



**VAL D'OR MINING CORPORATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023**

**DATED: August 23, 2024**

## **SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS**

This management's discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of August 23, 2024, and complements the unaudited condensed interim financial statements of Val-d'Or Mining Corporation ("Val-d'Or Mining" or the "Company"), for the three and six months ended June 30, 2024 and 2023.

The condensed interim financial statements and related notes have been prepared in accordance with IAS 34, "Interim Financial Reporting". They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited financial statements of the Company and the notes thereto for the year ended December 31, 2023. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated.

The unaudited condensed interim financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on August 23, 2024. These documents and more information about the Company are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)

Mr. Glenn J. Mullan P. Geo., the President and Chief Executive Officer of Val-d'Or Mining, is the Qualified Person (as that term is defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects) who approved the technical disclosure included in this MD&A.

## **FORWARD LOOKING STATEMENTS**

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results are summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to

time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

## **ABOUT VAL-D'OR MINING CORPORATION**

The Company, incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2772 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

The Company's shares trade on the TSX Venture Exchange ("TSX-V") under its trading symbol "VZZ".

As at June 30, 2024, Gold Royalty Corp. ("Gold Royalty") is the Company's largest shareholder, holding indirectly through its subsidiary Golden Valley Mines and Royalties Ltd. ("Golden Valley") 34.17% of the issued and outstanding shares (December 31, 2023 – 34.17%).

## **BUSINESS OVERVIEW**

Val-d'Or Mining is a natural resource issuer involved in the process of acquiring and exploring its diverse mineral property assets, most of which are situated in the Abitibi Greenstone Belt of NE Ontario and NW Québec. To complement its current property interests, the Company regularly evaluates new opportunities for staking and/or acquisitions. Outside of its principal regional focus in the Abitibi Greenstone Belt, the Company holds several other properties in Northern Québec (Nunavik) covering different geological environments and commodities.

The Company has expertise in the identification and generation of new projects, and in early-stage exploration. The mineral commodities of interest are diverse, and range from precious and base metals (gold, copper-zinc-silver, nickel-copper-PGE) to industrial and energy minerals. After the initial value creation in the 100%-owned, or majority-owned properties, the Company seeks option/joint venture partners with the technical expertise and financial capacity to conduct more advanced exploration projects.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS**

Val-d'Or Mining strives to ensure that exploration activities on its properties in Ontario and Québec support environmental sustainability and that it makes efforts to contribute to the socio-economic advancement of communities where its properties are located. Val-d'Or Mining also makes every effort to ensure that it meets all required standards of corporate governance, following industry best practices and satisfying legal and regulatory requirements.

## CORPORATE DEVELOPMENTS

On May 28, 2024, Val-d'Or Mining announced the closing of a debenture financing for gross proceeds of \$430,000. The Company issued 43 debenture units (the "Debenture Units") at an issue price of \$10,000 per Debenture Unit. Each Debenture Unit consists of one convertible senior unsecured debenture with a principal amount of \$10,000 (a "Debenture") and 70,000 detachable common share purchase warrants (each a "Warrant"). Each Warrant is exercisable for a period of 12 months from the closing of the Debenture Financing, at an exercise price per Warrant of \$0.07.

The Debentures have a term of 12 months expiring on May 28, 2025, subject to early redemption and bear interest at the rate of 6%, accrued and compounded annually, which interest will be paid in cash or shares at maturity or redemption. At maturity, the Debentures will be converted into fully paid common shares of the Company, at a conversion price of \$0.06.

At any time prior to the maturity date, on providing the holders with 30 days' notice, the Company will have the right to redeem the Debentures, by paying the principal amount of the Debentures and any accrued and unpaid interest in cash. The accrued and unpaid interest on the Debentures can be paid by the Company on maturity in common shares of the Company at a deemed price per share equal to the Market Price (as such term is defined in TSX Venture Exchange policies) of the Company's shares at the time of such payment.

The holder of the Debenture may at its sole option, at any time before May 28, 2025, convert the principal amount of the Debenture, in whole or in part, into common shares of the Company at a conversion price of \$0.06.

Within 30 days of a change of control of the Company (which means a change in the legal or effective control of the Company or affiliates, whether as a result of, or in connection with, a take-over bid, amalgamation, arrangement, merger, or other form of business combination, asset disposition, election of directors, or any combination of the foregoing transactions), the holders of the Debentures have the option to require the Company to repurchase its Debentures then outstanding, in cash, at a price equal to (i) 125% of the outstanding amount of the Debentures, plus; (ii) any accrued and unpaid interest, in cash.

