QUETZAL COPPER CORP.
(formerly Ankh Capital Inc.)

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the financial statements of Quetzal Copper Corp. (formerly Ankh Capital Inc. or "Ankh", the "Company") and the notes thereto for the years ended December 31, 2024 and 2023.

The following MD&A of the financial condition and results of operations of the Company has been prepared by management and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements"), as some disclosures from the Annual Financial Statements have been condensed or omitted.

The Annual Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

The Company's certifying officers are responsible for ensuring that the Annual Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date and for the periods presented in the filings.

In this MD&A, the "Company", or the words "we", "us", or "our", collectively refer to the Company and its subsidiary. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended December 31, 2024 and 2023 are referred to as "YTD 2024" and "YTD 2023", respectively.

This MD&A takes into account information available up to the approval of the Annual Financial Statements and MD&A by the Board of Directors on April 28, 2024 ("MD&A Date").

Management is responsible for the preparation and integrity of the Company's Annual Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's Annual Financial Statements and MD&A, is complete and reliable.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash and prepaid expenses; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits, ability to physically access and work the Company's property assets due to poor weather, a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans, and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions and investor appetite for early stage exploration companies. See "Risks and Uncertainties".

Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

DESCRIPTION OF THE BUSINESS

The Company was incorporated on November 30, 2020 pursuant to the Business Corporations Act of British Columbia. The head office, principal address and registered and records office of the Company are located at 1723 - 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, Canada.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

The Company's exploration and evaluation assets are comprised of mineral properties owned by the Company and rights to ownership of mineral properties, which the Company can earn through cash or share payments, incurring exploration and evaluation expenditures or combinations thereof. Exploration and evaluation assets acquisition costs including option payments are capitalized. Exploration expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are recorded in profit or loss. When the existence of a mineral reserve on a property has been established, future acquisition, exploration and development costs will be capitalized for that property, then amortized using the unit-of-production method following commencement of production.

The Company has incurred exploration and evaluation expenditures however yet to recognize any environmental rehabilitation provision. The Company has not yet generated any revenue and operating cash flows. The ability of the Company to fulfil its obligations and pay for the ongoing operating as well as mineral properties expenditures depends on its success in raising external funds from debt and equity. Therefore, it is difficult to identify any meaningful trends or develop an analysis of cash flows.

OVERALL PERFORMANCE

The Company has no substantial revenue and supports its operations through the sale of equity or assets such as mineral properties. The value of any mineral property is dependent upon the existence or potential existence of economically recoverable mineral reserves. See "Risk and Uncertainties".

REVERSE TAKEOVER

Quetzal Copper Limited ("Former Quetzal") was incorporated pursuant to the Business Corporations Act of British Columbia on April 29, 2021.

On May 15, 2023, the Company announced that it entered into an amalgamation agreement ("Amalgamation Agreement") with Former Quetzal and 1415994 B.C. Ltd. ("Subco"), a wholly owned subsidiary of the Company. Pursuant to the Amalgamation Agreement, Subco amalgamated with Former Quetzal to form Quetzal Copper Subsidiary Corp. ("Quetzal Subsidiary") under the Business Corporations Act (British Columbia) and Quetzal Subsidiary became a wholly-owned subsidiary of the Company (the "RTO"). Each Subco common share was converted into one Quetzal Subsidiary common share and the outstanding securities of Former Quetzal were exchanged for securities of the Company at a ratio of one for 1.0979668 before the completion of the RTO.

Effective March 12, 2024, the RTO closed whereby Ankh issued 7,810,000 common shares to the Former Quetzal's shareholders. Immediately prior to completion of the RTO, the Company completed a consolidation of its common shares on the basis of one post-consolidation share for every two pre-consolidation shares. All share and per share amounts in the financial statements have been retroactively restated to reflect the share consolidation. Concurrently with the closing of the RTO, the Company changed its name to Quetzal Copper Corp.

