ($)	2023 ($)	2022 ($)
Revenue	25,799,786	23,289,854	26,911,673
Cost of sales	(18,331,930)	(17,460,389)	(20,268,301)
Gross profit	7,467,856	5,829,465	6,643,372
Total operating expenses	(8,749,554)	(7,043,120)	(6,957,514)
Interest income	308,233	378,368	159,878
Net income (loss)	(993,933)	(1,987,738)	(1,463,467)
Total comprehensive income (loss)	(33,526)	(2,229,384)	(851,982)
Non-IFRS Adjusted Revenue (1)	30,468,510	27,741,271	32,357,198
Non-IFRS adjusted income (loss) (2)	1,095,197	31,557	(1,004,290)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)
Total assets	21,049,268	18,223,357	31,714,155
Total non-current liabilities	563,772	624,796	738,024

Notes:

(1) The Company adjusts its revenue by adding back the value of jewelry that was returned by customers, revenue from orders for which fulfillment is under process, and discounts given to customers. These adjustments are made to assess the gross revenue before deducting these items from revenue per IFRS. See Non-IFRS Measures for a full reconciliation.

(2) The Company adjusts its total comprehensive income (loss) by adjusting removing the impact of non-cash expenses, consisting of depreciation and amortization, stock-based compensation, accretion, loss on debt retirement, revaluation of metal loan, and translation gain or loss. See Non-IFRS Measures for a full reconciliation.

In FY 2024, the Company recorded a net loss of $1.0 million and a total comprehensive loss of $0.03 million, compared to net loss of $2.0 million and comprehensive loss of $2.2 million YoY.

The year over year increase in net loss and comprehensive loss are attributable to these main factors:

- An increase in annual revenue of $2.5 million and gross profit of $1.6 million compared to the year ended December 31, 2023 ("FY 2023"), which was largely driven by a higher average order value, underpinned by increases in the average price of gold.
- Other comprehensive income for the year was $1.0 million, compared to a loss of $0.2 million in FY 2023. This improvement was primarily driven by a gain in unrealized foreign currency translation, reflecting the strengthening of the US dollar against the Canadian dollar during the year.

SELECTED QUARTERLY INFORMATION

The following table presents a summary of our consolidated operating results for the past eight quarters:

	Q4 2024 ($)	Q3 2024 ($)	Q2 2024 ($)	Q1 2024 ($)	Q4 2023 ($)	Q3 2023 ($)	Q2 2023 ($)	Q1 2023 ($)
Revenue	9,118,982	5,388,095	6,464,004	4,828,705	6,862,070	4,292,870	4,982,901	7,152,013
Gross profit	2,840,105	1,799,433	1,692,440	1,135,878	1,667,134	949,989	1,489,700	1,722,642
Total operating expenses	(4,046,634)	(498,449)	(2,104,363)	(2,100,108)	(2,399,289)	(1,698,744)	(1,432,532)	(1,512,555)
Operating income (loss)	(1,206,529)	1,300,984	(411,923)	(964,230)	(732,155)	(748,755)	57,168	210,087
Net income (loss)	(1,073,600)	1,317,677	(319,143)	(918,867)	(1,400,171)	(653,131)	699,620	(634,056)
Total comprehensive income (loss)	(302,168)	1,192,776	(221,465)	(702,669)	(1,747,813)	(218,993)	254,343	(516,921)
Basic and diluted earnings (loss) per share	(0.00)	0.01	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Non-IFRS Measures:								
Non-IFRS Adjusted Revenue (1)	10,563,400	6,488,620	6,884,842	6,531,647	7,934,769	5,211,229	6,076,399	8,518,874
Non-IFRS Adjusted Income (Loss) (2)	796,799	376,802	255,839	(334,243)	(56,108)	(547,978)	130,915	504,728

Notes:

(1) The Company adjusts its revenue by adding back the value of jewelry that was returned by customers, revenue from orders for which fulfillment is under process, and discounts given to customers. These adjustments are made to assess the gross revenue before deducting these items from revenue per IFRS. See Non-IFRS Measures for a full reconciliation.

