AuMEGA Metals Ltd (formerly Matador Mining Limited)

Management's Discussion and Analysis

For the quarter ended June 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") of AuMEGA Metals Ltd (formerly Matador Mining Limited) ("**AuMEGA**" or the "**Company**") for the quarter ended June 30, 2024 should be read in conjunction with the Company's unaudited interim financial report and notes thereto for the quarter ended June 30, 2024. All amounts in this MD&A are in Canadian dollars unless otherwise stated. This MD&A is intended to help the reader understand the significant factors that influence the Company and its subsidiaries (collectively, the "**Group**") and such factors that may affect its future performance. This MD&A has been prepared as of June 30, 2024.

The unaudited interim financial report was prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and International Financial Reporting Standards IAS 34 'Interim Financial Reporting'. Please consult the interim financial report for the quarter ended June 30, 2024, for more complete financial information.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements and "forward-looking information" within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). These statements relate to future events or the Company's future performance, business, operations and condition of the Company. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions (including negative and grammatical variations). These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: development of resources by AuMEGA; treatment under governmental regulatory and taxation regimes; the Company's ability to raise capital; prospecting at the Hermitage property and the timing thereof; the Company's ability to continue its operation as a going concern; the commencement of the diamond drill program and the timing thereof; the Company's future funding obligations the Company making long-term decisions that are in the best interest of the business and its owners and that manage the Company's risks; the initiation and/or completion of the Company's upcoming second phase diamond drill program and the results thereof; the number of metres of drilling in the Company's second phase of diamond drilling; the implementation or completion of the Company's exploration initiatives on its projects; the development of specific work plans for targets resulting from the Company's technical workshops and the timing thereof; the impact of a dual-listing of the Company's investor base; and the Company's ability to fund its future obligations and the sources of such funding.

Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements. With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment; the unpredictability of changes to the market prices for minerals; that costs related to development of mineral properties will remain consistent with historical experiences; anticipated results of exploration activities; the costs of its exploration activities; the Company's ability to obtain additional financing on satisfactory terms; mining development risks; litigation risks; liquidity risks; the speculative nature of mineral exploration; the global economic climate; dilution; and share price volatility. Although the Company has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actual results, performance or achievements not to be as anticipated, estimated or intended.

The Company's actual results, performance or achievements could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A under the heading "Risk Factors" including the following: volatility in the market prices of minerals, uncertainties associated with estimating mineral resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

CAUTIONARY NOTE REGARDING MINERAL RESOURCES

Scientific and technical information contained in this MD&A was reviewed and approved by Spencer Vatcher (Principal at Silvertip Exploration) for AuMEGA, who is a "qualified person" as defined by Canada's National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Information on data verification performed on, and other scientific and technical information relating to, the Company's mineral property mentioned in this MD&A is included in the technical report titled "Technical Report on the Cape Ray Gold Project, Newfoundland, Canada" dated May 28, 2024 (with an effective date of May 26, 2024), prepared by Trevor Rabb (P. Geo.) and Ronald Voordouw, (P. Geo) of Equity Exploration Consultants Ltd., and Andrew Kelly (P. Eng.) of Blue Coast Research, a copy of which is available under the Company's profile at www.sedarplus.ca.

Business Overview

Core Business

AuMEGA Metals Ltd is an Australian Corporation with a dual listing. Its primary listing is on the Australian Securities Exchange ("ASX") under the ticker "AAM" with a secondary listing on the TSX Venture Exchange ("TSXV") under the ticker "AUM". Additionally, the Company is listed in the United States through the OTCQB trading platform under the symbol "AUMMF".

The Company's registered office is located at 24 Hasler Road, Osborne Park, Western Australia 6017 and its Canadian office is located at 10060 Jasper Avenue, Tower 1, Edmonton, AB, T5J 3R8. The Company has two wholly owned subsidiaries, namely Matador Canada Pty Ltd and Cape Ray Mining Limited. Matador Canada Pty Ltd was incorporated on March 21, 2018 under the laws of Western Australia and Cape Ray Mining Limited was incorporated on September 4, 2019 under the Companies Act (Nova Scotia).

AuMEGA is an exploration company with principal assets located in Newfoundland and Labrador and specifically on the island of Newfoundland in Canada.

The Company has a significant tenement package predominately on the Cape Ray Shear Zone ("CRSZ"), the largest known gold structure in the province, and which hosts Calibre Mining's ("Calibre") 5.1-million-ounce Valentine Gold Mineral Resource. The Company currently hosts an indicated mineral resource of 6.2 million tonnes of ore grading an average of 2.25 g/t for a total of 450,000 ounces of gold and an inferred mineral resource of 3.4 million tonnes of ore grading an average of 1.44 g/t for a total of 160,000 ounces of gold.

AuMEGA's CRSZ tenements cover approximately 110 kilometres of continuous strike along the highly prospective, yet vastly under explored area in southwestern Newfoundland, Canada. The Hermitage Project is a series of tenements comprising 27-kilometres of continuous strike located on the Hermitage Flexure – a major geological structure with multiple gold and other critical metals showings. The Company also has a low-cost option to fully acquire the Blue Cove Copper Project also located in Newfoundland.

The Company is well supported with key strategic and institutional shareholders, including B2Gold Corp, a million-ounce per year gold producer with a long, rich history of exploration, development and operating success globally.

The Company's strategy is to grow the value of its business by making significant gold discoveries in Newfoundland. To achieve this, the Company will make prudent long-term decisions that are in the best interest of the business and its owners and based on best quality technical information and geological thinking while overlaying commercial considerations. The Company will make measured, risk-based decisions to control what it can while managing risks inherent to the industry.