Management determined that the RTO constituted a reverse acquisition for accounting purposes whereby Former Quetzal acquired the Company. For accounting purposes, Former Quetzal is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent) in the Annual Financial Statements. As Former Quetzal was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in the Annual Financial Statements at their historical carrying values. The Company's results of operations are included from the RTO date, March 12, 2024. The comparative figures are those of Former Quetzal prior to the RTO date.

Upon the closing of the RTO on March 12, 2024, the following occurred:

- The Company issued 7,810,000 common shares to Former Quetzal's shareholders at the fair value of $0.180 per common share for a total fair value of $1,405,800.
- The Company incurred $21,196 in transaction costs prior to the closing of the RTO and the amount is allocated as part of the consideration.
- The Company issued 1,200,000 flow-through units at a price of $0.20 per flow-through unit for gross proceeds of $240,000. Each flow-through unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $0.30 per share for a period of two years. The Company paid a cash finder's fee equal to $43,900 and issued 120,000 finder's warrants. The securities issued were on a post-consolidation basis. In addition, the Company issued 299,378 common shares of the Company to PI Financial Corp. for finder's fees.

As a result of the RTO, Former Quetzal obtained control of the Company and is considered to have acquired the Company. The RTO was accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2 *Share-based payment* and IFRS 3 *Business combinations*. The RTO did not qualify as a business combination in accordance with the definition of IFRS 3 as the significant inputs, processes, and outputs, that together constitute a business, did not exist in the Company at the time of acquisition. Accordingly, no goodwill or intangible assets were recorded with respect to the RTO. The Annual Financial Statements reflect the assets, liabilities, and operations of Former Quetzal since its incorporation and the Company from March 12, 2024.

The fair value of the consideration paid by Former Quetzal, net of transaction costs, less the fair value of net assets of the Company acquired by Former Quetzal, constitutes a listing expense which was recognized in profit or loss. The Annual Financial Statements reflect the assets, liabilities, and operations of Former Quetzal since its incorporation and the Company from March 12, 2024.

A summary of the RTO treated as Former Quetzal acquiring the net assets of the Company, is as follows:

	$
Consideration	
Fair value of Ankh common shares (7,810,000 shares at $0.18)	1,405,800
Loan and accrued interest settled	(213,238)
Fair value of Ankh existing stock options (781,000 stock options expiring October 15, 2026)	81,433
Fair value of Ankh existing warrants (500,000 warrants expiring October 15, 2026)	52,134
	1,326,129
Fair value allocated to:	
Cash	868,575
Prepaid expenses	541
Accounts receivable	21
Accounts payable and accrued liability	(270,538)
	598,598
RTO costs (legal fees and exchange fees concurrent with the listing)	46,114
Listing expense	**773,645**

The RTO with Former Quetzal resulted in the Company acquiring a 100% interest in the following mineral properties and resuming all the rights, duties, liabilities and obligations related to the properties set out under their respective option agreements:

- Princeton, located in British Columbia, Canada;
- Big Kidd, located in British Columbia, Canada; and
- DOT, located in British Columbia, Canada

ACQUISITION OF POLARIS RESOURCES

Polaris Resources, S.A. de C.V. ("Polaris Resources") holds an option to acquire a 100% interest in the Cristinas copper project located in the state of Chihuahua, Mexico (the "Cristinas"), subject to fulfillment of certain underlying payments to be made to the underlying property vendors (the "Vendors").

On April 11, 2024, the Company paid $69,224 (USD50,000) and acquired all of the issued and outstanding shares of Polaris Resources. As a result of the acquisition, the Company assumed the option to acquire a 100% interest in the Cristinas project from the Vendors.

The acquisition of Polaris Resources was accounted for by the Company as an asset acquisition. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Polaris Resources at the time of acquisition. Therefore, the asset acquisition transaction was accounted for in accordance with guidance provided in IFRS 2 *Share-based Payment*. Accordingly, no goodwill was recorded with respect to the acquisition.

