FORAN

Management's Discussion and Analysis

For the three and twelve months ended December 31, 2023 and 2022

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This Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations for Foran Mining Corporation (the "**Company**" or "**Foran**") should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2023 and the related notes thereto, which have been prepared using accounting policies consistent with IFRS Accounting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). For further information on the Company, reference should be made to its public filings on SEDAR+ at www.sedarplus.ca or the Company's website at www.foranmining.com.

This MD&A is prepared by management and approved by the Company's Board of Directors (the "**Board of Directors**") as of March 21, 2024. The discussion covers the three ("**Q4 2023**") and twelve months ended December 31, 2023 and the subsequent period up to the date of issuance of this MD&A. All amounts are stated in Canadian dollars unless otherwise indicated.

In this MD&A, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "Foran" or the "Company", refer to Foran together, where context requires, with its subsidiaries and affiliates.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined under applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or to the future performance of the Company and reflect management's expectations and assumptions as of the date hereof or as of the date of such forward-looking statement.

All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Forward looking statements in this MD&A include, but are not limited to, statements regarding our objectives and our strategies to achieve such objectives; our beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, including in respect of exploration objectives and expectations; as well as specific statements in respect of our objective to develop the McIlvenna Bay Deposit and advance the McIlvenna Bay Project; our ability to discover mineral reserves and develop an operating mine; expectations regarding the McIlvenna Bay Deposit, Tesla Zone, Bridge Zone and other mineral properties of the Company, including in respect of potential expansion; our objective of developing the McIlvenna Bay Property based on carbon neutrality goals and targets; our ability to create a blueprint for responsible mining that is upheld as leading practice globally; our commitment to create value for all stakeholders; our exercise of the Denare West Option; our intention to strive to work with and support local communities, provide safe employment, ensure diversity and equality, protect biodiversity, and limit our contribution to climate change; our ability to achieve production of critical minerals; our plan to complete 3,150 metres of development during 2024; our intention to reach a construction decision and the expectation that our site operations will transition from the surface prep and exploration decline permit to a construction permit later in 2024; the continued focus of our early works program in certain key areas; the potential connection between the Tesla Zone and the McIlvenna Bay Deposit by a fold and the possibility that this area may represent a target for future growth; the Company's plan to continue to focus on regional exploration and expansion of the Tesla Zone and Bridge Zone in 2024, and to complete up to 48,700 metres of drilling during the year; the expectation that the Tesla Zone remains open in all directions for expansion; our intended use of net proceeds from financing activities; the benefits to be derived in connection with the proximity of the Tesla Zone and the McIlvenna Bay Deposit from economies of scale in respect of existing and planned infrastructure; our view that Bridge Zone drilling results suggest that such zone may be of importance for potential exploration growth; our expectation that development rates will increase in respect of decline development activities; our ability to establish a construction agreement with SaskPower; our ability to address conditions and securing approvals needed to construct and operate the McIlvenna Bay Project prior to entering into construction; our reclamation and remediation obligations; our expectation that a reallocation of funds in respect of the McIlvenna Bay Project may be necessary, and that we will update our use and application of funds in future MD&As; the expectation that our exploration, development and operation activities will require additional funding; and our ability to obtain replacement financial instruments in the event that the Surety Bond or LC are terminated.

