Big Tree Carbon Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the nine months ended September 30, 2024

(Expressed in Canadian Dollars)

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The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Big Tree Carbon Inc. ("Big Tree" or the "Company") (formerly AurCrest Gold Inc.) constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended September 30, 2024. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion dated November 22, 2024 should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2024 and the audited annual consolidated financial statements for the years ended December 31, 2023 and 2022, together with the notes thereto. Results are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company trades on the TSX Venture Exchange under the symbol "BIGT". Further information about the Company and its operations can be obtained from the offices of the Company or at the Company's website at www.aurcrest.ca or from sedarplus.ca.

MISSION STATEMENT

The mission statement of the Company, is as follows:

- Create and maintain important relationships with the local indigenous peoples to share the benefits industry has to offer through employment and ownership in the Company's efforts;
- Focus on our newly pioneered sector of the Canadian Resource Industry - namely - Natural Asset Resource Management;
- Introduce our vision of nature as a natural resource - through the development and sale of biodiversity, carbon offsets and all other natural attributes;
- Enter into strategic relationships and generate sufficient capital to maintain a high level of Natural Asset Resource development activity;
- Capitalize on the experience and technical abilities of the Company's management team to effectively explore for gold and associated metals deposits in Northwestern Ontario; and
- Increase shareholder value by adhering to Big Tree's objectives.

EXECUTIVE SUMMARY

Big Tree is an Ontario-based natural resources development company focused on the advancement of indigenous partnerships in the spirit of the 92nd Call To Action of the Truth and Reconciliation Commission's Final Report. The Company has established two subsidiary corporations to accommodate natural resource economic growth opportunities. The Company benefits from the inclusion of indigenous perspectives to holistic resource development at the management and Board levels, including a majority indigenous composition on the Board.

Big Tree Carbon Corp. ("BTCC"), as a subsidiary corporation, is focused on the development of long-term greenhouse gas Emissions Reduction Benefits ("ERBs") in partnership with First Nations and indigenous groups, primarily through the development of forestry-based carbon sequestration projects.

Wiigwaasaatig Energy Inc. ("WEI"), as a subsidiary corporation, is focused on the development of renewable energy in partnership with First Nations and indigenous groups, through the development of local renewable energy infrastructure projects and the deployment of innovative renewable energy technologies.

On April 22, 2022, the Company changed its name to Big Tree Carbon Inc. to better reflect the new opportunity in the Natural Asset Resource business. As the parent publicly-listed corporation, Big Tree seeks solutions between the industrial resource industry and the natural world. Through the introduction of a first-of-its-kind biodiversity partnership with Northern Ontario First Nations, we aim to introduce this new resource sector to the capital investment markets as a 'Natural' Resource. While Big Tree pioneers this new sector of the resource industry, it continues to operate as a mineral exploration company with interests in the acquisition, exploration, and development of mineral resources while pursuing the development of other natural resource assets such as biodiversity, carbon sequestration and other developing environmental attributes.

Biodiversity Business Development Plan

Pioneered by Big Tree, a business platform representing a virtual proxy for Nature in a new web-based community dubbed "The Nanaverse" has been initiated in partnership with a select group of First Nations in Northern Ontario. The general public, corporate, education, government and social organizations will be offered the opportunity to directly support the value of Nature through a 20-year project protecting biodiversity assets while generating revenue to further develop this exciting new concept. Software and web development is being provided by a recognized team of tech industry designers.

Big Tree has spent the past five years developing a model to counter the insufficiency and patchwork application of carbon offset regulations. Understanding that biodiversity is neither a credit nor offset, but rather a quantity of global wealth that is fast disappearing, has led our team to develop this whole new approach.

It is part of Big Tree's mandate to assist under clause 92 of the Truth and Reconciliation Commission of Canada: Calls to Action (the "TRC Report") and particularly clause 92.ii. To that end, Big Tree has developed a unique executive team, who for the past three years have been in discussions with the representative Ojibway councils of Northern Ontario to develop our biodiversity business plan for the mutual benefit of the First Nations partners and the planet.