The Debentures, Warrants and all securities issuable on the conversion or exercise thereof are subject to a hold period until September 29, 2024, in accordance with applicable securities legislation and policies of the TSX Venture Exchange.

## PROPERTY PORTFOLIO

As of June 30, 2024, Val-d'Or Mining's assets included 100% ownership interests in a total of 50 actively operated properties covering an area of 31,365 hectares (895 claims). Divided by its principal areas of interest, the property ownership was as follows:

Ontario	13 properties	9,528 hectares
Québec	34 properties	12,483 hectares
Québec North	3 properties	9,354 hectares

As part of its business model, the Company seeks partners to further advance the exploration on some of the more advanced properties. As of June 30, 2024, Val-d’Or Mining has interests in 11 partner financed option joint venture properties covering an area of 19,552 hectares (928 claims). Divided by its principal areas of interest, the property ownership was as follows:

Ontario	9 properties	19,012 hectares
Québec	2 properties	540 hectares

In addition to the actively operated property holdings, the Company has NSR’s in six groups of properties, which are operated by different companies, covering an area of 22,062 hectares (598 claims). Divided by its principal areas of interest, the property ownership was as follows:

Ontario	2 groups of properties	5,628 hectares
Québec	4 groups of properties	16,434 hectares

## **MANAGEMENT OF PROPERTY PORTFOLIO**

As part of its ordinary business activities, the Company stakes new claims to enhance existing properties or to pursue new geological ideas and/or drops claims that are no longer considered to be material based on results or changing commodity prices over time.

### *Internally Financed Exploration Programs:*

During the second quarter of 2024, Val-d’Or Mining’s efforts were directed towards the interpretation of data obtained from the many exploration programs completed in 2023 with the goal to define plans for follow-up programs for the 2024 exploration season.

To date, the Company has identified several properties for follow-up exploration programs. Additional programs may be added subject to geological merits and to the availability of exploration funds.

In Ontario, the following internally financed programs have been approved:

- Jonsmith – Geochemical Survey
- Recession Larder – Prospecting Program

In Quebec, the following internally financed programs have been approved:

- LockOut – Airborne Geophysical Survey
- Lac Gueguen – Airborne Geophysical Survey
- Lac Laverdiere – Airborne Geophysical Survey
- Steeloy – Airborne Geophysical Survey
- Hazen – Airborne Geophysical Survey

Additional programs are currently prepared for Bogside and Riverside.

Partner Financed Exploration Programs (Eldorado Gold):

At the beginning of 2024, the Company had several active option joint venture agreements with Eldorado Gold, which include the following option joint venture agreements:

- Option Joint Venture Agreement 1 dated November 30, 2021, for Blue Mountain and Victoria Creek (operated by Val-d'Or Mining) – **\$3,000,000** in committed exploration expenditures over the option term.
- Option Joint Venture Agreement 2 dated November 30, 2021, for Perestroika Ouest (operated by Eldorado) – **\$1,000,000** in committed exploration expenditures over the option term.
- Option Joint Venture Agreement 3 dated October 8, 2021, for Perestroika (operated by Eldorado) and for Murdoch Creek, Cook Lake, and Claw Lake (operated by Val-d'Or Mining) – **\$10,500,000** in committed exploration expenditures over the option term.
- Option Joint Venture Agreement 4 dated May 26, 2023, for the Baden Group of Properties, Island 27, Matachewan, and Plumber (operated by Val-d'Or Mining) – **\$20,000,000** in committed exploration expenditures over the option term.

With respect to the two properties located in Québec, the Perestroika and Perestroika Ouest properties, a management committee consisting of representatives from Val-d'Or Mining and Eldorado directs the work. Eldorado Gold Québec is the operator on those properties. A drill program is currently ongoing. The Company will report on further developments in a timely manner.

With respect to the nine properties located in Ontario, the Murdoch Creek, Cook Lake, Claw Lake, Blue Mountain, Victoria Creek, Baden Group of Properties, Island 27, Matachewan, and Plumber properties, a management committee consisting of representatives from Val-d'Or Mining and Eldorado directs the work. Val-d'Or Mining is the operator on those properties. The exploration results from the 2023 field season are still being evaluated. In the second quarter, the Company completed several follow-up programs to acquire additional data that will be required for the planning of the next set of programs during the fall of 2024. The Company will report on further developments in a timely manner.

Exploration programs on NSR properties

For the various NSR properties, the Company has not yet received any indications about planned exploration programs. The Company will report on further developments in a timely manner.