Inherent in forward-looking statements are known and unknown risks, estimates, assumptions, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements contained in this MD&A. These factors include, but are not limited to, management's belief, expectations and response to the following and, in certain cases, management's response with regard to the following: the Company's reliance on the McIlvenna Bay Property; the Company has a history of losses and may not be able to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis; the Company is exposed to risks related to mineral resources exploration and development; failure to comply with covenants under the Senior Credit Facility or the Equipment Finance Facility may have a material adverse impact on the Company's operations and financial condition; the Company may require additional financing and future share issuances may adversely impact share prices; the Company has no history of mineral production; the Company is subject to government regulation and failure to comply could have an adverse effect on the Company's operations; the Company may be involved in legal proceedings which may have a material adverse impact on the Company's operations and financial condition; interest rates risk; market and liquidity risk; the Company's operations are subject to extensive environmental, health and safety regulations; mining operations involve hazards and risks; the Company may not be able to acquire or maintain satisfactory mining title rights to its property interests; indigenous peoples' title claims may adversely affect the Company's ability to pursue exploration, development and mining on the Company's mineral properties; the Company may be unable to obtain adequate insurance to cover risks; activities of the Company may be impacted by health crises; the Company's business may be impacted by international conflict; the Company's operations require the acquisition and maintenance of permits and licenses, and strict regulatory requirements must be adhered to; mineral resource and mineral reserve estimates are based on interpretations and assumptions that may not be accurate; uncertainties and risks relating to the technical report entitled the "Technical Report on the Feasibility Study for the McIlvenna Bay Project, Saskatchewan, Canada", dated April 14, 2022 and with an effective date of February 28, 2022 (the "**2022 Feasibility Study**"); the current global financial conditions are volatile and may impact the Company in various manners; metals prices are subject to wide fluctuations; the Company may be involved in disputes related to its contractual interests in certain properties; the mining industry is highly competitive; the Company's success is largely dependent on management; the Company has a limited history of operations; loss of key personnel could materially affect the Company's operations and financial condition; exercise of outstanding stock options, RSUs and DSUs may be dilutive; price volatility of publicly traded securities may affect the market price of the Company's common shares (the "**Common Shares**"); the Company's operations may be adversely impacted by the effects of climate change and climate change regulation; risks related to wildfires and other extreme weather events; security breaches of the Company's information systems could adversely affect the Company; inadequate infrastructure may affect the Company's operations; the Company's future success depends on its relationships with the communities in which it operates; reputational damage could adversely affect the Company's operations and profitability; risks related to surface rights; the Company may be subject to production risks; the Company has incurred substantial losses and may never be profitable; financial instrument risk; the Company may not be able to complete acquisitions it pursues and any completed acquisitions or business arrangements may ultimately not benefit its business; the Company has no history of paying dividends; the Company may be subject to potential conflicts of interest with its directors and/or officers; any enforcement proceedings under Canada's Extractive Sector Transparency Measures Act against the Company could adversely affect the Company; and the additional risks identified in our filings with Canadian securities regulators on SEDAR+ in Canada (available at www.sedarplus.ca). Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended.

The forward-looking statements contained in this MD&A reflect the Company's current views with respect to future events and are based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include: the accuracy of mineral reserve and resource estimates and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rocks confirming to sampled results and metallurgical performance; tonnage of ore to be mined and processed; ore grades and recoveries; assumptions and discount rates being appropriately applied to the technical studies; success of the Company's projects, including the McIlvenna Bay Project; prices for zinc, copper, gold and silver remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital decommissioning and reclamation estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); availability of equipment; sustained labour stability with no labour-related disruptions; that infrastructure anticipated to be developed, operated or made available by third parties will be developed, operated or made available as currently anticipated; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

Readers are cautioned not to place undue reliance on forward-looking statements and should note that the assumptions and risk factors discussed in this MD&A are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. All forward-looking statements herein are qualified by this cautionary statement. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law. Additional information about these assumptions, risks and uncertainties is contained in our filings with securities regulators.

NATURE OF BUSINESS

The Company was originally incorporated under the laws of British Columbia ("**BC**") on June 21, 1989 under the *Company Act* (British Columbia) and changed its name to Foran Mining Corporation on September 8, 1989. On November 13, 2007, the Company continued into Saskatchewan under *The Business Corporations Act* (Saskatchewan) and on July 4, 2014, the Company continued back to British Columbia under the *Business Corporations Act* (British Columbia). The Company is a reporting issuer in each Province and Territory of Canada. The Company's Common Shares are traded on the Toronto Stock Exchange ("**TSX**") under the symbol "FOM" and on OTCQX Best Market under the ticker symbol "FMCXF".