(2) The Company adjusts its total comprehensive income (loss) by adjusting removing the impact of non-cash expenses, consisting of depreciation and amortization, stock-based compensation, accretion, loss on debt retirement, revaluation of metal loan, translation gain or loss, unrealized foreign exchange gains or losses and other non-recurring expenses. See Non-IFRS Measures for a full reconciliation.

The Company's revenue and gross profit increased in Q4 2024, primarily as a result of several macroeconomic and market factors. The period was characterized by elevated interest rates and ongoing recessionary concerns, which collectively dampened consumer spending across the broader luxury market. Despite this challenging environment, the Company benefitted from material increases in its Average Order Value, underpinned by increases in the price of gold, which contributed positively to gross profit but had a mixed net effect on sales volumes, as higher prices impacted certain customer segments' purchasing behaviour.

Additionally, the Company faced increased competition in the digital marketing landscape, which led to a rise in advertising and customer acquisition costs, particularly across online channels.

Operating expenses as a percentage of revenue increased by 10% over the prior-year quarter. This was largely due to the addition of critical management personnel and capabilities, aimed at supporting the Company's long-term strategic growth initiatives. Included in these expenses were stock-based compensation benefits granted as part of incentive programs designed to align management performance with shareholder value creation.

BASIS OF PRESENTATION

In this MD&A, we discuss our results of operations on both an IFRS and non-IFRS basis. We discuss our consolidated results from continuing operations on an IFRS basis, as reported in our consolidated income statement, and on a non-IFRS basis using the measures described in the "Use of Non-IFRS Financial Measures" section of this MD&A.

CONSOLIDATED FINANCIAL RESULTS [1]

	Q4 2024 ($)	Q4 2023 ($)	$ Change	% Change	YTD 2024 ($)	YTD 2023 ($)	$ Change	% Change
Revenue	9,118,982	6,862,070	2,256,912	33%	25,799,786	23,289,854	2,509,932	11%
Cost of sales	(6,278,877)	(5,194,936)	(1,083,941)	21%	(18,331,930)	(17,460,389)	(871,541)	5%
Gross Profit	2,840,105	1,667,134	1,172,971	70%	7,467,856	5,829,465	1,638,391	28%
Total operating expenses	(4,046,634)	(2,399,289)	(1,647,345)	69%	(8,749,554)	(7,043,120)	(1,706,434)	24%
Operating income (loss)	(1,206,529)	(732,155)	(474,374)	65%	(1,281,698)	(1,213,655)	(68,043)	6%
Total comprehensive income (loss)	(302,168)	(1,747,813)	1,445,645	(83%)	(33,526)	(2,229,384)	2,195,858	(98%)
Non-IFRS Measures:								
Non-IFRS Adjusted Revenue [2]	10,563,400	7,934,769	2,628,631	33%	30,468,509	27,741,271	2,727,238	10%
Non-IFRS Adjusted Income (Loss) [3]	796,799	(56,108)	852,907	(1,520%)	1,095,197	31,557	1,063,640	3,371%

Notes:

(1) The Company adjusts its revenue by adding back the value of jewelry that was returned by customers, revenue from orders for which fulfillment is under process, and discounts given to customers. These adjustments are made to assess the gross revenue before deducting these items from revenue per IFRS. See Non-IFRS Measures for a full reconciliation.

(2) The Company adjusts its total comprehensive income (loss) by adjusting removing the impact of non-cash expenses, consisting of depreciation and amortization, stock-based compensation, accretion, loss on debt retirement, revaluation of metal loan, translation gain or loss, unrealized foreign exchange gains or losses and other non-recurring expenses. See Non-IFRS Measures for a full reconciliation.

Revenue – The Company reported revenue of $9.1 million in Q4 2024, an increase of $2.3 million or 33% YoY. The increase was primarily driven by an increase in Average Order Volume of 28%. Additionally, the average price of gold increased by 35% YoY, further contributing to the overall revenue growth. Revenue for the year ended December 31, 2024 increased by $2.5 million, when compared to the same period last year, an increase of 11% reflecting the impact of favourable gold pricing.