This represents a ground-breaking initiative led by Big Tree as the only publicly-listed company in Canada with a majority First Nations Board of Directors and President & CEO. Big Tree is in the final stage of discussions with our First Nations partners in this new sector of the resource economy, namely the stewardship of our natural environment. With our Indigenous partners, Big Tree will create a revenue generating value to critical biodiversity resources to generate income, and will establish a platform where the public can participate in the furtherance of our responsibility to preserve the biodiverse natural assets for all species and our own place within Nature.

The first Natural Asset Resource Management project - dubbed TGBM-1, - is anticipated to represent 500,000 hectares of unspoiled Great Boreal Forest. This project will develop sustainable revenue generation for the First Nations partners for the 20-year life of the project and represents the opportunity to safeguard this biodiversity asset for the foreseeable future while generating revenue and jobs through the creation of a fully interactive virtual web-based biodiversity data resource.

Revenue after development costs and general and administrative expenses will be split 80% to the participating First Nation and 20% to Big Tree on an annual amortized basis.

Biodiversity loss is the single most pressing issue facing society at this time. It is the intention of this business to introduce a mechanism that brings the value of biodiversity to the asset management portfolios of the global public.

Greenhouse Gas Emissions

Big Tree Carbon Inc. is involved with the development of long-term greenhouse gas emissions reduction benefits ("ERBs") through sequestration of carbon dioxide by implementing improved forest management techniques (the "Forest Carbon Model") and other potential environmental attributes in the traditional territories of the Company's partner First Nations.

The Company is working with the Lac Seul First Nation ("LSFN") and Anew Climate LLC (formerly Blue Source Canada ULC) to develop an ERB project for the LSFN reserve lands and investigate similar opportunities within the LSFN traditional territory.

The Company is working with the Agoke Development Limited Partnership ("ADLP"), a corporation owned by the Eabametoong, Aroland, and Marten Falls First Nations, to develop an ERB project for the Ogoki Forest within the traditional territories of the ADLP-owner First Nations.

In June 2023, the Company commenced an assessment for generating carbon credits in Ontario's Ogoki Forest Crown Forest Management Unit (the "Forest"), with the final report completed in mid-September, 2023. The assessment examined the feasibility and potential economic benefits of carbon sequestration activities within the Forest while maintaining existing fibre harvest commitments (the "Assessment Report"), with positive modeling results as outlined in the Company's September 27, 2023 press release and as follows. The Company incurred $60,000 towards this assessment.

The Assessment Report provides four possible scenarios for the development of carbon credits whereby the Ogoki Crown Forest Management Unit could generate between $6.6 million and $9.4 million per year in revenues based upon 2023 market prices for carbon credits. The Assessment Report recommends the following two scenarios, each taken from a conservative standpoint for estimation and cognizant of existing wood supply agreements:

1) Federal (ECCC) draft Improved Forest Management protocol ("IFM"): ~204,000 net Carbon Dioxide Equivalent credits ("CO2e") /year – Compliance market based upon an estimated selling price of $45.50/metric tonne("MT") (being a 30% discount from the current Canadian regulated price on carbon of $65/MT) for $9.3 million in revenue less expenses for a net of $8.5 million per year

2) Verra / Verified Carbon Standard ("VCS") Canadian IFM protocol: ~540,000 net CO2e credits/year – Voluntary market based on an estimated selling price of $15.00/MT for $8.1 million in revenue less expenses for a net of $7.3 million per year

Big Tree acknowledges that the Province of Ontario does not have a policy to guide the consideration of carbon offset projects involving Crown resources, nor has it proposed to develop an offset policy in the short term. While this is currently the most significant impairment to realizing the revenue from this project, there are, however, precedents in other provincial jurisdictions in Canada that can represent a win-win for the ADLP First Nations, the Crown, Big Tree and emitters that have need of high-quality carbon offsets.