A summary of the Company's consideration and net assets acquired as at the April 11, 2024 acquisition date is as follows:

	$
Consideration	
Cash paid (US$50,000)	69,224
Net assets acquired:	
Cash	1,204
Amounts receivable	32,535
Exploration and evaluation asset (Cristinas project)	273,139
Accounts payable	(237,654)
	69,224

RESULTS OF OPERATIONS

The following discussion explains the variations in the key components of the Company's operating results. As with most junior mineral exploration companies, the results of operations are not the main factor in establishing the financial health of the Company. Of greater significance are the mineral properties in which the Company has, or may earn, an interest, its working capital, and how many shares it has outstanding. For details on the results of work on and other activities in connection with the Company's exploration of mineral properties, see "Exploration and Evaluation Assets and Expenditures".

A summary of the Company's results of operations and selected information from the Annual Financial Statements is as follows:

	YTD 2024	YTD 2023
	$	$
Operating expenses		
Consulting fees	**112,408**	26,664
Exploration and evaluation expenditures	**845,387**	17,761
General and administrative	**248,408**	6,945
Investor relations	**77,128**	47,283
Management compensation	**223,496**	164,880
Professional fees	**646,517**	234,793
	(2,153,344)	(498,326)
Other income (expense)		
Amortization of flow-through premium liability	**14,595**	1,488
Exchange loss	**(31,550)**	-
Listing fees	**(773,645)**	-
Provision of doubtful VAT expenses	**(144,720)**	-
Interest expense	**-**	(13,238)
Net loss for the period	**(3,088,664)**	(510,076)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Change in foreign currency translation	**71,924**	-
Net loss and comprehensive loss	**3,016,740**	(510,076)
Net loss per share:		
Basic and diluted		
Weighted average number of shares:		
Basic and diluted	**(0.08)**	(0.02)

YTD 2024 compared to YTD 2023

Net loss and comprehensive loss increased to $3,160,740 from $510,076 in the prior year comparable year. The primary drivers of the increase in net loss and comprehensive loss were as follows:

- Consulting fees increased to $112,408 from $26,664 in the prior year comparable period due to increased consulting services to support the Company's expanded exploration and evaluation activities.
- Exploration and evaluation expenditures increased to $845,387 from $17,761 in the prior year comparable period due to increased exploration activities conducted on Cristinas project, Princeton, Big Kidd, and DOT.
- General and administrative increased to $248,408 from $6,945 in the prior year comparable period to support the Company's expanded exploration and evaluation activities in the current period.
- Professional fees increased to $646,517 from $234,793 in the prior year comparable period due to the increased legal and accounting services incurred during the current period to support the Company's pursuit for a public listing.

Partially offsetting the increase in net loss and comprehensive loss were increases to other and other comprehensive income as follows:

- Amortization of flow-through premium liability increased to $14,594 compared to $1,488 in the prior year comparable period due to the issuance of flow-through units and incurring eligible expenditures on the Company's projects in the current period.
- Currency translation gain increased to $71,924 compared to $nil in the prior year comparable period due to the exchange rate fluctuations between the Mexican Peso and the Canadian dollar following the acquisition of Polaris Resources in the current period.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Unless otherwise noted, related party transactions were incurred in the normal course of operations and measured at the amount established and agreed upon by the related parties.

A summary of the Company's related party transactions is as follows:

	Years ended December 31,	
	2024	2023
	$	$
Management compensation	**219,840**	**-**
Professional fees	**80,925**	**-**
	300,765	-

As at December 31, 2024, $197,062 (December 31, 2023 - $145,265) is owed to the Company's related parties. The amounts are unsecured, due on demand and are non-interest bearing.

As at December 31, 2024, the Company has amount due from related party of $nil (December 31, 2023 - $311,000) and included in subscriptions receivable.