The Company's principal business activity is the acquisition, exploration and development of mineral properties with the objective of discovering mineral reserves and the development of an operating mine. The Company's flagship property is its 100% owned McIlvenna Bay property ("**McIlvenna Bay Property**") in Saskatchewan, Canada, 65 kilometres ("**km**") west of Flin Flon, Manitoba. The Company holds its interest in the McIlvenna Bay Property through its wholly owned subsidiary, McIlvenna Bay Operating Ltd. ("**MBO**"). Foran is presently in the pre-development stage after announcing the results from the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") compliant 2022 Feasibility Study for the McIlvenna Bay deposit, a copper ("**Cu**") - zinc ("**Zn**") - gold ("**Au**") - silver ("**Ag**") rich volcanic hosted massive sulphide ("**VHMS**") deposit ("**McIlvenna Bay Deposit**"), intended to be the center of a new mining camp in a prolific district that has already been producing for 100 years.

The McIlvenna Bay Project hosts the McIlvenna Bay Deposit and the Tesla Zone and comprises the infrastructure and works related to pre-development and advanced exploration activities of the Company (the "**McIlvenna Bay Project**"). The Tesla Zone lies adjacent to and approximately 300 metres north of the McIlvenna Bay Deposit (the "**Tesla Zone**").

Foran's objective is to develop the McIlvenna Bay Property based on the Company's carbon neutrality goals and targets, as part of a broader mission to create a blueprint for responsible mining that is upheld as leading practice globally. Foran is committed to creating value for all stakeholders, which includes striving to work with and support local communities, provide safe employment, ensure diversity and equality, protect biodiversity, and limit its contribution to climate change, while producing critical minerals that will enable the world to transition away from reliance on fossil fuels.

To date, the Company has not generated any revenues.

Further information regarding the business of Foran, its operations and its mineral properties can be found in the Company's most recent annual information form filed on SEDAR+ under the Company's profile at www.sedarplus.ca.

OUTLOOK FOR 2024

Surface Prep and Exploration Decline

During the year-ended December 31, 2023, total surface prep and exploration decline costs incurred on the McIlvenna Bay Project were $12.6 million, including $6.9 million on underground works and $3.7 million on water treatment. After pausing the decline development in 2022, the Company restarted the decline works in August following the receipt of the water treatment discharge permits and completion of the temporary water treatment plant construction, with approximately 58 metres advanced in 2023.

The Company plans to complete approximately 3,150 metres of development during 2024. Upon and subject to the Company reaching a full construction decision, the site operations are expected to transition from the surface prep and exploration decline permit to a construction permit later in 2024.

Early Works

Early works on the McIlvenna Bay Project continued through 2023, focused primarily on securing long lead items, procurement of surface infrastructure, and the installation of temporary and permanent construction camps.

During 2024, and in advance of a construction decision, the Company's early works program is expected to continue to focus on the following key areas:

- Commissioning of Phase 1 of the permanent camp (96 dormitories, kitchen and recreation centre);
- Commissioning of Phase 2 of the permanent camp (an additional 196 dormitories);
- Commissioning of Liquid natural gas ("**LNG**") tank farm and genset power generation;
- Commissioning of the sewage treatment plant;
- Commissioning of the potable water plant;
- Commissioning the warehouse;
- Pre-stripping of the process plant terrace;
- Relocation of administration buildings;
- Commencing construction of the underground ventilation fresh air infrastructure;
- Commencing construction of the truck shop and mine service centre; and
- Site preparation for the dry stack tailings storage facility.