## **DETAILS ABOUT OTHER CONTRACTUAL OBLIGATIONS REGARDING CERTAIN MINERAL PROPERTIES**

The Company acquires and disposes of its properties as part of its ordinary business. In the case of property acquisitions from third parties, there may be contractual obligations. A description of significant contracts and certain specific obligations follows:

### *Amended Mining Option Agreement and Exercise of Option with Golden Valley*

On April 18, 2017, the Company signed an Option Agreement with Golden Valley to acquire a 100% interest in a group of properties located in the Abitibi Greenstone Belt consisting of 61 grassroots properties. This Agreement was subsequently amended on November 28, 2019, and the Company exercised its option on December 5, 2019.

According to the Agreement, the properties are subject to a royalty in favour of Golden Valley Mines equal to 1.25% of the net smelter returns, whereby Val-d'Or Mining has a partial buyback right. The partial buyback right pertains to each individual property, whereby 1% may be bought for \$500,000 on a property-by-property basis with a maximum total consideration of \$5,000,000 at which point in time the NSR royalty on all the properties would be reduced by 1.0%.

### *Historic Property Contracts*

In 2019 and 2020, the Company renegotiated several historic contracts to simplify the respective ownership and royalty structures. As a result, the Company gained more flexibility to enter into new partnerships and joint ventures with other arms-length partners for those properties. For all those historic agreements, the respective contractual obligations have been removed as at that time.

### *Strategic Partnership with Gold Royalty*

On November 30, 2022, the Company entered into the GROY Agreement as more particularly described above strategic Partnership with Gold Royalty. Amongst other terms, the agreement provides that for as long as Gold Royalty and its affiliates hold at least 10% of the outstanding common shares of the Company, the Company shall not sell, transfer or otherwise dispose of any interest in a royalty or similar interest in any mineral property (the "Subject Royalties") without first offering Golden Valley a right of first refusal to acquire such Subject Royalties.

### *Strategic Partnership with Gold Royalty – Golden Valley Exploration Portfolio*

On November 30, 2022, the Company entered into a strategic Partnership with Gold Royalty. Part of this agreement was the purchase of mineral rights and interests in the following properties located in Québec and Ontario - Bogside, Bogside NW, Cheechoo B East, Island 27, Matachewan, Munro, North Contact, Recession Larder, Riverside, Sharks, Smokehead and Titanic (together the "Golden Valley Exploration Portfolio") in consideration for which the Company has granted to Gold Royalty a net smelter return royalty on each property comprising the Golden Valley Exploration Portfolio.

According to this Agreement, the properties are subject to a royalty in favour of Gold Royalty, which is equal to 1.0% of the net smelter returns, with certain exceptions, where the net smelter returns are reduced to 0.5%.

In order to secure the payment of the Royalties by the Company to GZZ, the Company has entered into a Deed of Hypothec in favour of GZZ in the principal amount of \$5,000,000 and bearing interest at a rate of 25% per annum, which was approved by the board of directors of the Company on May 31, 2023.

#### *Strategic Partnership with Gold Royalty – Golden Valley JV Portfolio*

On November 30, 2022, the Company entered into a strategic Partnership with Gold Royalty. Part of this agreement was the purchase of the mineral rights and interests in all joint venture agreements that Golden Valley (a subsidiary of Gold Royalty) was a party to consisting of the Claw Lake, Cook Lake and Murdoch Creek properties in Ontario and the Perestroika Prospect in Québec (the "JV Exploration Portfolio") along with the assignment by Golden Valley to the Company of all of Golden Valley's rights, title, obligations and interests under the option agreement (the "Golden Valley 2021 Eldorado Option Agreement") dated October 8, 2021 between Golden Valley and Eldorado Gold (Québec) Inc. ("Eldorado"). In consideration for the purchase of the JV Exploration Portfolio, the Company assigned to Gold Royalty a portion of the net smelter return royalty that the Company will be entitled to under the Golden Valley 2021 Eldorado Option Agreement.

#### *NSR Purchase and Cancellation*

The properties comprising the Golden Valley Exploration Portfolio and the Golden Valley JV Exploration Portfolio are subject to underlying legacy NSR agreements. Some of those legacy NSR's were owned by an executive of the Company.

On May 26, 2023, Val-d'Or Mining purchased and concurrently cancelled those net smelter return royalties that were owned by an executive of the Company. As a result, the Company gained more flexibility to enter into new partnerships and joint ventures with other arms-length partners for those properties.