During the year ended December 31, 2023, the Company received advances of $35,010 from a director of the Company, which were recorded as accounts payable and accrued liabilities and were repaid in full during the year ended December 31, 2024. The advances are unsecured, due on demand and are non-interest bearing.

SUMMARY OF QUARTERLY RESULTS

A summary of the Company's selected quarterly financial information is as follows:

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
	$	$	$	$
Net loss and comprehensive loss	**(369,101)**	(971,227)	(670,190)	(1,006,222)
Net loss per share - basic and diluted	**(0.01)**	(0.02)	(0.02)	(0.04)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	$	$	$	$
Net loss and comprehensive loss	(151,075)	(188,592)	(138,957)	(31,452)
Net loss per share - basic and diluted	(0.01)	(0.01)	(0.01)	(0.00)

During the last eight quarters, the Company's net loss and comprehensive loss has ranged between $31,452 and $1,006,221. During Q3 2022 to Q4 2023, net loss and comprehensive loss remained broadly unchanged and was as a result of corporate overheads and exploration and evaluation expenses. Net loss and comprehensive loss in Q1 2024 is mainly due to the listing expense associated with the RTO and increased operating expenses due to the expanded operations of the Company. Net loss and comprehensive loss in the quarters of 2024 is primarily due to increased exploration activities conducted in Princeton, Big Kidd, Cristinas and DOT.

EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

A summary of the Company's exploration and evaluation assets is as follows:

	Princeton	**Big Kidd**	**Cristinas**	**DOT**	**Total**
	$	$	$	$	$
Balance, December 31, 2022	250,000	10,000	-	-	260,000
Acquisition costs	120,000	170,000	-	1,490,000	1,780,000
Balance, December 31, 2023	370,000	180,000	-	1,490,000	2,040,000
Acquisition costs – Fair value of shares issued	724,658	-	-	-	724,658
Acquisition costs - Excess of consideration distributed to mineral property	-	-	273,139	-	273,139
Acquisition costs -	120,028	200,000	116,726	50,000	486,754
Balance, December 31, 2024	**1,214,686**	**380,000**	**389,865**	**1,540,000**	**3,524,551**

A summary of the Company's exploration and evaluation for the year ended December 31, 2024 is as follows:

	Princeton	Big Kidd	Cristinas	DOT	Total
	$	$	$	$	$
Geological consulting	38,664	40,320	563,714	7,767	650,464
Permit	-	-	-	8,506	8,506
Salary and wages	-	-	11,156	-	11,156
Vehicle and tool rental	-	7,596	25,076	426	33,098
Other	1,567	21,344	119,251	-	142,162
Total	**40,231**	**69,260**	**719,197**	**16,699**	**845,387**

A summary of the Company's exploration and evaluation for the year ended December 31, 2023 is as follows:

	Princeton	**DOT**	**Total**
	$	$	$
Geological consulting	8,832	8,929	17,761

a) Princeton

On April 29, 2022, the Company entered into an option agreement (the "Agreement") with Princeton Copper Corp. to acquire an 80% interest in certain mineral claims located in British Columbia ("Princeton").

Under the Agreement the Company is required to make the following acquisition payments:

- $120,000 on July 6, 2022 (paid);
- $10,000 on the first day of each month commencing May 1, 2022 until June 1, 2028 ($310,000 paid up to and including January 1, 2025); and
- $260,000 on July 1, 2028.

Additionally, under the Agreement, the Company is required to issue an aggregate of 12,681,516 common shares as follows:

- 1,646,950 common shares on June 14, 2022 (issued);
- 3,623,290 common shares on April 29, 2024 (issued); and
- 7,411,276 common shares on April 29, 2026.

Commencing April 29, 2022, the Company is required to incur minimum expenditures of $15,000,000 on or before April 29, 2030 or the date of the exercise of the option ("Option Period"), with the minimum expenditures of $1,000,000 to be incurred during the period from April 29, 2022 to June 30, 2025 and during each year thereafter until the end of the Option Period. The Company can extend the Option Period for one or more 12-month periods ("Extended Period") by incurring expenditures of at least $750,000 in each such Extended Period.