Cost of sales – Cost of sales includes the purchase price of the metal, cost of supplies, and cost of direct labour, manufacturing overhead, and packaging. Cost of sales increased by 21% YoY compared to Q4 2023. Cost of sales for the year ended December 31, 2024, increased by 5% YoY.

Gross profit – In Q4 2024 the Company's gross profit increased by $1.2 million (70%) from Q4 2023. For the year ended December 31, 2024, gross profit increased by $1.6 million (28%), when compared to same prior year period.

OPERATING EXPENSES

The following table sets forth the details of operating expenses for the three and year ended December 31, 2024 and 2023.

	Q4 2024 ($)	Q4 2023 ($)	$ Change	% Change	YTD 2024 ($)	YTD 2023 ($)	$ Change	% Change
Operating Expenses								
Advertising and promotion	354,084	151,777	202,307	133%	1,081,296	584,196	497,100	85%
Personnel related expenses	747,447	509,704	237,743	47%	2,355,049	1,904,690	450,359	24%
Professional fees	152,954	375,833	(222,879)	(59%)	382,994	812,568	(429,574)	(53%)
Distribution centre and processing	790,458	605,732	184,726	30%	2,377,905	2,067,083	310,822	15%
Stock-based compensation	1,822,066	539,887	1,282,179	237%	1,877,934	742,006	1,135,928	153%
General and administrative	91,101	147,976	(56,875)	(38%)	323,640	589,684	(266,044)	(45%)
Foreign exchange (gain) loss	(4,785)	6,796	(11,581)	(170%)	(265)	9,995	(10,260)	(103%)
Technology and development costs	40,191	7,975	32,216	404%	139,541	116,736	22,805	20%
Depreciation and amortization	53,118	53,609	(491)	(1%)	211,460	216,162	(4,702)	(2%)
Total operating expenses for the period	4,046,634	2,399,289	1,647,345	69%	8,749,554	7,043,120	1,706,434	24%

Advertising and promotion – Advertising and promotion expenditures consist of fees incurred in online marketing campaigns, gifts of jewelry, events and issuance of promotional gift vouchers. Advertising and promotion expense increased by 133% to $0.4 million, compared to $0.2 million in Q4 2023. This increase is primarily due to a reclassification of certain marketing-related costs from professional fees to advertising and promotion in the current quarter. When considered together, the total spending across both categories remained consistent year-over year.

Personnel related expenses – Personnel expenses for the quarter increased by 47% year over year for Q4 2024 and 24% when compared to FY 2023. This increase was primarily driven by the recruitment of more qualified and experienced personnel, as well as higher bonus accruals for management. The bonus accruals were recognized in connection with the achievement of key operational milestones. These milestones reflect process made toward the Company's growth objectives and performance targets and are aligned with the Company's incentive compensation structure designed to reward value-creating activities.

Professional fees – Professional fees consist of costs incurred to engage experts and consultants for legal, accounting, auditing, and photography for product images and videos. Professional fees decreased by 59% to $0.2 million, from $0.4 million in Q4 2023, reflecting a reclassification from advertising and promotion.

Distribution centre and processing – The increase in distribution centre and processing fees in Q4 2024 and for the year ended December 31, 2024, compared to the same period last year can be attributed to an increase in sales volume as well as an increase in the cost charged by the Company's service providers. In response, the Company is evaluating opportunities to internalize certain aspects of its distribution and processing operations in an effort to streamline workflows, improve cost efficiency and enhance overall operational control.

Stock-based compensation – Stock-based compensation consists of stock options and restricted stock units granted to directors, officers, employees, and consultants. The stock-based compensation expense decreased in Q4 2024 and for the year ended December 31, 2024, related to new grants of restricted share units and share options.

General and administrative – General and administrative expenditures consist of cost relating to operating the corporate office such as rent, office supplies, insurance, travel costs, and subscriptions to various services. General and administrative decreased by 38% YoY in Q4 2024 and 45% for the year ended December 31, 2024. The decrease is primarily driven by a reduction in operating rental facilities, lower travel-related expenditures and the Company's ongoing cost optimization initiatives.