Exploration

Exploration activities in 2023 were primarily focused on the expansion of the Telsa Zone and other regional targets in the Hanson Lake area. Highlights from the 2023 program included a significant expansion of the Tesla Zone and the discovery of mineralization between the Telsa Zone and the McIlvenna Bay Deposit, referred to as the Bridge Zone (the "**Bridge Zone**"). The mineralized zones intersected at the Bridge Zone appear to correlate with ore zones from the McIlvenna Bay Deposit and this drilling has also identified important stratigraphic links, which suggest that the Tesla Zone and McIlvenna Bay Deposit are likely connected by a fold and that this area may represent a target for future exploration growth.

During 2024, the Company plans to continue to focus on regional exploration of its mineral dispositions and claims and the expansion of the Tesla Zone and Bridge Zone. For 2024, the Company has budgeted for an exploration program of up to 48,700 metres of drilling, consisting of:

- Up to 20,000 metres of winter drilling on regional targets in the McIlvenna Bay Property, including the Tesla Zone and Bridge Zone.

- Up to 28,700 meters of summer drilling focused on continued expansion of the Tesla Zone and other regional targets in the Hanson Lake area during the summer months.

RECENT EVENTS AND DEVELOPMENTS

- On February 22, 2024, the Company announced initial assay results from the 2024 winter program at the Tesla Zone and Bridge Zone. Initial results from recent Tesla Zone drilling continue to confirm the continuity of mineralization along strike, currently up to 1,050m and beyond the limits of the modelled conductor. The Tesla Zone remains open in all directions for expansion with further drilling.

- On February 16, 2024, the Company filed a final short form base shelf prospectus to offer Common Shares, warrants, subscription receipts, units, debt securities and share purchase contracts, or any combination thereof, with a total offering price, in the aggregate, of up to $200 million at any time during the 25-month effective period of such base shelf prospectus. No securities have been issued under the base shelf prospectus as of the date hereof.

- On December 12, 2023, the Company closed a private placement (the "**December 2023 Offering**") for aggregate gross proceeds of $200 million. The net proceeds of the December 2023 Offering are expected to be used for exploration and development of the Company's mineral projects in Saskatchewan, and for working capital and general corporate purposes.

- On September 7, 2023, the Company announced a strategic equipment finance arrangement with Sandvik Financial Services Canada, which allows the Company to draw up to $67 million to finance certain equipment.

- On September 5, 2023, the Company announced the selection of G Mining Services Inc. ("**GMS**") as its partner in the formation of the integrated project management team for construction of the McIlvenna Bay Project, and the appointment of Gilbert Lamarche as Chief Operating Officer.

- On July 26, 2023, the Company announced that its wholly-owned subsidiary, MBO, received Ministerial Approval under *The Environmental Assessment Act* (Saskatchewan) for the McIlvenna Bay Project, which concluded the Environmental Impact Assessment process for the McIlvenna Bay Project.

- On July 17, 2023, the Company announced the signing of a Collaboration Agreement between the Peter Ballantyne Cree Nation ("**PBCN**") and Foran's wholly-owned subsidiary, MBO.

- On June 7, 2023, the Company announced that Foran's Common Shares would commence trading on the TSX at market open on June 12, 2023. Concurrent with commencement of trading on the TSX, the Common Shares were delisted and ceased trading on the TSX Venture Exchange.

- On May 11, 2023, the Company announced the appointment of Jessica McDonald and Nancy Guay to the Board of Directors. Ms. McDonald brings extensive experience in the clean energy, mining and government sectors. Ms. McDonald's career includes past leadership roles such as President and Chief Executive Officer of BC Hydro and she currently sits on the board of directors of GFL Environmental Inc. (TSX:GFL). Ms. Guay is currently the Vice President, Technology, Optimization & Innovation at Agnico Eagle Mines Ltd. and brings 25 years of experience in the mining industry with extensive technical and operational expertise.