During the year ended December 31, 2024, the Company incurred exploration and evaluation expenditures of $40,231 (2023 - $8,832), related to Princeton project.

b) Big Kidd

Pursuant to the option agreement with South Atlantic Gold Inc. ("South Atlantic") the Company entered into on November 4, 2022 and the amended agreement dated January 4, 2023, the Company has the option to acquire 100% interest in certain mineral claims located in British Columbia ("Big Kidd") and is required to make the following payments in order to exercise the option:

- $10,000 on November 14, 2022 (paid);
- $10,000 on January 4, 2023 (paid);
- $20,000 on March 9, 2023 (paid);
- $130,000 on May 29, 2023 and upon completion of a qualifying financing by the Company, which is an equity financing for gross proceeds of minimum $500,000 on or before January 3, 2023 (paid);
- $200,000 on January 4, 2024 (paid);
- $200,000 on January 4, 2025;
- $200,000 on January 4, 2026;
- $200,000 on January 4, 2027; and
- $350,000 or issue common shares with an aggregate value of $350,000 on January 2028.

The parties may extend the payment date of the committed amount a further 60 days (the "Extension") of the Second Amendment Agreement subject to additional payments by the Company $10,000 on or before 90 days of the Second Amendment (paid) and $10,000 on or before 120 days of the Second Amendment Agreement.

Additionally, the Company must fulfil the milestone commitments in the form of cash payments or issuances of the Company's publicly traded common shares, as follows:

- $300,000 or issue common shares with an aggregate value of $300,000 following the completion of 40,000 meters of drilling on the property;
- $1,200,000 or issue common shares with an aggregate value of $1,200,000 following the filing of a pre-feasibility study on the property; and
- $2,000,000 or issue common shares with an aggregate value of $2,000,000 following the filing of a feasibility study on the property.

During the year ended December 31, 2024, the Company incurred exploration and evaluation expenditures of $69,260 (2023 - $nil), related to Big Kidd project.

c) Cristinas

The 685-hectare Cristinas project is located in northeastern Chihuahua state, Mexico, approximately 2 hours by car from Chihuahua City. The Cristinas project includes a historic copper mine that operated in the 1970s on shallow copper oxide mineralization.

As a result of the Polaris Resources acquisition, the Company assumed the option to acquire a 100% interest in the Cristinas project from the Vendors as follows:

Cash payments of:
- US$100,000 on May 12, 2024 (paid);
- US$100,000 on May 12, 2025; and
- US$100,000 on May 12, 2026.

Issuance of common shares of the Company with a fair value of:
- US$500,000 on May 12, 2025;
- US$500,000 on May 12, 2026; and
- US$500,000 on May 12, 2027.

Complete US$1,000,000 in exploration and evaluation expenses on or before December 31, 2025.

During year ended December 31, 2024, the Company incurred exploration and evaluation expenditures of $719,197 (2023 - $nil), related to Cristinas project.

d) DOT

On January 10, 2023, the Company entered into an option agreement with 1390120 B.C. Ltd. ("1390120") to acquire a 100% interest in the mineral claim known as the DOT Matrix property located in British Columbia ("DOT"). Subsequently, on February 17, 2023, the option agreement was amended to include a 2% net smelter royalty payable to 13901290. The Company is required to fulfill the following obligations in order to exercise the option:

- Issuing 6,258,411 common shares to 1390120 on February 28, 2023 (issued); and
- $160,000 on October 1, 2023 (paid).

Additionally, the Company is required to file a pre-feasibility study on DOT and make a cash payment of $3,000,000 on or before February 17, 2027 (the "Final Option Requirement"). While the Final Option Requirement remains outstanding, the Company is required to make the following payments:

- $50,000 on January 1, 2024 (paid);
- $75,000 on January 1, 2025;
- $100,000 on January 1, 2026; and
- $125,000 on January 1, 2027.