Depreciation and amortization – This relate to the depreciation of manufacturing and other office equipment, and amortization for the Company's website which remained consistent year over year and when compared to FY 2023.

Technology and development costs – The technology and development expenditures primarily relate to the streamline of development resources and software on the Menē platform and other integration work. Certain costs related to product development and testing are also included in this category.

Foreign exchange loss **–** These expenses arise from foreign exchange rate differences from when transactions are created, and eventually settled.

LIQUIDITY AND FINANCIAL POSITION

CASH FLOW SUMMARY

	Q4 2024 ($)	Q4 2023 ($)	$ Change	% Change	YTD 2024 ($)	YTD 2023 ($)	$ Change	% Change
Net cash provided by (used in)								
Operating activities	2,194,309	3,013,951	(819,642)	(27%)	(491,583)	(854,624)	363,041	(42%)
Investing activities	(119,430)	5,000,000	(5,119,430)	(102%)	(120,831)	11,699,433	(11,820,264)	(101%)
Financing activities	(38,474)	(1,471,333)	1,432,859	(97%)	(148,601)	(3,726,462)	3,577,861	(96%)
Increase (decrease) in cash and cash equivalents	2,036,405	6,542,618	(4,506,213)	(69%)	(761,015)	7,118,347	(7,879,362)	(111%)

OPERATING ACTIVITIES

The net cash provided by operations in Q4 2024 was $2.2 million, a decrease of $0.8 million when compared to Q4 2023. The change in cash flow from operations is largely attributable to net inventory purchase of $0.8 million in Q4 2024 as compared Q4 2023.

For the year ended December 2024 cash used in operating activities was $0.5 million, an increase of $0.4 million compared to the same period in 2023, primarily due to net inventory purchases of $3.4 million, partially offset by increase in sales and gross profit in 2024.

INVESTING ACTIVITIES

Net cash provided by investing activities was $0.1 million for year ended December 2024. This was primarily due expenditures for property and equipment as the Company continues to update and improve its manufacturing processes.

FINANCING ACTIVITIES

Cash used in financing activities for the year ended December 31, 2024 was $0.1 million, primarily due to payment of lease liabilities. The represents a decrease of $3.6 million compared to FY 2023, mainly attributable to the full repayment of the loan from Goldmoney Inc. For additional details, refer to note 11 in the audited annual consolidated financial statements.

CAPITAL RESOURCES

The following table summarizes capital resources and cash as at December 31, 2024 and December 31 2023:

	December 31, 2024 ($)	December 31, 2023 ($)	$ Change	% Change
Cash and cash equivalents	7,394,120	8,094,511	(700,391)	(9%)
Inventory	11,078,364	7,607,090	3,471,274	46%
Short-term investments	178,279	165,486	12,793	8%
Prepaids and other assets	50,020	216,775	(166,755)	(77%)
Trade and other receivables	536,317	154,289	382,028	248%
Accounts payable and accrued liabilities	(1,560,131)	(931,701)	(628,430)	67%
Deferred revenue	(993,892)	(541,664)	(452,228)	83%
Current portion of lease liabilities	(161,524)	(143,448)	(18,076)	13%
Net Working Capital (1)	16,521,553	14,621,338	1,900,215	13%
Right of use assets	656,410	728,187	(71,777)	(10%)
Property and equipment	750,840	752,834	(1,994)	(0%)
Lease liabilities	(563,772)	(624,796)	61,024	(10%)
Tangible Common Equity (2)	17,365,031	15,477,563	1,887,468	12%
Intangible assets	404,918	504,185	(99,267)	(20%)
Total shareholders' equity	17,769,949	15,981,748	1,788,201	11%

Notes:

(1) Net Working Capital is a non-IFRS measure, calculated as the total of cash and cash equivalents, inventory, short-term investments, prepaids and other assets, trade and other receivables, other financial assets, net of note payable, related party loan payable and accounts payable and accrued liabilities, deferred revenue, and current portion of lease liabilities. The closest comparable IFRS financial measure is shareholders' equity. Management believes that the net working capital position provides useful insight into the available liquidity within the Company.