## SELECTED FINANCIAL INFORMATION

### FINANCIAL CONDITION REVIEW

	As at June 30, 2024	As at December 31, 2023	As at December 31, 2022
			(Restated) <sup>1</sup>
Cash and cash equivalents	\$ 538,728	\$ 183,100	\$ 1,206,672
Investments	3,813,152	3,035,085	3,349,065
Accounts receivable	74,131	482,777	273,768
Other current assets	179,563	196,967	433,435
Property and equipment	755,826	768,313	-
<b>TOTAL ASSETS</b>	<b>\$ 5,361,400</b>	<b>\$ 4,666,242</b>	<b>\$ 5,262,940</b>
Accounts payable and accrued liabilities	\$ 124,046	\$ 348,867	27,444
Convertible debentures	347,543	-	-
Due to related parties	-	13,670	111,899
<b>Total Liabilities</b>	<b>\$ 471,589</b>	<b>\$ 362,537</b>	<b>\$ 199,343</b>
<b>Total Equity</b>	<b>\$ 4,889,811</b>	<b>\$ 4,303,705</b>	<b>\$ 5,063,597</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 5,361,400</b>	<b>\$ 4,666,242</b>	<b>\$ 5,262,940</b>

<sup>1</sup> During the year ended December 31, 2023, the Company changed its accounting policy from capitalization of exploration and evaluation costs to expensing these costs. The quarterly information above has been restated to reflect the results of this change in accounting policy. See Note 4 of the condensed interim consolidated financial statements for the three and six months ended June 30, 2024 and 2023 for further details.

### TOTAL ASSETS

#### *Cash and cash equivalents*

The Company ended the second quarter of 2024 with cash and cash equivalents of \$538,728 compared to \$183,100 as at December 31, 2023. Increase in cash and cash equivalents relate to the recently closed debenture financing for gross proceeds of \$430,000 as described above.

Refer to *Cash Flow Review* section below for further discussion on the Company's cash position and its changes thereof for the six months ended June 30, 2024 and 2023.

#### *Investments*

Investments of \$3,813,152 as at June 30, 2024 (December 31, 2023 - \$3,035,085) consist of a short-term portion of \$63,152 (December 31, 2023 - \$35,085) and a long-term portion of \$3,750,000 (December 31, 2023 - \$3,000,000).

The current portion of investments is comprised of marketable securities representing shares of a publicly traded mining exploration company that are recorded at fair value using quoted market prices.

The long-term portion of investments is comprised of common shares of a private mining exploration company that do not have a quoted market price in an active market. The Company assessed the fair value on these shares based on techniques and assumptions that emphasize both qualitative and quantitative information.

#### *Accounts receivable*

As at June 30, 2024, accounts receivable of \$74,131 (December 31, 2023 - \$482,777) relates to the joint venture agreements with Eldorado Gold (Québec) Inc. ("Eldorado"). Being the operator of the properties under the joint venture agreements, the Company performs initial exploration programs, which expenditures are reimbursed, plus a service fee, by Eldorado.

#### *Other current assets*

Other current assets of \$179,563 as at June 30, 2024 (December 31, 2023 - \$196,967) mainly include mining tax credit receivable of \$132,662 (December 31, 2023 - \$128,130) consisting of tax credit receivable of \$112,772 for fiscal 2023 and of \$19,890 for fiscal 2022; prepaid insurance of \$29,954 (December 31, 2023 - \$16,816); deposits of \$10,048 (December 31, 2023 - \$12,253) held with Ministère de l'Énergie et des Ressources Naturelles for claims staking and management on corporate owned properties; and due from related companies of \$6,899 (December 31, 2023 - \$10,348).

#### *Property and equipment*

On August 14, 2023, the Company acquired an existing property, consisting of land and building located at 2772 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9, for the purchase price of \$650,000 (paid in cash) to be the Company's exploration office building effective January 1, 2024. The Company has allocated the purchase price to land and building at their fair value of \$144,000 and \$506,000, respectively. After the acquisition, the Company incurred \$118,113 in capital improvements such as replacement of the building's roof, office interior related construction costs on the newly acquired property.

Property and equipment decreased to \$755,826 as at June 30, 2024 compared to \$768,313 as at December 31 as a result of depreciation expense of \$12,487 (2023 - \$nil) recognized for the six months ended June 30, 2024.

### **LIABILITIES AND EQUITY**

#### *Trade payables and accrued liabilities*

Trade payables and accrued liabilities amounted to \$124,046 as at June 30, 2024, compared to \$348,867 as at December 31, 2023. Trade payables and accrued liabilities as at December 31, 2023 primarily relates to exploration and evaluation expenditures on the Company's prospects as part of the Option Agreements with Eldorado, which costs were reimbursable from Eldorado, as well as costs of improvements made on the exploration office prior to the move at the beginning of 2024.