Big Tree's business model creates forest carbon offset partnerships where the First Nations receive 75% of the annual net project revenue and Big Tree 25%. After 5 years First Nation's can purchase the outstanding 25% interest at fair market value or wait 5 years and receive 100% of the project at no cost on the 10th anniversary.

Exploration and Evaluation Assets

Big Tree holds several mineral exploration properties in the Red Lake and Birch-Uchi metamorphic belts, on which the Company is focusing its exploration activities:

- The ***Ranger Lake Area Gold Property*** consists of 208 mineral cell claims totaling approximately 4,225 hectares, staked by the Company and held 100% by the Company with no underlying royalty to third parties. The property lies in the Ranger and Little Otter Lake mining townships, partly within the Municipality of Red Lake, and is located approximately 10 kilometres east of the Red Lake and Campbell mining complex.

  The Company is currently permitted to conduct exploration activities on the property, including diamond drilling. With the assistance of Windfall Geotek's ("Windfall") CARDS AI ("AI") system and Activation Laboratories ("ActLabs") spatiotemporal geochemical hydrocarbon ("SGH") geochemical modelling, in 2021 the Company completed and announced the results of its initial diamond drilling program. Work has continued while the Company interprets information gathered from this first drill program, including SGH soil sampling surveys completed on further targets, and completion of a drone-supported magnetometry survey. Field work is ongoing.

- The ***Richardson Lake Area Gold Property*** consists of 84 contiguous mineral single, boundary and multicell cell claims totaling approximately 1,508 hectares, held 100% by the Company with no underlying royalty to third parties. The property lies in the Casummit Lake Area and Brownstone Lake Area mining townships, approximately 8 kilometres from the Springpole gold deposit and adjacent to the past-producing Argosy Mine.

  The Company has completed several exploration programs on the property, including gold discoveries from drilling programs in 2012 and 2014. In 2021, the Company has completed an SGH soil sampling program on the western shore of Richardson Lake. In 2022, the Company completed an innovative lake bottom sediment SGH sampling program on the western embayments of Richardson Lake, with results pending.

- ***The Trout Lake South Gold Property (formerly Dancing Man Gold Property)*** During the year ended December 31, 2022, the Company wrote-off the acquisition costs of the Dancing Man property as the claims were allowed to lapse in 2023.

The Company also retains an interest in several non-core mineral claim assets across Northwestern Ontario:

- The **Western** ***Fold Gold Property*** was an exploration prospect for the Company, contiguous to the Richardson Lake Area Gold Property, consisting of 110 mineral cell claims totaling approximately 2,170 hectares in the Brownstone Lake Area and Casummit Lake Area mining townships. The property was subject to an option agreement with Newrange Gold Corp. ("Newrange" and the "Newrange Option") for the property. Newrange completed the exercise of the Newrange Option on December 23, 2021; the 110 mineral cell claims transferred to Newrange are subject to a 2% net smelter return royalty, of which 1% may be acquired by Newrange at any time for a $1,000,000 cash payment to the Company, and further subject to a 2-kilomentre Area of Influence for future mineral cell claims staked by Newrange. These cells form a part of Newrange's "Birch North Property".

- The Company holds a 100% interest in the **McFaulds Lake** base metals property in Ontario's 'Ring of Fire' area.

- The Company retains a 35% interest in the **Bridget Lake** property in the Red Lake Mining District. The Bridget Lake property's 65% interest is held by Evolution Gold Mining Operations Ltd. (the "Bridget JV Operator") The Company expects that this JV property will revert to an NSR holding, given the Bridget JV Operator's potential exploration activities in this area.

<u>Renewable Energy</u>

Wiigwaasaatig Energy Inc. is mandated to establish renewable energy business partnerships with First Nations and the mineral exploration/development industry proximal to those First Nations. WEI is intended to reduce diesel dependency for electrical generation in remote First Nations and mineral development sites, provide an economic base contributor for partner First Nations, and develop supplier-consumer relationships with mineral developments proximal to First Nations communities.