(2) Tangible common equity is a non-IFRS measure, calculated as net working capital plus property and equipment and right of use assets. The closest comparable IFRS financial measure is shareholders' equity. Management believes that the tangible common equity position provides useful insight into the available liquidity within the Company.

At December 31, 2024, the Company had $7.4 million in cash, with a net working capital of $16.5 million. The increase in net working capital of 13% at December 31, 2024, is primarily due to the Company's proceeds from its revenue used to replenish its inventory.

The Company believes its net working capital balance is sufficient to continue funding operational activities such as purchasing precious metals inventories, incurring manufacturing and operating expenses and investing in capital assets such as production machinery and equipment for the foreseeable future.

Tangible Common Equity as at December 31, 2024 was $17.4 million, a $1.9 million (12%) increase over December 31, 2023.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company entered into a lease agreement on its premises expiring October 2029. The Company has the following remaining lease commitments in the following fiscal years:

Fiscal year ending	As at December 31, 2024
2025	$ 161,524
2026	167,177
2027	173,027
2028	179,082
2029	153,562
Total	$ 834,371

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes could differ from these estimates. Revisions to accounting estimates are recognized prospectively. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1. Valuation of stock options

The fair value of warrants and stock options are determined using the Black-Scholes option pricing formula. Option pricing models require the input of subjective assumptions including expected dividend yield, expected volatility and expected average life. Changes in these assumptions could have a material impact on fair value estimates.

2. Functional currency

Under IFRS, each entity must determine its own functional currency, which becomes the currency that entity measures its results and financial position. In determining the functional currencies of the Company and its subsidiary, the Company considered many factors, including the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices, and the currency that mainly influences labour material and other costs for each consolidated entity.

3. Income, value added, withholding and other taxes

The Company is subject to income, value-added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax-related accruals and deferred income tax provisions in the period in which such determination is made.

4. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

5. Discount rate used

The Company measures the fair value of certain financial instruments by discounting the contractual cash flows of those instruments to their present value. Management uses its experience and judgment in determining the appropriate discount rate to be used.

RECENTLY ADOPTED ACCOUNTING STANDARDS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendment is effective for annual periods beginning on or after January 1, 2024, and did not have a material impact on the consolidated financial statements.

IFRS 10, Consolidated Financial Statements ("IFRS 10") and *IAS 28, Investments in Associates and Joint Ventures* ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted. The adoption of this interpretation did not have a material impact on the consolidated financial statements.

IAS 1, Presentation of Financial Statements, was amended in January 2020. The IASB clarified the classification of liabilities as current or non-current by removing the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must exist at the end of the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The adoption of this interpretation did not have a material impact on the consolidated financial statements.

NEW IFRS STANDARDS AND INTERPRETATIONS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. The Company is currently evaluating the impact of these new standards on the consolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 18, Presentation and Disclosure in Financial Statements, was issued by the IASB in April 2024 and will replace the standards and interpretations in IAS 1, Presentation of Financial Statements. IFRS 18 will streamline the requirements for the presentation and disclosure of information in general purpose financial statements to help ensure that they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 will be applied to an annual reporting period beginning on or after January 1, 2027. The Company has not early adopted these amendments.

Lack of Exchangeability (Amendments to IAS 21) In August 2023, the IASB amended IAS 21, The effects of changes in foreign exchange rates, to clarify when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) In May 2024, the IASB issued amendments to *IFRS 9 Financial Instruments* and *IFRS 7 Financial Instruments – Disclosures*. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements.

CAPITAL RISK MANAGEMENT

The Company manages its capital with the following objectives:

i. to ensure sufficient financial flexibility to achieve ongoing business objectives, including funding of future growth opportunities and pursuit of accretive acquisitions; and

ii. to maximize shareholder return through enhancing share value.

The Company monitors its capital structure and adjusts according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, issuing new debt, retiring existing debt, or adjusting capital spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising of share capital, contributed surplus, and deficit, which as at December 31, 2024 totaled $17,054,315 ($16,226,521 as at December 31, 2023).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenses and other investing and financing activities. The forecast is updated based on actual activities. Capital management information is provided to the Board of Directors of the Company.