### Convertible debentures and Equity

As described above, on May 28, 2024, the Company issued 43 debenture units (the "Debenture Units") at an issue price of \$10,000 per Debenture Unit. Each Debenture Unit consists of one convertible senior unsecured debenture with a principal amount of \$10,000 (a "Debenture") and 70,000 detachable common share purchase warrants (each a "Warrant").

The liability component of the Debentures is initially recorded at the fair value of a similar liability that does not have a conversion option. The equity component is recognized initially, net of deferred income taxes, as the difference between gross proceeds and the fair value of the liability component. Transaction costs are allocated to the liability and equity components in proportion to the allocation of proceeds.

The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the units assuming a market interest rate of 10%, which was the estimated rate for the unit without the equity component of the conversion feature. The fair value of the liability component was determined to be at \$359,160, with the conversion option at \$13,554 and the warrants at \$57,286. The transaction cost of \$19,601 was allocated to the liability and equity components based on the relative fair value.

The fair value of the warrants was estimated as \$57,286 with reference to the BlackScholes model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116.47% based on the historical volatility of the Company; (iii) risk-free rate of 4.36%; (iv) unit price of \$0.06; (v) forfeiture rate of nil; (vi) expected life of one year.

### DISCUSSION AND RESULTS OF OPERATIONS

This table presents selected information for the three and six months ended June 30, 2024 and 2023.

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 112,739	\$ 44,823 <sup>1</sup> (Restated)	\$ 119,739	\$ 97,982 <sup>1</sup> (Restated)
Operating expenses	309,058	354,643	496,688	618,797
Other expenses (income)	(781,094)	(38,266)	(781,036)	223,898
<b>Net loss and comprehensive loss</b>	<b>\$ 584,775</b>	<b>(271,554)</b>	<b>\$ 404,087</b>	<b>(744,713)</b>
<b>Basic earnings (loss) per common share</b>	<b>\$ 0.007</b>	<b>\$ (0.003)</b>	<b>\$ 0.005</b>	<b>\$ (0.009)</b>
<b>Diluted earnings (loss) income per common share</b>	<b>\$ 0.007</b>	<b>\$ (0.003)</b>	<b>\$ 0.005</b>	<b>\$ (0.009)</b>

<sup>1</sup> During the year ended December 31, 2023, the Company changed its accounting policy from capitalization of exploration and evaluation costs to expensing these costs. The quarterly information above has been restated to reflect the results of this change in accounting policy. See Note 4 of the condensed interim consolidated financial statements for the three and six months ended June 30, 2024 and 2023 for further details.

**Three months ended June 30, 2024 compared to three months ended June 30, 2023:**

**Revenues**

Revenues for the three months ended June 30, 2024 totalling \$112,739 (compared to \$44,823 for the same period in 2023) consisted of royalty income of \$100,000 (2023 - \$nil), geological service fees of \$6,739 (2023 - \$20,823) from the joint venture agreements with Eldorado as discussed above and rental income of \$6,000 (2023 - \$24,000) from rental of space to related companies under rental arrangements as further described below and to a partner under mining option agreements.

Royalty income of \$100,000 represents the annual payment received from the “Eldorado Gold – Option Agreement #4” entered on May 26, 2023 with Eldorado. whereby, under the terms of the Option Agreement, Eldorado can earn up to an 80% interest in the Baden, Plumber, Island 27 and Matachewan Prospects.

**Operating Expenses**

Operating expenses of \$309,058 for 2024 decreased, compared to \$354,643 for 2023, mainly due exploration and evaluation expenses decreasing to \$60,416 for 2024 compared to \$217,210 for 2023 as 2023 included an amount of \$200,000 recognized on the share consideration for the purchase and cancellation of the net smelter return royalties under a NSR Purchase Agreement with 2973090 Canada Inc on May 26, 2023.

The decrease in exploration and evaluation expenses was offset by the recognition of share-based compensation of \$114,408 (2023 - \$nil) from the granting, on June 19, 2024, to the Company’s directors, officers, employees and consultants of incentive stock options entitling the purchase of an aggregate 2,230,000 common shares at an exercise price of \$0.06 per share.

**Other expense (income)**

Other income of \$781,094 for 2024 (compared to other income of \$38,266 for 2023) related mainly to the favourable change in the fair value of investment in private company of \$750,000 for 2024, compared to \$300,000 for 2023 and the favourable change in fair value of investment in public company of \$29,822 compared to unfavourable change of \$263,135 in 2023.