- On May 11, 2023, the Company announced that Darren Morcombe was stepping down as Director of the Company after more than 12 years of dedicated service. During his tenure, Mr. Morcombe provided strong stewardship and played a significant role in advancing the Company to its current state. Mr. Morcombe will remain with the Company as a strategic advisor.

- On March 27, 2023, the Company closed a private placement (the "**March 2023 Offering**" and, together with the December 2023 Offering, the "**2023 Offerings**")) for aggregate gross proceeds of $100 million. The net proceeds of the March 2023 Offering have been partly used and are expected to continue to be used for exploration and development of the Company's mineral projects in Saskatchewan, and for working capital and general corporate purposes.

- On February 23, 2023, the Company announced the appointment of Majd Bakar to its Board of Directors. Mr. Bakar brings a wealth of experience and knowledge from the technology sector to Foran's Board of Directors, having spent over 20 years holding key positions at Google and Microsoft.

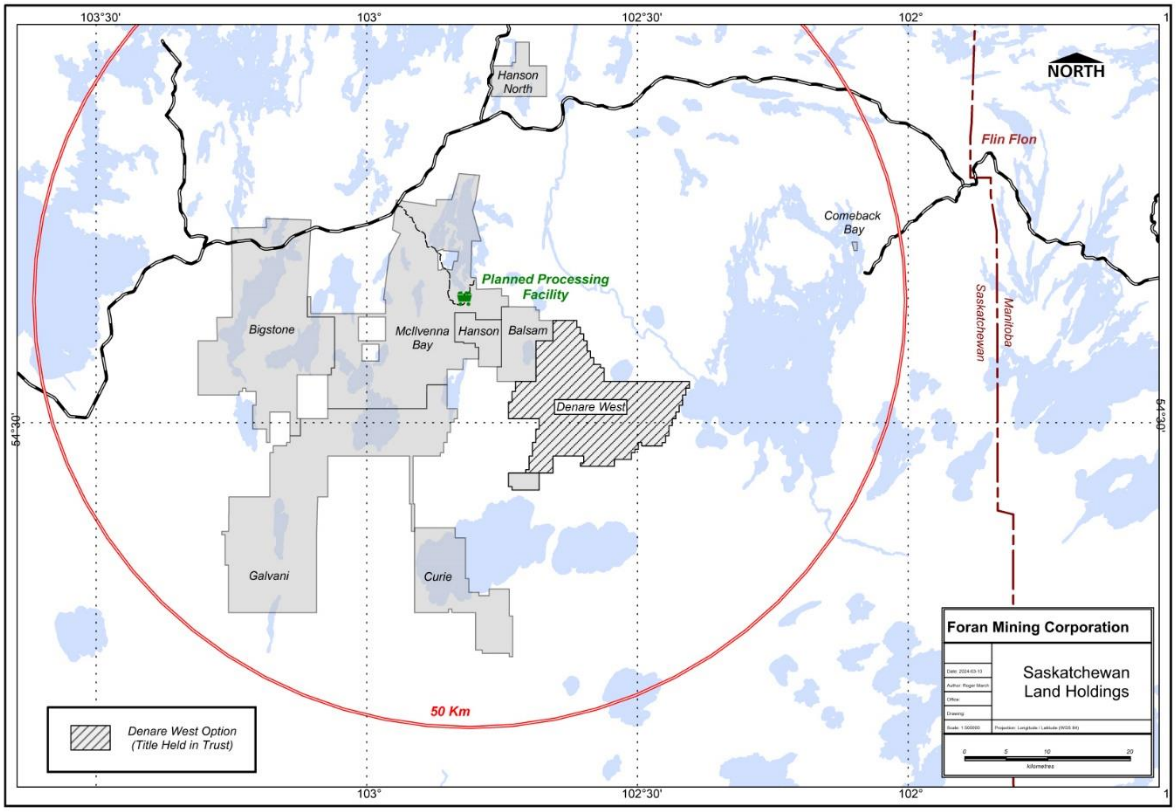
- From January 2023 to December 2023, the Company completed several drill programs encompassing over 31,783 metres of drilling, targeting the Tesla Zone, Bridge Zone and McIlvenna Bay Deposit in the McIlvenna Bay Property, and select regional targets elsewhere on the Company's properties.