FINANCIAL RISK MANAGEMENT

CREDIT RISK

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the Company's cash and cash equivalents, trade receivables and short-term investments consisting of GICs. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents and short-term investments are held with reputable institutions, from which management believes the risk of loss to be remote. The maximum exposure to credit risk is the carrying value of trade receivables, and short-term investments.

The Company's trade and other receivables consist of funds at the payment processors for completed customer orders, interest receivable from its GIC short-term investments at the bank, and Harmonized Sales Tax refunds receivable from the Canadian Government. The Company assesses its receivables as stage 1, and the expected credit loss is nil within a twelve-month period.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. As at December 31, 2024, the Company had current assets of $19,237,100 to settle accounts payable, accrued liabilities, current portion of lease liabilities (excluding deferred revenue) of $1,721,655.

MARKET RISK

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates, equity prices and metal prices – will affect the Company's income or the value of its financial instruments.

INTEREST RATE RISK

The Company has cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment grade short term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

FOREIGN CURRENCY RISK

The Company's functional currency is the Canadian dollar. The functional currency of the Company's foreign subsidiary is the United States dollar. The Company's reporting currency is the Canadian dollar. Major purchases are transacted in Canadian dollars, US dollars and Euros. To reduce the mismatch between the currencies, the Company holds financial instruments denominated in these currencies.

PRICE RISK

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors prices of the precious metals it transacts with. The Company's precious metals inventory is subject to fair value fluctuations arising from changes in the price of precious metals.

SENSITIVITY ANALYSIS

Based on management's knowledge of and experience with the financial markets, the Company believes the following movements are "reasonably possible":

i. The Company's metal inventory balance of $10,989,139 (2023: $7,607,090) is subject to a revaluation on the lower price of cost or net realizable value. The Company defines the net realizable value to be a minimum mark-up of 48% on the daily precious metal value. As such, the historical cost would, with a high degree of probability, be lower than the net realizable value. Thus, there is no impact on the net loss and comprehensive loss and deficit for the years ended December 31, 2024 and 2023.
ii. The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, receivables, short-term investments, accounts payable and accrued liabilities. Financial instruments are denominated in US dollars, Euros and Pound Sterling. As at December 31, 2024, the net loss and comprehensive loss would have been $176,687 higher/lower, had the Canadian dollar strengthened/weakened by 5% as a result of foreign exchange gains/losses on translation of US dollar, Euros and Pound Sterling denominated financial instruments related to cash and cash equivalents, receivables, short-term investments, accounts payable and accrued liabilities.

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value. Key management is defined as those with authority and responsibility for planning, directing, and controlling activities of the company, including directors and executive team.

During the year ended December 31, 2024, the Company paid a total compensation of $2,884,894 to key management personnel, including consulting fees, salary and stock-based compensation.

RELATED PARTY TRANSACTIONS WITH GOLDMONEY INC.

The Company has a related party relationship with Goldmoney, which holds 36.05% ownership in the Company as at December 31, 2024 and the acting Executive Chairman of the Company, who influences key business decisions, is the current Chief Executive Officer of Goldmoney.

The Company has a supply agreement with Goldmoney dated August 20, 2017. The supply agreement states that Goldmoney is the exclusive supplier of gold and platinum to the Company, and the Company agrees to purchase the metals at a price of 0.5% over the spot price, subject to the terms of the supply agreement.

On March 19, 2023, Goldmoney agreed to extend the maturity of the line of credit promissory note originally issued to the Company on March 19, 2019. The note will bear interest at the rate of 3% per annum and is payable on March 19, 2024, or on demand by Goldmoney.

On June 16, 2023 the Company made a repayment of the Goldmoney loan during the quarter amounting to $2.15 million, reducing the metal weight owing to Goldmoney by 833 ounces.