**Six months ended June 30, 2024 compared to six months ended June 30, 2023:**

**Revenues**

Revenues for the six months ended June 30, 2024 totalling \$119,739, compared to \$97,982 for the same period in 2023, consisted of royalty income of \$100,000 (2023 - \$nil), geological service fees of \$6,739 (2023 - \$49,982) from the joint venture agreements with Eldorado and rental income of \$13,000 (2023 - \$48,000) from rental of space to related companies under rental arrangements as further described below and to a partner under mining option agreements.

As discussed above, royalty income of \$100,000 for 2024 relate to the annual payment received from “Eldorado Gold – Option Agreement #4”.

### Operating expenses

Operating expenses of \$496,688 for 2024 decreased compared to \$816,797 for 2023 mainly due to the following:

- Exploration and evaluation expenses decreasing to \$131,128 for 2024 (compared to \$310,501 for 2023) as 2023 included an amount of \$200,000 recognized on the share consideration for the purchase and cancellation of the net smelter return royalties under a NSR Purchase Agreement with 2973090 Canada Inc on May 26, 2023.
- General and administrative expenses of \$231,577 for 2024 (compared to \$308,296 for 2023) reflected lower corporate expenses of \$142,696 (2023 - \$228,674) due to lower professional fees for audit and legal services, offset by higher shared costs of \$42,453 (2023 - \$30,187) for property taxes, utilities and related maintenance on the newly acquired exploration offices being occupied starting this first quarter of 2024, which expenses are partially recoverable under rental arrangements with companies related by common management that came into effect on January 1, 2023.
- The above decreases were offset by the recognition of share-based compensation of \$114,408 (2023 - \$nil) from the granting to the Company's directors, officers, employees and consultants of incentive stock options entitling the purchase of an aggregate 2,230,000 common shares at an exercise price of \$0.06 per share on June 19, 2024.

### Other expense (income)

Other income of \$781,036 for 2024 (compared to other expenses of \$223,898 for 2023) related mainly to the favourable change in the fair value of investment in private company of \$750,000 for 2024, compared to \$300,000 for 2023 and the favourable change in fair value of investment in public company of \$28,067 compared to unfavourable change of \$526,269 in 2023.

## CASH FLOW REVIEW

For the six months ended June 30,	2024		2023	
				(Restated) <sup>1</sup>
<b>Cash and cash equivalents, beginning of period</b>	<b>\$</b>	<b>183,100</b>	<b>\$</b>	1,206,672
Cash flows used by operating activities		(54,771)		(44,786)
Cash flows from investing activities		-		-
Cash flows from financing activities		410,399		120,750
Increase in cash and cash equivalents		355,628		75,964
<b>Cash and cash equivalents, end of period</b>	<b>\$</b>	<b>538,728</b>	<b>\$</b>	1,282,636

Cash inflows used operating activities of \$54,771 for the six months ended June 30, 2024 reflects lower general and administrative expenses and positive working capital changes.

Cash flows from investing activities for the six months ended June 30, 2024 and 2023 are \$nil.

Cash inflows from financing activities of \$410,399 for the six months ended June 30, 2024 relate to gross proceeds of \$430,000, less transaction costs of \$19,601, from the issuance of convertible debentures on June 19, 2024. Cash flows from financing activities of \$120,750 for the six months ended June 30, 2023 relate to the exercise of 1,150,000 incentive stock options at \$0.105 per share.

## SUMMARY OF QUARTERLY RESULTS

The following selected financial information is for the 8 most recently completed quarters as derived from the Company's respective financial statements and notes thereto. The following information should be read in conjunction with the referenced financial statements, and the notes to those statements.

	June 2024	Mar 2024	Dec 2023	Sept 2023	Jun 2023	Mar 2023	Dec 2022	Sept 2022
				(Restated) <sup>1</sup>	(Restated) <sup>1</sup>	(Restated) <sup>1</sup>	(Restated) <sup>1</sup>	(Restated) <sup>1</sup>
Revenues	\$ 112,739	\$ 7,000	\$ 177,172	\$ 82,667	\$ 44,823	\$ 53,159	\$ 87,901	\$ 47,352
Operating expenses (income)	309,058	187,630	270,245	259,505	354,643	264,154	132,008	150,801
Other expenses (income)	(781,094)	58	(3,875)	69,893	(38,266)	262,164	(1,179,002)	(391,807)
<b>Net loss (income) and comprehensive loss (income)</b>	<b>\$ 584,775</b>	<b>\$ (180,688)</b>	<b>\$ (89,198)</b>	<b>\$ (246,731)</b>	<b>\$ (271,554)</b>	<b>\$ (473,159)</b>	<b>\$ 1,134,895</b>	<b>\$ 288,358</b>
Basic and diluted earnings (loss) per common share	\$ 0.007	\$ (0.002)	\$ (0.001)	\$ (0.003)	\$ (0.003)	\$ (0.006)	\$ 0.014	\$ 0.004

<sup>1</sup> During the year ended December 31, 2023, the Company changed its accounting policy from capitalization of exploration and evaluation costs to expensing these costs. The quarterly information above has been restated to reflect the results of this change in accounting policy. See Note 4 of the condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023 for further details.