WEI continues to work with Cat Lake First Nation ("CLFN") to investigate and develop up to 40 MW of renewable energy in the CLFN traditional territory, including a phased blend of wind, solar, geothermal and biomass technologies.

WEI continues to promote innovative energy generation partnerships on a more regional scale, including First Nations located in other provincial jurisdictions.

ACTIVITES

2023 Calendar Year

- On April 20, 2023, the Company completed a private placement for gross proceeds of $300,000.
- In September 2023, the Company completed an independent assessment for generating carbon credits in Ontario's Ogoki Forest (see Company release dated September 27, 2023).

MINERAL PROPERTIES

Ranger Lake Area Gold Property

The *Ranger Lake Area Gold Property* is an exploration prospect that originally consisted of 50 mineral cell claims totaling approximately 1,010 hectares staked by the Company in October 2018, located approximately 10 kilometres due east of the Red Lake and Campbell Gold Mines in the world-famous Red Lake mining district. The Company acquired a further 50 claim cell units by staking adjacent and contiguous to the original property in June 2020, and staked 27 additional mineral cell claims in September 2020. The Company staked further sets of 31 and 50 mineral cell claims on February 12, 2021 and February 16, 2021 respectively. The Company staked 28 mineral cell claims on May 18, 2021. The Company allowed 28 mineral cell claims to expire in June 2024. The combined activities results in claims brings Big Tree's holdings in the area totalling 208 claim cell units encompassing approximately 4,225 hectares.

The Company acquired the AI data modelling in September 2020, which identified three gold targets in the AI coverage area on the western portion of property; the CARDS coverage was not available for the eastern portion of the property at the time of acquisition. The Company completed an SGH soil geochemistry sampling program in November 2020 indicating several gold signature returns and identified a potential gold redox zone. The Company has completed an initial diamond drilling program testing on several of these targets in May/June 2021, completing nine NQ drill holes for a total of 1,683 metres. Drilling identified sulfide mineralization in eight of the nine holes in what is presently interpreted as a sheared low-grade silver-sulfide trend. The highest silver value reported is 57.6 g/t Ag over 1 metre (Hole RAL21-001CC) and Ag values reported from other hole intersects were less than 3 g/t.

The Company completed a subsequent SGH soil sampling program in July 2021 to the northwest of and contiguous to the original sampling area. The Company also completed a separate SGH soil sampling program to the east of the AI target areas in August 2021, and in November 2021 completed a UAV-borne magnetometry survey program over the combined SGH soil sampling areas. Additional field programs are being planned for 2024 and 2025.

Richardson Lake Area Gold Properties

The *Richardson Lake Area Gold Properties* are situated in the Red Lake Mining Division approximately 100 kilometres northeast of the Municipality of Red Lake within the Birch-Uchi greenstone belt. The reserve lands of the Cat Lake and Slate Falls First Nations are approximately 30 and 50 kilometres from the area property boundary, respectively. The overall area property is 100% owned by the Company, and as of December 8, 2020 the property has no underlying royalty to any third party.

The Company owned 100% of six legacy claims originally optioned in 2002 which, together with four Company legacy claims, mineral claims staked by the Company following Ontario's conversion to online staking, as well as mineral cell claims acquired from third parties, now form the overall *Richardson Lake Area Gold Property*. As of the date of name change for the Company, the overall property encompasses 175 single, boundary and multicell mineral cell claims. As some mineral cell claims are subject to existing mining land tenures that predate Ontario's conversion to online staking, the Company's claim tenure is approximately 3,295 hectares.

The *Richardson* subproperty is known to contain five areas with gold mineralization or gold mineralization potential. The most significant mineralization tested by the Company to date occurs at the Discovery zone, at the westernmost bay of Richardson Lake, where the gold is hosted by quartz veins and breccia which are encompassed by a broad zone of silicification, carbonization, and sericitization.