On December 4, 2023, the Company entered into an agreement with Goldmoney to sell 3,372.82 ounces of gold finished goods inventory to the BMO, at the prevailing spot price of gold on the date of sale, who will hold the inventory in an allocated inventory account. The transaction was executed through the Goldmoney inventory facility held with the Bank of Montreal, to repay a significant portion of the Goldmoney loan, totaling $9,250,719. There is no obligation for the Company to repurchase the finished goods inventory, nor is the Bank of Montreal under any obligation to fulfil any requests by the Company for repurchase. The Company will be required to pay a 3% standby charge based on the outstanding balance in the inventory facility.

On December 27, 2023, the Company made a payment of $1.44 million, equating to 351 ounces of gold and 369 ounces of platinum to Goldmoney. The payment was for the outstanding balance of the Goldmoney loan and resulted in the derecognition of the Goldmoney loan.

OUTSTANDING SHARE CAPITAL DATA

As of the date of this MD&A, the Company had 110,342,154 multiple voting Class A Shares and 149,953,459 Class B Shares issued and outstanding, 8,469,437 options outstanding, each option exercisable for the purchase of one Class B Share and 2,000,000 restricted stock units outstanding, each unit exercisable for one Class B Share.

RISKS AND UNCERTAINTIES

Due to the nature of Company's business and its present stage of development, prospective investors in the Company's securities should carefully consider the specific and general risks involved in an investment in the securities of the Company. Risk factors that could materially affect the Company's business, results of operations, prospects and financial condition include, but are not limited to: (i) the Company's limited operating history; (ii) history of operating losses; (iii) future capital needs and uncertainty of additional financing; (iv) the risk of fluctuations in the market price of the Class B Shares; (v) concentration of control of the Company; (vi) foreign currency and exchange rate risk; (vii) global economic and financial market deterioration impeding access to capital or increasing the cost of capital; (viii) dividend policy; (ix) regulation and compliance; (x) legal and regulatory change and uncertainty; (xi) jurisdictional factors associated with international operations; (xii) foreign restrictions on access to the Company's services; (xiii) product development and rapid technological change; (xiv) dependence on technical infrastructure; (xv) protection of intellectual property; (xvi) use and storage of personal information and compliance with privacy laws; (xvii) network security risks; (xviii) risk of system failure or inadequacy; (xix) risks associated with market expansion; (xx) the Company's ability to manage rapid growth; (xxi) competition; (xxii) effectiveness of the Company's risk management and internal controls; (xxiii) marketing and brand development; (xxiv) use of the Company's services for improper or illegal purposes; (xxv) customer complaints and negative publicity; (xxvi) reliance on key personnel; (xxvii) uninsured and underinsured losses; (xxviii) theft & risk of physical harm to personnel; (xxix) precious metal trading risks; (xxx) volatility of precious metals prices & public interest in precious metals investment; (xxxi) risks associated with COVID-19 and other infectious diseases presenting as major health issues; (xxxii) risks associated with geo-political conflicts, including the ongoing conflict in the Ukraine, and its impacts on the Company's business and precious metal prices;(xxxiii) failure to comply with environmental and health and safety laws and regulations; and (xxxiv) failure to effectively incorporate and utilize the US manufacturing facility into current operations. Additional risks and uncertainties not presently known to the Company or that the Company does not currently anticipate will be material, may impair the Company's business operations and operating results, and as a result could materially impact its business, prospects and financial condition.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

NON-IFRS ADJUSTED REVENUE

Non-IFRS Adjusted Revenue is a non-IFRS measure, calculated as IFRS revenue plus the value of jewelry that was returned by customers, discounts given to customers and revenue from orders that are fully paid for which fulfillment is under process. These adjustments are made to assess the gross revenue before deducting these items from revenue per IFRS. The closest comparable IFRS measure is revenue. Refer to the reconciliation schedule below:

	Q4 2024 ($)	Q4 2023 ($)	$ Change	% Change	YTD 2024 ($)	YTD 2023 ($)	$ Change	% Change
IFRS Revenue	9,118,982	6,862,070	2,256,912	33%	25,799,786	23,289,854	2,509,932	11%
Add:								
Discounts	79,219	50,980	28,239	55%	243,540	198,099	45,441	23%
Returns	723,517	749,110	(25,593)	(3%)	3,287,650	3,368,999	(81,349)	(2%)
Orders being fulfilled	641,682	272,609	369,073	135%	1,137,533	884,319	253,214	29%
Non-IFRS Adjusted Revenue	10,563,400	7,934,769	2,628,631	33%	30,468,509	27,741,271	2,727,238	12%