## **LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING**

Management routinely plans future activities including forecasting cash flows. Based on the Company's current development plan and operating commitments, the Company will have to raise additional financing.

Please refer to the Risk and Uncertainties section for more information.

## **OFF BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements as at June 30, 2024 or as at the date of this MD&A.

## **CRITICAL ACCOUNTING ESTIMATES**

The critical judgements and estimates are disclosed in note 5 of the unaudited condensed interim financial statements.

## INFORMATION ON OUTSTANDING SECURITIES

The following table sets out the number of common shares, warrants and options outstanding as of the date hereof:

<b>Common shares outstanding:</b>	84,757,681
<b>Stock options exercisable:</b>	7,649,583
Average exercise price of:	\$0.096
Weighted average remaining life (years)	2.97
<b>Warrants exercisable:</b>	3,010,000
Average exercise price of:	\$0.200
Weighted average remaining life (years)	0.91

<b>Stock options outstanding:</b>		
<b>Expiry date</b>	<b>Exercise price</b>	<b>Number of stock options outstanding</b>
June 26, 2025	\$ 0.150	1,111,350
February 22, 2026	\$ 0.130	1,415,233
June 18, 2026	\$ 0.110	525,000
November 10, 2026	\$ 0.110	178,000
June 23, 2027	\$ 0.080	1,700,000
June 29, 2027	\$ 0.075	400,000
June 19, 2029	\$ 0.060	2,320,000
		<b>7,649,583</b>

<b>Warrants outstanding:</b>		
<b>Expiry date</b>	<b>Exercise price</b>	<b>Number of warrants outstanding</b>
May 28, 2025	\$ 0.200	3,010,000

## RELATED PARTY TRANSACTIONS

### *Transactions with a shareholder*

Effective January 1, 2023, the Company entered into a rental arrangement with Gold Royalty, whereby the Company receives a rental fee of \$1,000 per month.

For the three and six months ended June 30, 2024, the Company received rental fees from Gold Royalty, through its wholly owned subsidiary Abitibi, the amount of \$1,000 and \$1,000 (for the three and six months ended June 30, 2023 - \$3,000 and \$6,000, respectively), relating to this rental arrangement, respectively. The rental agreement ended in February 2024.



### *Transactions with key management and other related parties*

Key management personnel of the Company is comprised of the members of the Board of Directors, as well as the President, the Chief Operating Officer ("COO"), the Chief Financial Officer ("CFO") and the Vice-President Exploration ("VP Exploration").

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Key senior management	\$ 64,800	\$ 77,000	\$ 129,600	\$ 149,000
Other individuals	14,400	14,400	28,800	34,800
	\$ 79,200	\$ 91,400	\$ 158,400	\$ 183,800

- For the three and six months ended June 30, 2024, the Company incurred consulting fees of \$64,800 (2023 - \$77,000) respectively with key senior management of which \$43,200 (2023 - \$50,400) was recorded under Exploration and evaluation expenses and \$21,600 (2023- \$21,600) was recorded under General and administrative expenses in the statements of net income (loss) and comprehensive income (loss).
- For the six months ended June 30, 2024, the Company incurred consulting fees of \$129,600 (2023 - \$149,000) respectively with key senior management of which \$86,400 (2023 - \$100,800) was recorded under Exploration and evaluation expenses and \$43,200 (2023- \$48,200) was recorded under General and administrative expenses in the statements of net income (loss) and comprehensive income (loss).
- As at June 30, 2024, the Company had no indebtedness (December 31, 2023 - \$13,670 recorded in due to related parties) due to key management.

### *Transactions with other individuals*

- For the three and six months ended June 30, 2024, the Company incurred consulting fees of \$nil (2023 - \$nil) and \$nil (2023 - \$6,000), respectively, with an individual, the spouse of the CEO, as part of a consulting agreement for corporate finance and advisory services which contract ended in March 2023.
- For the three and six months ended June 30, 2024, the Company incurred consulting fees of \$14,400 (2023 - \$14,400) and \$28,800 (2023 - \$28,800), respectively with the spouse of the COO, as part of a consulting agreement for accounting services.
- As at June 30, 2024 and December 31, 2023, no amounts were due to these related individuals.