During year ended December 31, 2024, the Company incurred exploration and evaluation expenditures of $16,699 (2023 - $8,929), related to DOT project.

SOURCES AND USES OF CASH

A summary of the Company's cash sources and uses of cash is as follows:

	YTD 2024	YTD 2023
	$	$
Cash used in operating activities	**(1,470,123)**	(441,271)
Cash provided by (used in) investing activities	**267,687**	(440,000)
Cash provided by financing activities	**2,558,090**	1,376,563
Change in cash	**1,355,654**	495,292
Cash, beginning of the year	**502,833**	7,541
Cash, end of the year	**1,930,411**	502,833

The Company reported an increase in cash of $1,355,654 compared to an increase in cash of $495,292 in the prior year comparable period.

The Company has not yet generated any revenue and thus no cash flow from operations. Its sources of funds have been from the issuance of common shares and debt. Cash used in operating activities increased to $1,470,123 from $441,271 in the prior year comparable period mainly due to increased cash used to pay for overheads and exploration and evaluation expenses following expanded operations.

Cash provided by investing activities was $267,687 compared to cash used in investing activities of $440,000 in the prior year comparable period mainly due to the cash acquired in the RTO, which was partially offset by acquisition costs associated with the Big Kidd and DOT projects in the current period.

Cash provided by financing activities increased to $2,558,089 from $1,376,563 in the prior year comparable period mainly due to the $500,000 loan received from SilverCo Mining Corp. and proceeds of $2,158,425 from private placements in the current year period.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As at December 31, 2024, the Company had working capital surplus of $39,873 (December 31, 2023 – surplus $447,503) and cash of $1,930,411 (December 31, 2023 - $502,833).

While the information in the Annual Financial Statements has been prepared in accordance with IFRS Accounting Standards on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional debt or equity financing to successfully advance the exploration and development of mineral property interests in its exploration portfolio and to be able to derive material proceeds from the sale or divestiture of those properties and/or other assets, such as sale proceeds and equity interests. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

During the year ended December 31, 2024, the Company had the following share capital transactions:

- On January 5, 2024, the Company issued 99,282 units at $0.228 per unit for gross proceeds of $22,606. Each unit consists of one common share and one-half share purchase warrant.
- On March 12, 2024, the Company consolidated the number of common shares at an approximate rate of 1.098.
- On March 12, 2024, pursuant to closing the RTO, the Company issued 7,810,000 common shares of the Company to Former Quetzal's shareholders.
- On March 12, 2024, the Company issued 1,200,000 flow-through units at a price of $0.20 per flow-through unit for gross proceeds of $240,000. The flow-through units were issued at a premium of $0.020 per unit. As a result, a flow-through premium liability of $24,000 was recorded. The Company paid a cash finder's fee equal to $43,900, issued 299,378 common shares at $0.180 per share for a fair value of $ $53,888 and issued 120,000 finder's warrants with a fair value of $9,011. The securities issued pursuant to this financing were on a post-consolidation basis.
- On May 30, 2024, the Company issued 3,623,290 common shares at $0.200 per share for a fair value of $724,658 to Princeton Copper Corp. as a payment under the Agreement.
- In December 2024, the Company issued 11,284,853 flow-through units at a price of $0.17 per flow-through unit for gross proceeds of $1,918,425. The flow-through units were issued at a premium of $0.020 per unit. As a result, a flow-through premium liability of $225,697 was recorded. Each flow-through unit consists of one flow-through share and one-half share purchase warrant which entitles the holder to purchase one common share of the Company at a price of $0.20 per share. Of the one-half share purchase warrant, 1,500,000 and 9,784,853 expire until December 23 and 24, 2026, respectively. Remaining proceeds were allocated using the proportionate method. As a result, $1,400,603 was allocated to share capital, $292,125 was allocated to reserves and $225,697 to flow-through premium liability.
- For the December 2024 private placements, the Company paid a cash finder's fee equal to $116,957 and issued 482,353 finder's warrants with a fair value of $30,182. Each finder's warrant entitles the holder to purchase one common share of the Company at $0.15 per share and expires on December 24, 2026.
- During the year ended December 31, 2024, the Company received proceeds of $31,579 for common shares that to be issued in 2025.