MINERAL PROPERTIES

As of the date of this MD&A, the Company holds 8 properties comprising a total of 93 mining claims covering approximately 103,384 hectares ("**ha**") and also holds the Denare West property title in trust, which consists of 10 mining claims and covers approximately 21,066 ha. The properties are located between 15 and 102 km west of Flin Flon, Manitoba. All tenements are within 63 km of the McIlvenna Bay Deposit where the McIlvenna Bay Project is located.

The Company considers the following four properties to be its high priority properties: the McIlvenna Bay Property, which contains the McIlvenna Bay Deposit and the Tesla Zone; and three adjacent properties - Hanson, Balsam and Bigstone, all of which occur at the western limit of the Flin Flon Greenstone Belt. All four properties are underlain by prospective felsic volcanic stratigraphy that hosts variably significant VHMS styles of alteration and mineralization. The Comeback Bay property, also located in Saskatchewan, is of lower priority but has both precious and base metal VHMS potential within the western limit of the Flin Flon Arc Assemblage (Birch Lake Belt). The Galvani, Curie and Hanson North properties, which were recently acquired, and the Denare West Property, for which legal title was transferred to the Company to be held in trust as described below, are at an early stage of exploration maturity, but are expected to have the potential to host significant precious and base metal VHMS occurrences.

On November 20, 2023 the Company entered into an option agreement with Purepoint Uranium Group Inc. ("**Purepoint**"), which granted the Company the option to acquire up to a 100% beneficial interest in the Denare West property (the "**Denare West Option**") in stages by incurring certain exploration expenditures over a six-year period and, in respect of the final stage, making a final payment and granting a 2% net smelter returns royalty (the "**Purepoint NSR**") to Purepoint. In the event of the exercise of Foran's options to acquire 100% beneficial interest in Denare West, Foran has a further multi-stage option to buy back the Purepoint NSR. The Company holds title to the Denare West property in trust on its own behalf and on behalf of Purepoint.



Further details on the Company's significant properties are as follows:

MCILVENNA BAY PROPERTY

The Company, through its wholly-owned subsidiary MBO, has a 100% interest in the McIlvenna Bay Property, which consists of 44 claims covering a total of 29,418 ha and is located in east central Saskatchewan. The McIlvenna Bay Deposit is located on the McIlvenna Bay Property, approximately one km south of Hanson Lake, Saskatchewan, 375km northeast of Saskatoon, Saskatchewan and 65km west south-west of Flin Flon, Manitoba. The McIlvenna Bay Deposit is linked to Flin Flon, Manitoba by 85km of highway followed by 18km of unsealed secondary road.

The McIlvenna Bay Deposit was discovered in 1988 and includes two distinct styles of VHMS mineralization which include massive to semi-massive sulphides and copper stockwork. Since 2011, the Company has been working to advance the McIlvenna Bay Deposit through continued exploration, resource definition and environmental and engineering studies.

Parts of the McIlvenna Bay Property are subject to a Net Tonnage Royalty, held by Voyageur Mineral Explorers Corp., of $0.75 per tonne of ore extracted. Cameco Corporation and BHP Billiton collectively hold an additional 1% Net Smelter Return royalty interest on parts of the McIlvenna Bay Property, which can be repurchased by the Company at any time for $1 million.

The claims that comprise the McIlvenna Bay Property are in good standing for periods between 2 and 21 years as of the date hereof.

2023 Activity

During 2023, drilling at the McIlvenna Bay Property primarily focused on three areas: expansion of the Tesla Zone near the McIlvenna Bay Deposit, exploration of the Bridge Zone between the Tesla Zone and the McIlvenna Bay Deposit and approximately 4,947 metres of infill drilling at the McIlvenna Bay Deposit.