Drilling on the property commenced in late 2011 and continued into March of 2012. The Company completed the winter 2011/2012 drilling program on Richardson Lake in March 2012 completing eight NQ drill holes for a total of 1,613 metres. Results from this program included a new gold discovery in hole RL-12-07. Located in a new area of the property, this discovery provides the Company with an entirely new and very promising area to drill. Hole RL-12-07 encountered 15 metres of 1.83 g/t gold, including 9 metres of 2.95 g/t, including 4 metres of 6 g/t and 3 metres of 7.4 g/t. The highest individual sample within the Discovery zone was 1 metre of 11.1 g/t gold. In late summer through the fall of 2014, the Company continued drilling on this project. Results include RL-14-08 with an average grade of 1.85 g/t Au over 18 metres, including 2.93 g/t Au over 10 metres including 6.0 g/t Au over 4.5 metres, including 7.57 g/t Au over 3.5 meters, and including 10.4 g/t over 2.5 metres.

The Company completed an SGH soil sampling survey on the western shores of Richardson Lake (*Richardson* subproperty) in 2021, and an innovative lake bottom sediment SGH sampling program in 2022 (*Richardson* subproperty), results pending. The Company also completed a grassroots prospecting program on the *Richardson North* subproperty during Summer 2022.

The Company has allowed the 50 mineral cell claims of the *Richardson North* subproperty to expire and 19 mineral cell claims of the *Richardson South* subproperty to expire in favour of maintaining the main *Richardson* subproperty in good standing, with a further 22 mineral cell claims of the noncontiguous *Richardson South* subproperty planned to expire. As a result of these activities, the Richardson Lake Area Gold Property will stand at 84 single, boundary and multicell mineral claims totalling approximately 1,508 hectares and will encompass all areas of past exploration drilling performed by the Company. The Company intends to conduct further exploration of the property through 2025.

Exploration and evaluation assets

None of the Company's aforementioned exploration and evaluation assets have reached the development stage and as a result are considered exploration and evaluation assets. The Company capitalizes acquisition costs that result in the acquisition and retention of exploration and evaluation assets or an interest therein and expenses all exploration and evaluation expenditures. The amount shown for exploration and evaluation assets represents acquisition costs to date and does not necessarily reflect present or future values. If the properties are sold, allowed to lapse or are no longer of interest, accumulated capitalized costs are written off.

Expenditures on properties in which the Company does not have a registered or contractual interest are expensed as incurred.

Summary of quarterly results

For the eight most recent quarters:

	September 30 2024	June 30 2024	March 31 2024	December 31 2023
	$	$	$	$
Net income (loss) for the period	(56,179)	(68,462)	(64,444)	(843,942)
Net income (loss) per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.01)

	September 30 2023	**June 30 2023**	**March 31 2023**	**December 31 2022**
	$	**$**	**$**	**$**
Net income (loss) for the period	(70,200)	(117,680)	(53,672)	(211,679)
Net income (loss) per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)

The loss for the three months ending December 31, 2023 is as a result of the Company deciding to write-down the Agoke note (see below).

<u>Results of Operations</u>

The Company's net loss for the nine months ended September 30, 2024 was $189,085 or $0.00 per share (net loss of $241,552 or $0.00 per share for the nine months ended September 30, 2023). General and administrative expenses were $245,355 for the nine months ended September 30, 2024 ($237,980 for the nine months ended September 30, 2023).

During the year the Company received 28,770 in interest income and $27,500 from the Agoke note.

General and administrative expenses included costs associated with the promotion, financing and regulatory compliance activities of the Company, and the Company's overhead, as noted below.

For the nine months ended September 30	**2024**	2023
	$	$
Consulting and management fees	**154,500**	154,500
Professional fees (legal & audit)	**64,298**	52,726
Shareholder communications, advertising and promotion	**476**	7,910
Regulatory and filing fees	**11,623**	15,876
Office costs	**14,458**	6,968
	245,355	237,980

<u>Exploration Expenditures</u>

Property acquisition cost

	$
Balance, December 31, 2022, December, 2023 and September 30, 2024	**70,800**

<u>Liquidity and Capital Resources</u>

As at September 30, 2024 and November 22, 2024, the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. As at September 30, 2024, Big Tree had a working capital deficit of $1,372,666 (a working capital deficit of $1,183,581 as at December 31, 2023), and has an accumulated operating deficit of $24,111,616. On April 20, 2023, the Company completed a private placement of units for gross proceeds of $300,000. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Company will be successful in this regard, and therefore, there is substantial doubt regarding the Company's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. If the going concern assumption is not appropriate, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

Financial instruments

The carrying amount of financial instruments approximates fair value. The Company's financial assets include cash, cash equivalents, and accounts receivable. The Company does not consider these assets to be subject to credit risk or interest rate risk.