Financial Overview

The Company closed the second quarter of 2024 with a cash balance of $6.2 million which compares to $9.0 million at December 31, 2023. The decrease in cash predominately relates to the Company's completion of the inaugural Reverse Circulation ("RC") winter drill program and commencement of spring and summer field exploration activities.

Operating cash outflow for the quarter was $0.3 million compared with $0.7 million in the previous June 2023 quarter with the decrease attributed to reduced corporate costs. In the second quarter of 2023, the Company incurred costs related to a corporate transaction and had a redundancy payment with the departure of the Chief Geologist and Chief Financial Officer.

Payments for exploration expenditure for the June 2024 quarter was $1.1 million compared with $0.9 million in the June 2023 quarter. The increase year-on-year relates to the completion of the Company's inaugural winter RC drill program in 2023.

2024 Second Quarter Highlights

The Company successfully completed its first winter RC drill program during the quarter, a technique the Company believes to be a best-in-class approach to sampling below moderate overburden.

Three large, mineralised zones were defined by this RC program, which will be further drill tested deeper into the bedrock in the upcoming second phase diamond drill program.

The first phase of the 2024 diamond drill program focused on high-priority targets within the resource corridor, mainly at Central Zone. Following extensive analysis and interpretation, the Company identified a number of structural and geochemical targets that were not previously assessed during past mineral resource drill programs.

Subsequent to the quarter end, the Company completed the first phase of diamond drilling with eight holes drilled for a total of approximately 1,900 metres. The second phase of diamond drilling is expected to involve 2,000 to 3,000 metres depending on results.

Business development activities during the quarter included the Company entering into a low-cost Option Agreement to acquire the Blue Cove Copper Project in southeastern Newfoundland. The project has identified outcropping of high-grade copper-gold-silver targets ready for immediate assessment.

Shareholders approved a company change of name to AuMEGA Metals Ltd during the quarter, with change in listing symbol from MZZ to AAM. The Company also completed a secondary listing on the TSXV under the ticker AUM.

Selected Financial Information – Quarterly Results

The following table summarizes key quarter financial and operating information:

	3 Months ended 30 June 2024	3 months ended 30 June 2023	6 months ended 30 June 2024	6 months ended 30 June 2023
	('000s)	*('000s)*	*('000s)*	*('000s)*
Other Income	$579	$111	$816	$111
Net (loss)	(941)	(1,457)	(1,672)	(2,161)
Net comprehensive (loss)	(941)	(1,457)	(1,672)	(2,161)
Per common share, basic (cents)	(0.18)	(0.46)	(0.32)	(0.69)
Per common share, diluted (cents)	(0.18)	(0.46)	(0.32)	(0.69)

Statement of Financial position Data		
	As at 30 June 2024	As at 31 December 2023
	('000s)	*('000s)*
Cash and cash equivalents	$6,228	$8,952
Current assets	$7,297	$9,802
Current liabilities	$1,906	$1,710
Exploration and evaluation assets	$46,060	$43,514
Total Assets	$53,627	$53,640
Total Liabilities	$1,906	$1,710
Working capital surplus	$5,392	$8,092

No dividends were declared on the Company's outstanding shares during the reporting periods.

The net loss for the three months ended June 30, 2024, was $0.9 million compared to a net loss of $1.4 million for the corresponding three-month period ended June 30, 2023. The decrease was driven primarily by an increase in other income relating to settlement of flow-through share premium liability and decreased administration expenses and management expenses, which was partially offset by slightly business development expenses and non-cash share based payments expense.

The net loss for the six months ended June 30, 2024, was $1.7 million compared to a net loss of $2.6 million for the corresponding six-month period ended June 30, 2023. The decrease was driven primarily by an increase in other income relating to settlement of flow-through share premium liability and decreased business development costs and management expenses, which was partially offset by slightly higher administrative expenses.

Summary of Quarterly results						
	June 30 2024	**March 31 2024**	**December 31 2023**	**September 30 2023**	**June 30 2023**	**March 31 2023**
	('000s)	*('000s)*	*('000s)*	*('000s)*	*('000s)*	*('000s)*
Net (loss)	(941)	(732)	(3,622)	(863)	(1,457)	(689)
Per common share, basic (cents)	(0.18)	(0.14)	(1.98)	(0.27)	(0.46)	(0.22)

Explanation of Quarterly results

During the three months ended June 30, 2024, the Company recorded a net loss of $0.9 million. The net loss was mainly comprised of administration expense of $0.4 million, consultants and management expenses of $0.2 million, share-based payments expense of $0.4 million and taxation expense of $0.4 million. It was offset by settlement of flow-through share premium liability of $0.4 million and government grants of $0.1 million.

During the three months ended March 31, 2024, the Company recorded a net loss of $3.6 million. The net loss was mainly comprised of administration expense of $0.3 million, consultants and management expenses of $0.3 million, share-based payments expense of $0.1 million and a one-off impairment charge of $2.8 million. It was offset by settlement of flow-through share premium liability of $0.1 million.

During the three months ended December 31, 2023, the Company recorded a net loss of $1.5 million. The net loss was mainly comprised of administration expense of $0.3 million, consultants and management expenses of $0.3 million, share-based payments expense of $0.7 million and a one-off impairment charge of $2.8 million.

During the three months ended September 30, 2023, the Company recorded a net loss of $0.9 million. The net loss was mainly comprised of administration expense of $0.5 million, consultants and management expenses of $0.2 million, share-based payments expense of $0.1 million. It was offset by settlement of flow-through share premium liability of $0.1 million.