### *Transactions with other*

- As a result of the move to the newly acquired exploration office effective January 1, 2024, the Company no longer incurs rent and occupancy fees on the former exploration offices owned by the

company controlled by the President. For the three and six months ended June 30, 2023, the Company incurred rent and occupancy fees of \$3,000 and \$6,150, respectively, with a company controlled by the President.

- For the three and six months ended June 30, 2024, the Company was reimbursed by related companies in the amount of \$6,000 (2023 - \$6,000) and \$12,000 (2023 - \$12,000), respectively, under a rental arrangement for office space and administrative support. As at June 30, 2024, the Company had a net receivable of \$6,899 (December 31, 2023 – receivable of \$10,348) from related companies, which is included in Other Assets.

## COMMITMENTS

- a) The Company entered into a consulting agreement with the CEO for an annual payment of \$115,200. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to \$200,000, if the consulting agreement is terminated by the Company, and if the consulting agreement is terminated by the CEO within six months from the date of change of control, the amount payable would be \$100,000. Minimum pay on termination is three months of pay which is \$28,800, representing the minimum annual commitment.
- b) The Company entered into a consulting agreement with the COO for an annual payment of \$115,200. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to \$200,000, if the consulting agreement is terminated by the Company, and if the consulting agreement is terminated by the COO within six months from the date of change of control the amount payable would be \$100,000. Minimum pay on termination is three months of pay which is \$28,800, representing the minimum annual commitment.
- c) The Company entered into a consulting agreement with the Chief Financial Officer for an annual payment of \$28,800. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to \$24,000 if the consulting agreement is terminated by the Company within twelve months from the date of change of control. Minimum pay on termination is three months of pay which is \$7,200, representing the minimum annual commitment.
- d) Other consulting agreements: the Company is party to other contracts and severance obligations. Minimum commitments under these contracts due within one year are \$19,200.

## **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

The changes in accounting policies including those that have not been adopted are explained in notes 3 and 4 of the unaudited condensed interim financial statements as at June 30, 2024.

## **RISKS RELATED TO FINANCIAL INSTRUMENTS**

Please refer to note 24 of the audited financial statements for the year ended December 31, 2023, for a full description of these risks.

## **RISKS AND UNCERTAINTIES**

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of exploration and development of its mineral resource properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

### *Climate Change*

The Company has its own properties and properties under option agreements in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased costs directly or indirectly affecting the Company. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur, directly or indirectly impacting the business of the Company.

### *Investment of Speculative Nature*

Investing in the Company, at this early stage of its development, is of a highly speculative nature.

### *Nature of Mineral Exploration and Mining*

There is no known mineral resource on the Company's properties. Mineral exploration and development involve a high degree of risk, requires substantial expenditures and few properties that are explored are ultimately developed into producing mines.

### *Exploration and Development Risks*

Resource exploration and development is a speculative business, involving considerable financial and technical risks, including the failure to discover mineral deposits, market fluctuations and government regulations, which are beyond the control of the Company.

### Additional Financing

Future exploration and development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of exploration and development of the property interests of the Company.

### Stress in the Global Economy and Financial Condition

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Adverse effects of coronavirus developments (COVID-19) on consumer confidence, market stability and public health creates uncertainties on macroeconomic conditions and may also result in closures, cancellations of, or reductions in operations or production on properties where the Company holds royalty interests or investments.

### Permits and Licenses

There can be no assurances that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations for its proposed projects.

### Competition

The mineral exploration and mining business is competitive in all of its phases. There is no assurance that the Company will be able to compete successfully with the competition in acquiring suitable properties or prospects for mineral exploration.

### No Assurance of Title to Property

The Company's claims may be subject to prior unregistered agreements or transfers or third party and native land claims and title may be affected by undetected defects.

### Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

### Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake exploration and development activities in respect of present and future properties.

### Conflicts of Interest

The directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

### Insurance

The Company will remain at risk and will be potentially subject to liability for hazards associated with mineral exploration which it cannot insure against or which it has elected not to insure against because of premium costs or other reasons.

### Influence of Third-Party Stakeholders

Claims by third parties on the lands in which the Company holds interests, or the exploration equipment and road or other means of access which the Company intend to utilize in carrying out work programs or general exploration mandates, even if not meritorious, may create delays resulting in significant financial loss and loss of opportunity for the Company.

### Fluctuation in Market Value of Shares

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the entity. The future effect of these and other factors on the market price of Company's shares on the Exchange cannot be predicted.