During the year ended December 31, 2023, the Company had the following share capital transactions:

- On February 17, 2023, the company issued 6,258,411 common shares at $0.213 per share to 1390120 as payment of the option agreement to acquire a 100% interest in the DOT project, for a total fair value of $1,330,000.
- On September 19, 2023, the Company completed a private placement of 1,196,888 units at $0.228 per unit for gross proceeds of $272,525. Each unit consists of one common share and one-half share purchase warrant. In connection with the private placement, the Company paid cash share issuance costs of $10,845 and issued 10,540 finders' warrants with a fair value of $927.
- On September 19, 2023, the Company issued 457,487 flow-through units at $0.273 per unit for gross proceeds of $125,000. The flow-through units were issued at a premium of $0.045 per unit. As a result, a flow-through premium liability of $20,833 was recorded.
- On October 26, 2023, the Company issued 842,072 units at $0.228 per unit for gross proceeds of $191,734.
- On December 22, 2023, the Company issued 3,618,474 units at $0.228 per unit for gross proceeds of $823,903. Each unit consists of one common share and one-half share purchase warrant. In connection with the private placement, the Company paid cash share issuance costs of $7,369.
- During the year ended December 31, 2023, the Company received proceeds of $2,606 for common shares that were to be issued on January 5, 2024.
- On December 22, 2023, the Company issued 237,893 flow-through units at $0.273 for gross proceeds of $65,000. The flow-through units were issued at a premium of $0.045 per unit. As a result, a flow-through premium liability of $10,834 was recorded.
- During the year ended December 31, 2023, the Company received proceeds of $2,606 for common shares that were issued on January 5, 2024.

SUBSEQUENT EVENT

As at February 18, 2025, the Company closed its third tranche previously announced non-brokered flow-through and non-flow-through private placement. Under the tranche, the Company issued 3,249,967 Non-Flow-Through Units ("NFT Units") at a price of $0.15 per NFT Unit, for gross proceeds of $487,495.05. Each NFT Unit consists of one non-flow-through common share (the "NFT Share") and one-half of a warrant.

OUTSTANDING SECURITY DATA

A summary of the Company's issued and outstanding securities is as follows:

	December 31, 2024	MD&A Date
	#	#
Common shares	54,155,303	57,405,270
Stock options	3,129,567	3,129,567
Warrants	11,181,367	12,806,350

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company classifies its cash, deposits, accounts payable and accrued liabilities, loan payable as well as due to related parties at amortized cost. As at December 31, 2024, the Company believes that the carrying values of cash, deposits, accounts payable and accrued liabilities, loan payable, as well as due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

The Company is exposed to certain financial risks by its financial instruments. The risk exposures and their impact on the Company's financial statements are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. As at December 31, 2024 and 2023, the Company's credit risk relates primarily to cash and deposits. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk related to cash and deposits to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As a result, the Company is exposed to liquidity risk through accounts payable and accrued liabilities as well due to related parties. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures.

As at December 31, 2024, the Company's cash balance of $1,930,411 (December 31, 2023 - $502,833) is sufficient to meet its obligations related to its accounts payable and accrued liabilities balance of $961,887 (December 31, 2023 - $86,092), loan payable balance of $513,767 (December 31, 2023 - $213,238), as well as due to related parties $197,062 (December 31, 2023 - $145,265).

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at December 31, 2024 and 2023 as its financial instruments are not subject to variable interest rates.

d) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in MXN and US$.