During the three months ended June 30, 2023, the Company recorded a net loss of $1.5 million. The net loss was mainly comprised of administration expense of $0.5 million, consultants and management expenses of $0.3 million, share-based payments expense of $0.2 million and income tax expense of $0.4 million. It was offset by settlement of flow-through share premium liability of $0.1 million.

During the three months ended March 31, 2023, the Company recorded a net loss of $0.7 million. The net loss was mainly comprised of administration expense of $0.3 million, consultants and management expenses of $0.2 million, share-based payments expense of $0.1 million and business development costs of $0.1 million.

Discussion of Operations

Commencement of Spring and Summer Exploration Program

The Company commenced its spring and summer exploration program during the quarter. The exploration team mobilised for early stage works and preparations for the start of diamond drilling, which commenced early in June 2024.

The 2024 exploration program is one of the most comprehensive programs planned for the Company. Several meaningful exploration initiatives have been scheduled on the Company's district-scale land package covering multiple projects including Malachite, Cape Ray, Bunker Hill, Intersection, Hermitage and Blue Cove.

Following the successful completion of the 157 holes drilled in the winter in the Company's first ever RC program, diamond drilling is now being undertaken over two quality-focussed phases.

The first phase is solely focussed on new, high-priority targets within the mineral resource corridor in areas never drill tested. The second phase planned for later in the Canadian summer will include drilling at Malachite following up on targets defined by the RC program, and other new targets defined during the Company's targeting workshop which was completed at the end of June 2024. The workshop was led by the world-renowned structural geologist Brett Davis and included geologists from B2Gold and our full AuMEGA team including Chair Justin Osborne who adds a wealth of gold targeting and exploration experience.

Diamond Drilling

On 12 June 2024, the Company announced the commencement of the first phase of the 2024 diamond drilling program with the initial phase focused on drilling high-priority targets at new zones within the resource corridor, mainly at Central Zone. This drilling was recently completed, and assays are pending for holes from this program as well as three geotechnical holes drilled historically by the Company that were never assayed.

The first phase of diamond drilling was based on recent interpretation and analysis completed by the Company which identified new targets in the footwall to the known Central Zone deposits. In 2018, the Company identified a 500 metre by 300 metre gold-in soil anomaly, greater than 40 ppb, which is almost 15 times the average crustal abundance of gold. This zone is situated in the footwall to the Z04 deposit and appears to be coincident with interpreted disruption of the Strawberry Hill Granite, which is geologically similar to the Window Glass Hill Granite to the west.

The Company also identified a second, highly prospective historical geochemical anomaly in the footwall of the Central Zone Z41 deposit. This anomaly consists of a 560-metre-long linear gold-in-soil trend with values up to 1,440 ppb (or 1.44 g/t) gold. This gold anomaly is coincident with an untested occurrence of potentially sheared Windsor Point Group, the most prospective sedimentary host of the Company's Central Zone Mineral Resources.

The Company's recent analysis on the structural movement of CRSZ mineralisation, coupled with this historical data, supports the favourability and prospectivity of the largely overlooked Central Zone footwall geological zone.

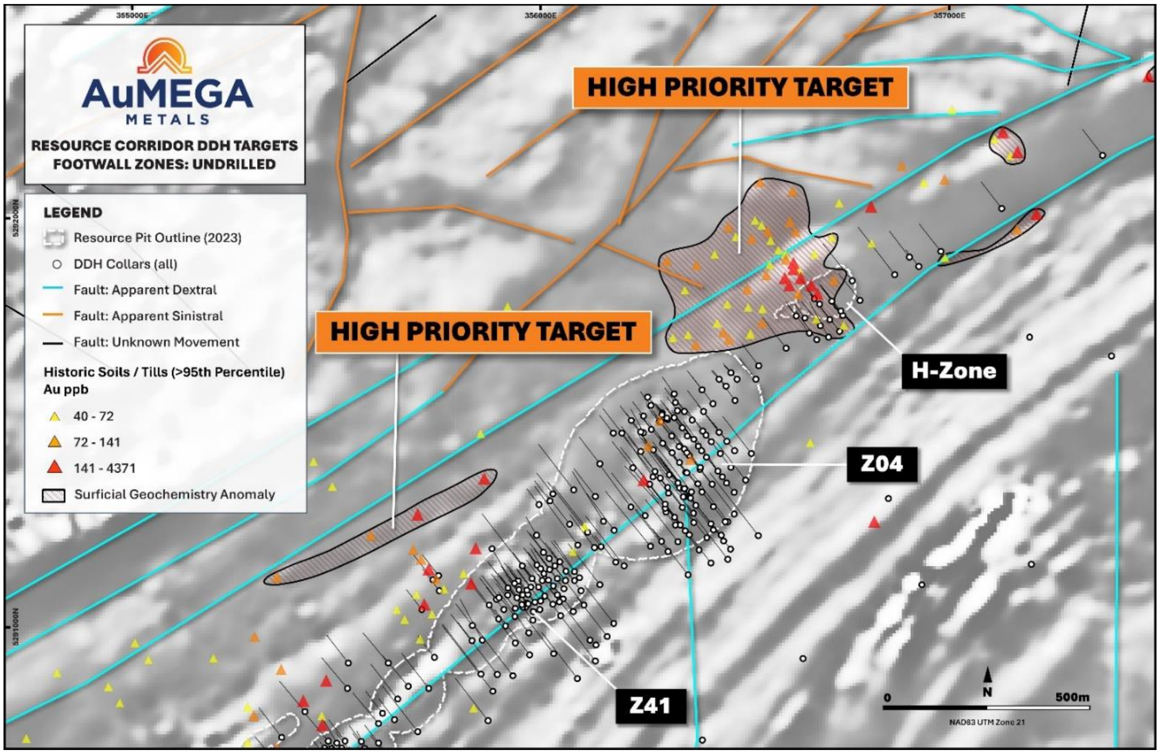

FIGURE 1: OVERVIEW UNTESTED GEOCHEMICAL TARGETS IN THE CENTRAL ZONE FOOTWALL

Technical Workshop

The targeting Technical Workshop entailed a review of the significant data that has been collected historically and by the Company from the CRSZ and Hermitage Flexure through geophysical surveys, diamond and RC drilling, prospecting, sampling, mapping and desktop analysis.