Shareholders' Equity (Deficiency)

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares. As at September 30, 2024, the Company had no preference shares issued and outstanding.

Share capital

Share capital comprises the following:

	Number of shares	Amount $
Balance, December 31, 2022	**113,319,856**	**21,779,796**
Private placement	6,000,000	300,000
Share issuance costs	-	(55,020)
Balance, December 31, 2023 and September 30, 2024 and November 22, 2024	**119,319,856**	**22,024,776**

Stock options

The following summary sets out the activity in the Plan:

	Options #	Weighted average exercise price $
Outstanding and exercisable, December 31, 2022, December 31, 2023 and September 30, 2024 and November 22, 2024	**8,300,000**	**0.09**

Warrants

Certain issuances of common shares include warrants entitling the holder to acquire additional common shares of the Company. A summary of the warrant activity is as follows:

	Warrants #	Weighted average exercise price $
Balance, December 31, 2022	**4,535,999**	**0.39**
Warrants issued	6,000,000	0.06
Broker warrants issued	600,000	0.06
Broker units issued	600,000	0.05
Expired	(4,535,999)	0.39
Balance, December 31, 2023, September 30, 2024 and November 22, 2024	**7,200,000**	**0.06**

Fully diluted share capital

As of September 30, 2024 and November 22, 2024 the Company had issued 119,319,856 common shares, 8,300,000 common share stock options and 7,200,000 common share purchase warrants. The number of common shares outstanding, on a fully-diluted basis was 134,819,856.

Related Party Transactions and Key Management Renumeration

Compensation of key management and directors
Key management compensation expense includes the Chief Executive Officer, the Executive Vice-President, the Chief Financial Officer.

For the nine months ended September 30	**2024**	2023
	$	$
Management fees	**154,500**	154,500
Legal fees provided by a law firm related to William Johnstone	**43,154**	37,726
	197,654	192,226

Balances owing as at	**September 30 2023**	December 31 2023
	$	$
Legal fees provided by a law firm related to William Johnstone	**512,816**	459,100
Management fees	**383,628**	246,538
Directors' loans	**23,520**	23,520
	919,964	729,158

These amounts were expensed in the period incurred as administrative and general expenses. The amounts paid and owing are measured at the exchange amount, are non-interest bearing and due on demand.

As at September 30, 2024, the directors of the Company have loaned the Company working capital in the amount of $23,520. The loans are in the form of demand promissory notes bearing interest at 10% per annum.

Off-Balance Sheet Arrangements

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

Subsequent Events

There are no subsequent events.

Risk Factors

Big Tree is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

Credit risk
Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they

come due. The Company attempts to ensure that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash. As at September 30, 2024, the Company had $2,674 in cash to settle current liabilities of $1,419,753. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing and/or the sale of its assets to meet its capital requirements.

Regulatory and market risks of the Carbon Credit Markets
The Company is engaged in the development of long term ERB's (defined above). The ERB's are subject to market forces in the case of voluntary markets and regulation risk in the case of the federally prescribed compliance market. The rules for the compliance market are under development. No assurance can be given that these regulations will apply to the Company's projects.

Exploration and mining risks
The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. At present, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company from time to time increases its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

Titles to property
While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

Permits and licenses
The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Metal prices
Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition
The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.
Environmental regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Conflicts of interest
Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Stage of development
The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or providing a return on investment, and in future there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

Industry conditions
Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

Uninsured hazards
Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards which cannot be insured against or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company's assets or the insolvency of the Company.