Tesla Zone

The Tesla Zone lies adjacent to the McIlvenna Bay Deposit and was discovered during the 2022 summer program while drill testing a 900 metre long by 300 metres wide electromagnetic conductor ("**EM**"), located 300 metres north of the McIlvenna Bay Deposit.

During Q4 2023, the Company completed approximately 3,403 metres of land-based drilling utilizing directional drilling technologies on the Tesla Zone.

For 2023, the Company completed 20,191 metres of drilling targeting the Tesla Zone and the Higgs target located northeast of Tesla (which intersected Telsa mineralization). Drilling for the twelve months ended December 31, 2023 continued to intersect significant widths of copper and zinc-rich sulphide mineralization and expanded the strike length of the zone to over 870 metres and at least 300 metres in the downdip direction.

Key highlights from the Tesla Zone for 2023 include:

- Hole TS-23-10:
  - 39.0m grading 2.86% Cu, 0.88% Zn, 41.4 g/t Ag and 0.74 g/t Au, including 11.2m grading 4.97% Cu, 1.72% Zn, 60.2 g/t Ag and 1.26 g/t Au;
  - 5.9m grading 0.54% Cu, 7.18% Zn, 24.9 g/t Ag and 0.16 g/t Au, including 1.4m grading 0.22% Cu, 13.67% Zn, 20.8 g/t Ag and 0.09 g/t Au;
  - 3.5m grading 6.47% Cu, 1.49% Zn, 86.5 g/t Ag and 0.03 g/t Au, including 2.11m grading 9.95% Cu, 0.99% Zn, 127.8 g/t Ag and 0.04 g/t Au.

- Hole TS-23-12:
  - 44.0m grading 1.08% Cu, 5.09% Zn, 32.3 g/t Ag and 0.39 g/t Au, including 21.1m grading 1.28% Cu, 8.22% Zn, 40.1 g/t Ag and 0.38 g/t Au
  - 11.9m grading 0.84% Cu, 9.17% Zn, 46.4 g/t Ag and 0.36 g/t Au, including 6.0m grading 0.86% Cu, 11.36% Zn, 52.7 g/t Ag and 0.40 g/t Au.

- Hole HG-23-01 (which expanded the Tesla Zone footprint by 120m along strike and 200m downdip)
  - 4.5m grading 2.69% Cu, 3.14% Zn, 35.4 g/t Ag and 0.73 g/t Au
  - 24.3m grading 0.56% Cu, 5.38% Zn, 25.5 g/t Ag and 0.59 g/t Au, including 5.6m grading 0.48% Cu, 10.69% Zn, 2.1 g/t Ag and 0.16 g/t Au

The proximity of the Tesla Zone to the McIlvenna Bay Deposit suggests that a potential future mining scenario could benefit from economies of scale with the existing and planned infrastructure of the McIlvenna Bay Project.

Bridge Zone

The Bridge Zone consists of mineralization between the Telsa Zone and the McIlvenna Bay Deposit.

During 2023, the Company completed 4,209 metres of drilling at the Bridge Zone. The 2023 drilling intersected important marker horizons within the stratigraphy in the Bridge Zone area that suggest a connection between the McIlvenna Bay Deposit and the Tesla Zone, and also successfully intersected significant sulphide mineralization in several zones that correlate well with the currently defined ore zones in the McIlvenna Bay Deposit. These results suggest that there is likely a genetic link between the Tesla

Zone and the McIlvenna Bay Deposit and that the current geometry may be the result of post-mineral folding.