Targets were ranked using a mineral systems approach, defined by the key criteria common to world-class gold deposits. The resultant conceptual rankings are used in conjunction with factual empirical data and are subdivided by stage in the exploration pipeline. This objective ranking methodology allows for targets in various stages of exploration, with different empirical data sets, to be ranked against each other to best select targets for further work. Such a systematic approach to ranking and prioritisation allows for efficient and effective deployment of capital to drive discovery.

In total, the Company has now defined 37 targets within its portfolio. As a result of the workshop, nine new targets were identified based on geophysical and geochemical data previously collected and re-interpreted. These new targets were then combined with existing targets and subsequently assigned a score based on both conceptual and empirical criteria with the overarching defining criteria being the potential of the target to host a multi-million-ounce deposit. Three (O-2 West, O-2 East and Grandy's East) of these nine targets are a result of the Company's successful winter RC drill program at Malachite.

Of the total targets that the Company has identified, 30 are in the early stages of exploration while five targets are in the intermediate stage and two in the advanced stage, both of which we are currently drilling within the resource corridor. Another three intermediate targets are part of the phase two diamond drill program including O-2 West, which delivered the best results from the winter RC drill program.

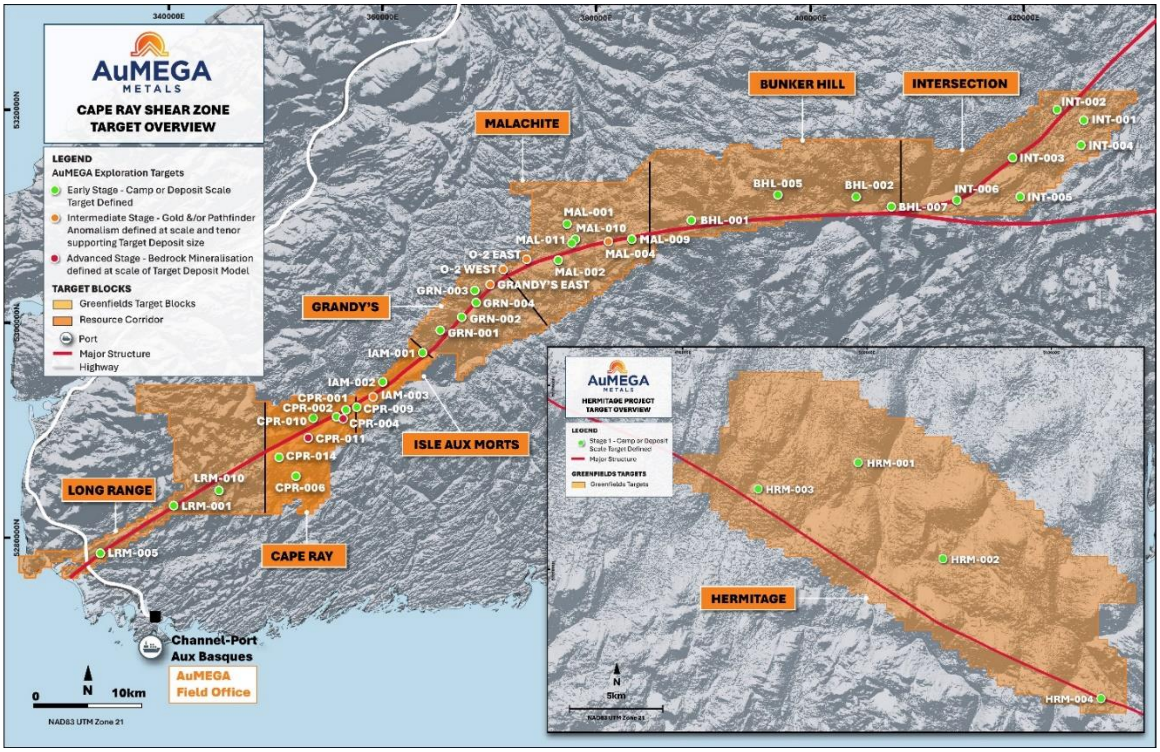

FIGURE 2: AUMEGA TOP EXPLORATION TARGETS

The Company is currently ranking each of the targets and will create more specific work plans for each that don't currently have them in place. The work plans will be on the top-ranking targets and will include the scope of work and expected outcomes, including the necessary outcomes required to continue to advance targets through the exploration pipeline. This work is expected to be completed in the coming weeks in conjunction with ongoing field exploration work.

Malachite Winter RC Drill Program

During the quarter, the Company announced the completion of the initial winter RC drill program at Malachite. Approximately 80% of the designed program was completed, including the entire drill program for the high priority O-2 target, prior to curtailing the program due to continued adverse weather conditions. In total, 157 holes were drilled in the program.

The reconnaissance-style RC drill program was designed to cover a large, prospective area at the Malachite Project with an aim to delineate gold and pathfinder anomalies in the bedrock and glacial till that vector to undercover gold mineralisation. This exploration program is akin to Australian style rotary air blast and air core programs and Scandinavian style base-of-till programs that have led to major global discoveries. The RC drill rig proved to be highly productive and far exceeded the output the Company had expected.