NON-IFRS ADJUSTED INCOME (LOSS)

Non-IFRS Adjusted Income (Loss) is a non-IFRS measure, calculated as total comprehensive income (loss), excluding depreciation and amortization, stock-based compensation, accretion, loss on debt retirement, revaluation of metal loan, translation gain or loss, unrealized foreign exchange gains or losses and other non-recurring expenses. The closest comparable IFRS measure is total comprehensive income (loss). Refer to the reconciliation schedule below:

	Q4 2024 ($)	Q4 2023 ($)	$ Change	% Change	YTD 2024 ($)	YTD 2023 ($)	$ Change	% Change
Total comprehensive income (loss)	(302,168)	(1,747,813)	1,445,645	(83%)	(33,526)	(2,229,384)	2,195,858	(98%)
Add:								
Depreciation and amortization	53,118	53,609	(491)	(1%)	211,460	216,162	(4,702)	(2%)
Foreign exchange (gain)/ loss	(4,785)	6,796	(11,581)	(170%)	(264)	9,995	(10,259)	(103%)
Stock based compensation	1,822,066	539,887	1,282,179	237%	1,877,934	742,006	1,135,928	153%
Revaluation of metal loan	-	877,563	(877,563)	(100%)	-	1,051,132	(1,051,132)	(100%)
Translation (gain)/ loss	(771,432)	213,850	(985,282)	(461%)	(960,407)	241,646	(1,202,053)	(497%)
Non-IFRS Adjusted Income (Loss)	796,799	(56,108)	852,907	(1,520%)	1,095,197	31,557	1,063,640	3,371%

ADJUSTED EBITDA

Adjusted EBITDA, calculated as total operating income (loss), excluding depreciation and amortization, stock-based compensation, other non-recurring expenses. The closest comparable IFRS measure is total operating income (loss). Refer to the reconciliation schedule below:

	Q4 2024 ($)	Q4 2023 ($)	$ Change	% Change	YTD 2024 ($)	YTD 2023 ($)	$ Change	% Change
Total operating income (loss)	(1,206,529)	(732,155)	(474,374)	(65%	(1,281,698)	(1,213,655)	(68,043)	6%
Add:								
Depreciation and amortization	53,118	53,609	(491)	(1%)	211,460	216,162	(4,702)	(2%)
Stock based compensation	1,822,066	539,887	1,282,179	237%	1,877,934	742,006	1,135,928	153%
Adjusted EBITDA	668,655	(138,659)	807,314	582%	807,696	(255,487)	1,063,183	(416%)

NET WORKING CAPITAL

Liquidity position is a non-IFRS measure, calculated as the total of cash and cash equivalents, inventory, short-term investments, prepaids and other assets, trade and other receivables, other financial assets, net of note payable, related party loan payable and accounts payable and accrued liabilities, deferred revenue and the current portion of lease liabilities. The closest comparable IFRS financial measure is shareholders' equity. Management believes that the net working capital position provides useful insight into the available liquidity within the Company.

TANGIBLE COMMON EQUITY

Tangible common equity is a non-IFRS measure, calculated as net working capital plus property and equipment and right of use assets. The closest comparable IFRS financial measure is shareholders' equity. Management believes that the tangible common equity position provides useful insight into the available liquidity within the Company.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of December 31, 2024, the Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of its disclosure controls and procedures and have concluded that the Company's disclosure controls and procedures are effective.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. These controls include policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International

Accounting Standards Board, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

All control systems contain inherent limitations, no matter how well designed. As a result, the Company's management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting for the year ended December 31, 2024.

ADDITIONAL INFORMATION

Additional disclosures pertaining to the Company's material change reports, press releases and other information is available on the Company's SEDAR profile at www.sedar.com.