RISK AND UNCERTAINTIES

An investment in the Company's common shares is highly speculative and subject to very real risks and uncertainties, the occurrence of any one or more of which could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position or operating results of the Company. The risk factor listing noted below is in no particular order and is not an exhaustive list of all risk factors associated with an investment in the Company's common shares or in connection with the operations of the Company.

a) Competition

Other exploration companies, including those with greater financial resources than the Company, could adopt or may have adopted the same business strategies and thereby compete directly with the Company, or may seek to acquire and develop mineral claims in areas targeted by the Company. While the risk of direct competition may be mitigated by the Company's experience and technical capabilities, there can be no assurance that competition will not increase or that the Company will be able to compete successfully.

b) Access to capital

The exploration and subsequent development of mineral properties is capital intensive. Should it not be possible to raise additional equity funds when required, the Company may not be able to continue to fund its operations which would have a material adverse effect on the Company's potential profitability and ability to continue as a going concern. At present, the Company has cash resources to fund planned exploration for the next twelve months. Timing of additional equity funding will depend on market conditions as well as exploration requirements.

c) Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

d) Foreign operations and political risk

The Company has mineral properties in Mexico. In foreign jurisdictions, mineral exploration and mining activities may be affected in varying degrees by political or economic instability, expropriation of property and changes in government regulations such as tax laws, business laws, environmental laws and mining laws. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may materially adversely affect its business, or if significant enough, may make it impossible to continue to operate in certain countries. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and exploration health and safety. These risks are not unique to foreign jurisdictions and apply equally to Canada.

e) Mineral property tenure and permits

The Company has completed a review of its mineral property titles and believes that all requirements have been met to ensure continued access and tenure for these titles. However, ongoing requirements are complex and constantly changing so there is no assurance that these titles will remain valid. The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and production operations at its projects.

Although the Company acquired the rights to some or all of the resources in the ground subject to the tenures that it acquired, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time consuming. It is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry-on exploration activities, the Company will be able to negotiate a satisfactory agreement with existing landowners for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

f) Speculative nature of mineral exploration and development

The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. There is no assurance that commercial quantities of ore will be discovered on any of the Company's properties.

Even if commercial quantities of ore are discovered, there is no assurance that the mineral property will be brought into production. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as its size, grade, metallurgy, and proximity to infrastructure; commodity prices, which have fluctuated widely in recent years; and government regulations, including those relating to taxes, royalties, land tenure, land use, aboriginal rights, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, and the Company's business may be adversely affected by its inability to advance projects to commercial production.

g) Commodity prices

The prices of gold, silver, copper, lead, zinc, molybdenum, and other minerals have fluctuated widely in recent years and are affected by a number of factors beyond the Company's control, including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, consumption patterns, and speculative activities and increased production due to improved exploration and production methods. Fluctuations in commodity prices will influence the willingness of investors to fund mining and exploration companies and the willingness of companies to participate in joint ventures with the Company and the level of their financial commitment. The supply of commodities is affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

h) Conflicts of interest

Certain directors and officers of the Company also serve as directors, officers and advisors of other companies involved in natural resource exploration and development. To the extent that such companies may participate in ventures with the Company, such directors and officers may have conflicts of interest in negotiating and concluding the terms of such ventures. Such other companies may also compete with the Company for the acquisition of mineral property rights. In the event that any such conflict of interest arises, the Company's policy is that such director or officer will disclose the conflict to the board of directors and, if the conflict involves a director, such director will abstain from voting on the matter. In accordance with the Business Corporations Act (BC), the directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

i) Dependence upon others and key personnel

The success of the Company's operations will depend upon numerous factors including its ability to attract and retain additional key personnel in exploration, marketing, joint venture operations and finance. This will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical personnel, and consultants can be particularly intense.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2024 and the MD&A date, the Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

PROPOSED TRANSACTIONS

As at December 31, 2024 and the MD&A date, the Company has no proposed transactions.

SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under IFRS Accounting Standards requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

The accounting estimates, judgements and assumptions used in the preparation of the Annual Financial Statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.