The results of the program identified three large, mineralised zones. The assay results from the initial batch of the RC drill program have identified two large, mineralised zones located west of the Company's high-priority O-2 target. This area, which appears to be located on a faulted geological contact previously interpreted from magnetics and mapping, is located to the northwest of the O-2 target. This is an area where the Company previously defined two anomalous gold and pathfinder occurrences in bedrock.

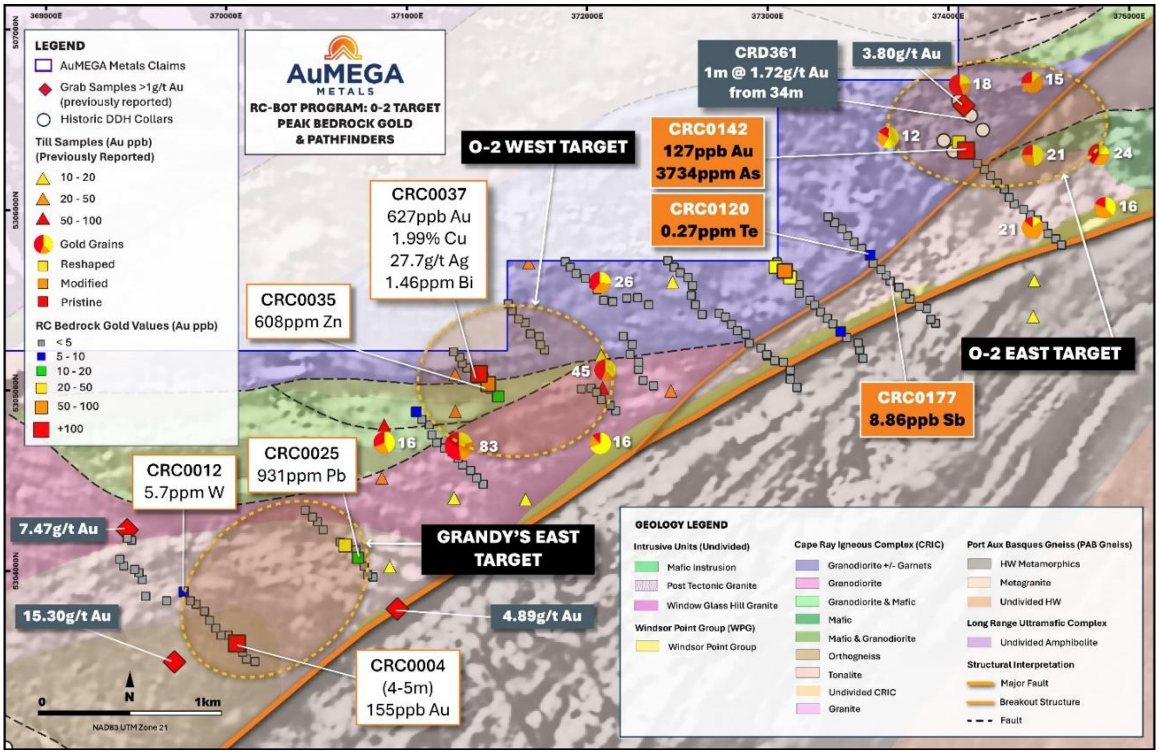

FIGURE 3: RC BOTTOM-OF-HOLE PROGRAM AT MALACHITE

RC drilling intersected significant anomalous gold and copper from drillhole CRC0037 with assays of 627 ppb (0.63 g/t) gold and 1.99% copper only seven metres below surface and 224 ppb (0.2 g/t) gold a further metre below. These results are considered significant as gold mineralisation along the CRSZ is typically associated with chalcopyrite within gold-bearing zones including the Central Zone mineral resource. This target area is now dubbed O-2 West.

The second new, large, mineralised zone now dubbed Grandy's East is located 3.5 kilometres west of the main O-2 target and is situated within the Grandy's Project area. The target comprises a trend located on a flat lying plain with virtually no outcrop and complete post-mineralisation cover. In 2022, prospecting by the Company discovered high-grade float and boulders in the area with gold assays up to 15.30 g/t gold. Drill hole CRC004 intersected 155 ppb (0.16 g/t) gold in bedrock, approximately 370 metres east of the highest-grade boulder sample and represents the first occurrence of anomalous gold in bedrock in the area. This trend continues eastward 800 metres where drilling on the next RC drill line returned anomalous gold associated with a lead-silver-antimony anomalism. Ankerite and sericite alteration are also present within the trend.

The third zone included a zone with alteration that extended over 1.2 kilometres in strike (Figure 4). The results also included a large area of basal till gold anomalism indicating a compelling drill target. The combination of gold and pathfinder anomalism in bedrock, combined with multigram prospecting samples suggests significant mineralised fluid flow and potential for large under-cover gold deposits. This area is dubbed O-2 East.