Future financing
Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

Key employees
Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

OUTLOOK

Big Tree and its subsidiary companies have and will continue to work diligently to grow its model of partnership and inclusion with First Nations and Indigenous communities, and firmly believes that this ongoing focus will enhance overall Company success. Three of the five Directors of Big Tree are members of First Nations in Northwestern Ontario, giving the Company a uniquely Indigenous approach to natural resource development in Canada. The Company applies the wisdom and experiences of these individuals into our model of inclusion and participation for the mutual benefit of our shareholders and the communities proximal to our current carbon sequestration project footprints and mineral exploration areas.

The Company will continue to advance the Biodiversity Business Development Plan (as announced by the Company on March 26, 2024) and the technical development of the "Nanaverse" virtual platform, as we seek to solidify the First Nations partnership necessary to identify and populate the first biodiversity project within the Nanaverse platform. The Company will also continue to engage other First Nations and regional First Nations political organizations with the aim of developing additional biodiversity projects within the Nanaverse platform.

The Company will continue development of carbon sequestration projects across the traditional territories of several First Nations in the Boreal Forest, to monetize long-term carbon sequestration opportunities through carbon offset credit trading for the mutual benefit of the First Nations partnership groups and the Company's shareholders. The Company has continued to educate potential First Nations partners to the Forest Carbon Model and will advance the Lac Seul project, Agoke project, and other potential projects as the federal and provincial governments finalize and adopt the protocols governing ERB projects.

To facilitate First Nations, federal government and provincial government ERB project discussions, the Company commissioned a forest carbon assessment for the Agoke project in Q2 2023, with the final assessment report being completed in mid-September 2023; this assessment modeled three separate voluntary protocols and the draft federal compliance protocol with positive results from each protocol modeled. As outlined in the Company September 27, 2023 press release, further policy-related discussions with and support from the federal and provincial governments will be required for the Company and partner First Nations to realize the ERB projects.

The Company acknowledges that 2023 has seen a resurgence of market pricing for gold and has observed an increase of merger and acquisition activities in the Red Lake mining district. From the perspective of the Company mineral exploration holdings, it remains management's view that further exploration and delineation of the prospects at the *Ranger Lake Area Gold Property* is in the best interests of shareholders, building upon 2021 drilling activities and conducting further prospecting, geochemistry, and magnetometry to provide further guidance to drilling programs at other prospects in 2024 and beyond. The evaluation of results from the initial drill program is ongoing and the mineralized system as encountered through drilling and outlined by geophysics and geochemistry appear to be significant and to warrant continued investigation.

Concurrently, the application of innovative technological approaches utilized at the *Ranger Lake Area Gold Property* will be applied to the *Richardson Lake Area Gold Property* to advance the geological understanding of the structures at both properties and their potential as exploration targets in the coming months. The Company acknowledges that energy costs are a significant impediment to future drill programs, particularly given the continued high prices of diesel, naphtha and jet fuel, and could influence the timing of future drill programs. The Company will entertain sale or joint venture of mineral properties where in the best interests of Company and shareholder value.

Big Tree continues to strengthen its relationships with the local communities and believes that this ongoing focus will enhance future exploration and natural resource development success. These valued relationships provide proper access to natural resource development opportunities and are integral to the Company's success, forming the most important part of our business endeavors.

SPECIAL NOTE REGARDING FORWARD LOOKING FINANCIAL STATEMENTS

This Management's Discussion and Analysis contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to such risks and uncertainties. Many factors could cause our actual results to differ materially from the statements made, including those factors discussed in filings made by us with the Canadian securities regulatory authorities. Should one or more of these risks and uncertainties, such as actual results of current exploration programs, the general risks associated with the mining industry, the price of gold and other metals, currency and interest rate fluctuations, increased competition and general economic and market factors, occur or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, or expected. We do not intend and do not assume any obligation to update these forward-looking statements except as required by law. Shareholders are cautioned not to put undue reliance on such forward-looking statements.