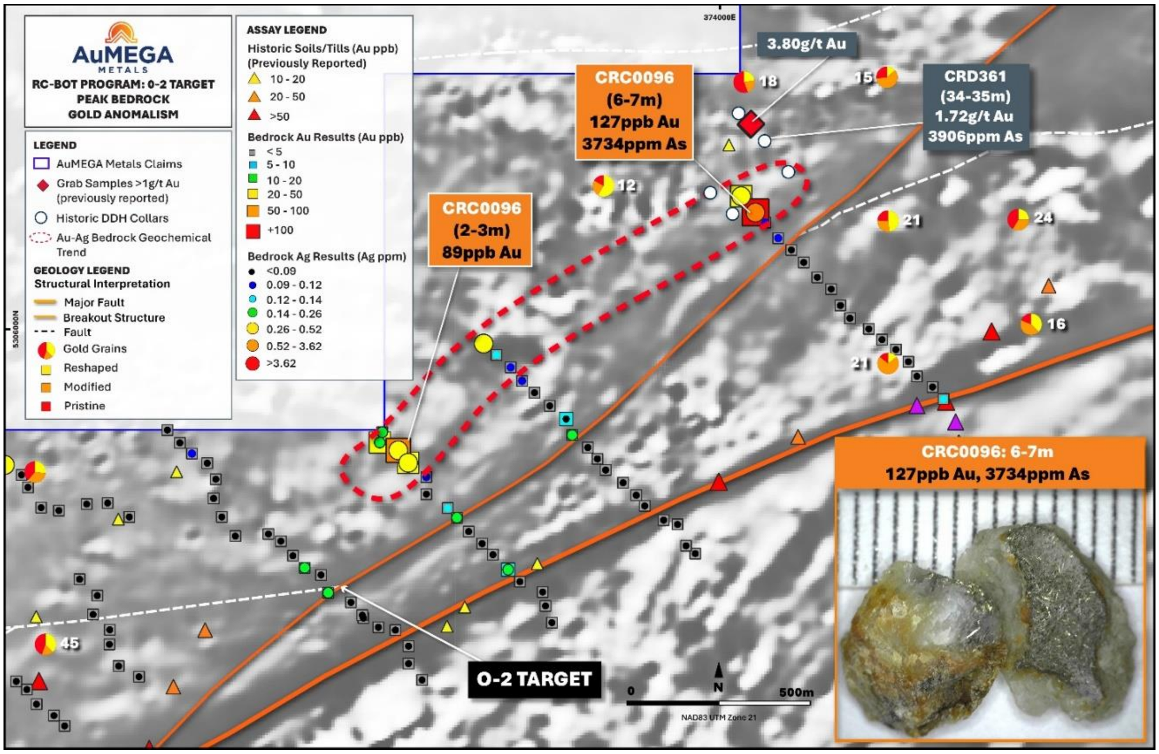

FIGURE 4: NEWLY IDENTIFIED GOLD AND SILVER TREND

The Company is continuing to analyse the full spectrum of data received from the RC program; however, the geological team is confident on the definition of several highly prospective diamond drill targets with the aim of testing them in the second phase of diamond drilling this summer. As an exploration targeting tool, the RC program proved to be a relatively low-cost and extremely efficient method of screening a sizeable area resulting in rapid progression to advanced target generation. Given the success of the program, the Company will be looking to expand its use in future exploration campaigns.

Historical Core Analysis

During the June 2024 quarter, the Company processed five of the nine geotechnical drillholes that were drilled in 2022 at Central Zone to support the Company's previous study works. These holes were drilled to provide geotechnical information for pit wall optimisation, which formed part of the Company's previous strategy of developing a "starter" mine on the Cape Ray Gold Project. These holes had never been sampled, however recent relogging of drillhole CGT006 revealed a significant zone of visual mineralisation in a footwall location that was selected for sampling.

Recent assay results from previously drilled geotechnical diamond drillhole (CGT006) returned 11 metres at 2.39 g/t gold (not true thickness) including 0.55 metres at 8.2 g/t gold from 126.75 metres and 1 metre at 10.3 g/t gold from 135 metres from the Central Zone footwall.

Geotechnical drillhole (CGT005) returned 3 metres at 8.24 g/t gold from 127 metres, including 1 metre at 13.9 g/t gold from 129 metres within the Z41 deposit.

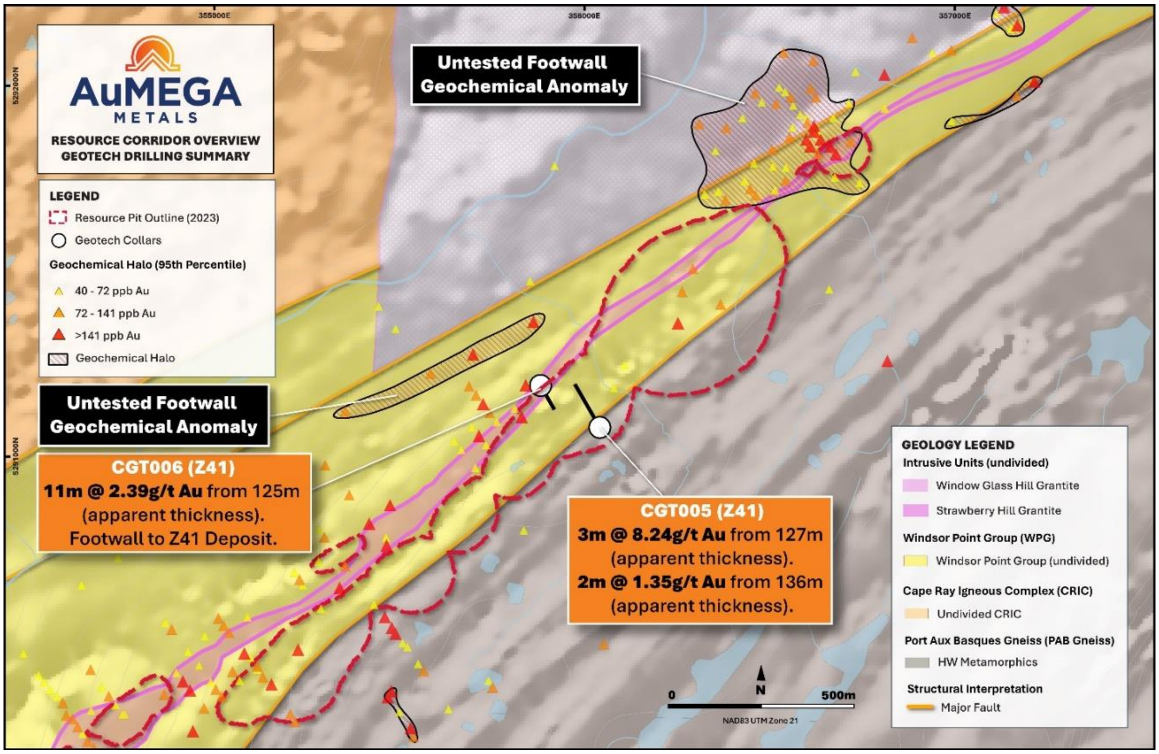

FIGURE 5: OVERVIEW OF THE GEOTECHNICAL DRILLHOLES FROM THE CENTRAL ZONE DEPOSITS

Early-Stage Activities

The Company's Spring/ Summer exploration program also includes low-cost prospecting. High-value early-stage exploration works planned include high-resolution airborne magnetics at Bunker Hill where AuMEGA and historic samples delivered several high-grade gold, silver and copper samples over the 24 kilometres of strike.

The Company is also flying high resolution magnetics at Hermitage to aid the development of comprehensive geological maps for this highly prospective project. The aim is to advance specific high-priority areas within the Hermitage Project for future discovery drill programs.

Corporate

Corporate Name Change – AuMEGA Metals Ltd

During the quarter, shareholders overwhelmingly approved the name change from Matador Mining Ltd to AuMEGA Metals Ltd, with the name becoming effective in early June 2024. The Company's ASX ticker also changed from MZZ to AAM at that time.

Secondary Listing on TSX-V

On 26 June 2024, the Company's shares commenced trading on the TSXV under the ticker AUM. There was no equity offering associated with the listing. AuMEGA shares are fully fungible across both the ASX and TSXV allowing flexibility for shareholders to hold and trade shares in either market. The Company does expect that initial trading volumes of its shares on the TSXV will remain low until shares are transferred from the ASX and then traded.

The Company believes that having its shares traded on two of the predominant resources exchanges provides opportunities for exposure to a wider investor base.

Liquidity, Capital Resources, and Outlook

The Company had $6.2 million of cash on hand as at June 30, 2024, and is expecting to fund future obligations with its cash on hand and future cash flows generated from future capital raisings. The Company regularly reviews it short and long-term plans and takes steps to reduce operating costs and maximise cash flow from operations at current operating levels.

The Company's cash flow forecasts for the 12 months ending 30 June 2025 indicate that the Company expects to meet its committed operational and administrative expenditure and thus continue to operate as a going concern. This includes an assumption of future capital raisings which is not guaranteed. In the Board of Directors' opinion there are therefore reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

In the event the Company is unable to raise additional working capital to meet its ongoing operational and exploration commitments as and when required, there is material uncertainty as to whether the Company will be able to meet its debts as and when they fall due and thus continue as a going concern and, therefore whether it will be able to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the consolidated half-year financial state.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

To facilitate the management of its capital requirements, the Company prepares annual operating budgets which are approved by the Board of Directors. The Company regularly monitors its cash flows and prepares regular forecasts based on changes in operations and/or economic conditions to facilitate the management of its capital requirements.

Contractual Obligations					
Payments Due by Period *('000s)*	**Total**	**Less than 1 year**	**1-2 years**	**2-5 years**	**After 5 years**
Non-interest bearing					
Trade Payables	$1,384	$1,384	-	-	-
Interest bearing					
Lease liabilities	$76	$34	$34	$8	-

Total Contractual Obligations	**$1,460**	**$1,418**	**$4**	**$8**	**-**

The Company's approach to managing liquidity is to ensure that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its shares or other securities to finance its business operations. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all.

The recoverability of amounts shown as mineral exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop one or more properties and the ultimate realization of profits through future production or sale of the mineral property interests. Realised values may be substantially different than carrying values as recorded in the Company's financial statements.

The Company's interim financial report has been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company closed the second quarter of 2024 with a cash balance of $6.2 million which compares to $9.0 million at December 31, 2023. The decrease in cash predominately relates to the Company's completion of the inaugural RC winter drill program and commencement of spring and summer field exploration activities.

Current assets were lower at 30 June 2024 compared to 31 December 2023. The reduction relates to a decrease in cash and cash equivalents which was used to fund working capital requirements and the Company's exploration expenditure.

Total liabilities for the period ended at June 30, 2024 were $1.9 million compared to $1.7 million at the end of 2023. The Company has no debt.

Capital Resources

To facilitate the management of its capital requirements, the Company prepares annual operating budgets which are approved by the Board of Directors. The Company regularly monitors its cash flows and prepares regular forecasts based on changes in operations and/or economic conditions to facilitate the management of its capital requirements.

The Company has the following licence expenditure commitments to maintain its mining licences in good standing.

Commitments				
Payments Due by Period *('000s)*	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Minimum licence expenditure	$2,174	$1,410	$193	$571

Flow-through Financings

Historically, the Company has entered flow-through private placements ("FT Placements") to fund exploration activities, the most recent being the 2023 FT Placements. Canadian tax rules require the Company to spend flow-through funds on "Canadian exploration expenses" (as defined in the Income Tax Act (Canada)) by the end of the calendar year following the year in which they were raised.

The Company indemnified the subscribers of flow-through shares from any tax consequences should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements. In 2023, the Company completed a Flow-Through Offering for $4.279 million, thus committing to spend this amount by December 31, 2024 on "Canadian exploration expenses" which qualify as "flow-through mining expenditures", as these terms are defined in the Income Tax Act (Canada) ("Resource Expenditures").

The premium on the $4.279 million Flow-Through Offering amounted to $1.003 million. At June 30, 2024, the Company has expended approximately $2.167 million of the 2023 FT Private Placement amount of $4.279 million on Resource Expenditures. The Company has until December 31, 2024 to spend the remaining outstanding balance of approximately $2.112 million on Resource Expenditures and expects to do so with the exploration program well underway.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial performance.

Related Party Transactions

There were no transactions with related parties during the current and previous financial period.

Critical Accounting Estimates

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based Payment Transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial, Black-Scholes model or Monte-Carlo simulation model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and Evaluation Costs Carried Forward

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached stage that permits a reasonable assessment of the existence of reserves.

Estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

Impairment of Exploration and Evaluation Assets

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whenever impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Group no longer holds tenure, the asset is tested to determine the recoverable amount and assess whether this is below the carrying amount. If the recoverable amount is below the carrying amount, then the asset is impaired.

Changes in Accounting Policies including Initial Adoption

There have not been any material changes to the Company's accounting policies during the most recently completed financial period.

Financial Instruments and Other Instruments

The Group's principal financial assets comprise cash and deposits held as security guarantees.

The Group's principal financial liabilities comprise trade creditors. The main purpose of these financial instruments is to manage cash flow and assist the Group in its daily operational requirements. The Group is exposed to foreign currency risk, interest rate risk, liquidity risk and credit risk in respect to the financial instruments that it held at the end of the financial year.
Risk management policies are established by the Board of Directors to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Disclosure of Outstanding Share Data

The following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

Shares Outstanding Date	14 August 2024	30 June 2024	31 December 2023
Common shares	526,069,741	524,712,468	513,100,106
Stock Options	35,743,865	35,743,865	4,542,810
Zero Priced Options (RSUs)	18,773,190	20,130,463	4,758,764
Performance rights (PSUs)	9,968,086	11,520,663	N/A[1]

Notes:

1. *The Company had previously stated and accounted for Long-term incentives as Zero Priced Options. For the purposes of consistency with Canadian practices and the TSXV listing applications, the Company's active yet historic long-term incentives were reclassified as Performance Rights.*

Risk Factors

The Company is in the business of exploring and developing mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than interest income. The Company will rely mainly on equity financing to fund exploration, development and its other activities. The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist.

Additional Capital

The Company plans to continue its focus on exploration and development of mineral interests. The Company will use its operating cash flows to carry out such endeavours. However, the Company will require substantial additional financing to move forward with development and production of a future mine. Further exploration and development capacities may be dependent upon its ability to obtain financing through equity or debt, and there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and, development of the Company's projects.

Financing Risks

The Company may require financing in the future to continue to develop its business and there can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares or securities convertible into or exercisable for common shares, control of the Company may change, and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments, and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Community and Stakeholder Relations

The Company's relationships with the community in which it operates are critical to ensure the future success of its existing operations. The future success of the Company is reliant on a healthy relationship with local communities in which the Company operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Company's business, financial position and operations.

Company Evolution

The exploration for, and development of, mineral deposits involve a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Company undertakes systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Company will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. However, there can be no guarantee that the studies will confirm the technical and economic viability of the Company's mineral properties or that the properties will be successfully brought into production.

Conflicts of Interest

Certain directors and officers of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of natural resource exploration, development and production. 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.

Future Profits/Losses and Production Revenues/Expenses

The Company has no history of operations and expects that its losses will continue for the foreseeable future. The Company does not expect to receive revenues from operations or be profitable in the foreseeable future, if at all. The Company expects to incur losses until such time as a property enters into commercial production and generates sufficient revenues to fund its continuing operations. Development will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability. The Company's operating expenses, and capital expenditures may increase in subsequent years due to the cost of employees, consultants, service providers and equipment associated with advancing exploration and development. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the Company's strategic analyses, the rate at which operating losses are incurred, the execution of any joint venture or other agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which factors are beyond the Company's control.

Commodity Prices

In the event that the Company has a producing mine in the future, the profitability of the Company's business will be largely contingent on the market price for the minerals sold by the Company. A significant reduction in the market price of the minerals sold by the Company for any extended period could have a materially adverse effect on the Company's profitability and cash flow. Global minerals prices fluctuate widely and are affected by numerous factors beyond the Company's control, including global demand and production levels, political and economic conditions, producer hedging activities, speculative activities, inflation, interest rates and currency exchange rates.

Dependence on Key Personnel

The Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the Company could be adversely affected. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage growth effectively and could have a material adverse effect on the Company's business, financial condition or results of operations.

Market Price of the Shares and Share Price Volatility

The market price for the Company's common shares cannot be assured. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. In recent years, the securities markets in

Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The trading price of the Company's common shares may be subject to large fluctuations. For the same reason, the value of any of the Company's securities convertible into, or exchangeable for, common shares may also fluctuate significantly, which may result in losses to investors. The price of the Company's common shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. Factors that may contribute to volatility in the securities of the Company include macroeconomic developments globally, and market perceptions of the attractiveness of particular industries. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in its financial condition or results of operations.

Other factors unrelated to the Company's performance that may have an effect on the price of the Shares include the following: lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of the Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Shares; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the common shares to be delisted from the exchange on which they trade, further reducing market liquidity. The market price for the Shares may also be affected by the Company's ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of the common shares.

In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could materially and adversely harm the Company and its financial position.

Dividend Policy

Investors in the Company's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Company's securities other than through possible share price appreciation.