Key highlights from the Bridge Zone drilling include:

- Hole MB-23-289:
    - 13.0m 0.87% Cu, 4.83% Zn, 39.9 g/t Ag and 0.17 g/t Au, including 1.7m grading 1.12% Cu, 12.65% Zn, 40.0 g/t Ag and 0.24 g/t Au
    - 3.3m grading 0.44% Cu, 5.27% Zn, 23.2 g/t Ag and 0.24 g/t Au

- Hole MB-23-289w2:
    - 26.1m grading 1.67% Cu, 1.60% Zn, 25.2 g/t Ag and 0.004 g/t Au, including 2.4m grading 4.65% Cu, 4.57% Zn, 54.9 g/t Ag and 0.01 g/t Au

The results drilled to date at the Bridge Zone suggest that this area may be of importance for potential exploration growth as exploration continues to focus on growing the McIlvenna Bay Deposit.

Other Regional Targets

For the full year and Q4 2023, the Company completed a 1,733 metre drill program, targeting additional EM conductors outside of the Tesla Zone.

Surface Prep and Exploration Decline

During Q4 2023, decline development activities were focused on progressing below the sandstone horizon. Over the quarter, approximately 52 metres were advanced and the Company expects that development rates will increase now that development has successfully transitioned through the sandstone horizon.

Total costs incurred during Q4 2023 were $6.5 million, which primarily related to additional ground support requirements in the extended sandstone horizon as well as water treatment plant winterization and operation. For 2023, the Company incurred $12.6 million of costs, primarily relating to re-establishing the decline operations after dewatering, mining costs through the sandstone layer and water treatment.

Detailed Engineering

During Q4 2023, detailed engineering and procurement services continued in relation to surface mineral processing facilities and associated support infrastructure including the truck shop and mine service centre, the optimization of the process plant and the administrative building. In addition, during the quarter, the tailings storage facility design and engineering was completed and submitted for internal review and permit to construct documentation was prepared for submission.

At the end of 2023, and as a result of a review of work performed to date and adjustment to the scope, the GMS contract has progressed through approximately 34% of the project's detailed engineering. The paste plant engineering, currently performed by Patterson & Cooke, has progressed approximately 62%.

Early Works

During Q4 2023, the Company procured the following significant work packages:

- Earthworks and clearing;
- Aggregate production;
- Potable and sewage water treatment plants;
- Paste live bottom feeders, filter press and flush pump; and
- LNG gensets and emergency diesel generators for on-site power generation.

During 2023, the Company made progress on certain key project milestones including:

- Successful commissioning of temporary mine water treatment plant;
- Permanent camp installation;
- Truck shop pad excavation; and
- Production of construction aggregates.

The Definition Phase of the 110kV high voltage transmission line was expanded in December 2023 to include support of ongoing indigenous engagement, geotechnical investigations and continuation of engineering and procurement activities. Continued collaboration on establishing a construction agreement between Foran and SaskPower is ongoing.

During Q4 2023, the Company made $2.0 million in payments for deposits on equipment from Sandvik Mining and Construction Canada Inc. ("**Sandvik**"), expected to be delivered in 2024.

During Q4 2023, the Company had accumulated over 100,000 person hours with zero reportable health and safety incidents.

Community and Permitting

During Q4 2023, the Company finalized certain permits including preliminary earthworks, drainage systems, water rights and scaling plan.

During 2023, the Company signed a landmark Collaboration Agreement with the Peter Ballantyne Cree Nation (PBCN), an integral partner of the McIlvenna Bay Project. The Collaboration Agreement outlines certain responsibilities and requirements in respect of education, training, sustainable growth, and financial and economic benefits to further empower the PBCN community.

On July 26, 2023, the Company announced that its wholly-owned subsidiary, MBO, received Ministerial Approval under *The Environmental Assessment Act* (Saskatchewan) for the McIlvenna Bay Project. The approval concluded the Environmental Impact Assessment process for the McIlvenna Bay Project and enables the Company to progress with addressing required conditions and securing necessary approvals to construct and operate prior to entering into full construction.

BIGSTONE PROPERTY

The Company holds a 100% interest in the Bigstone property, which consists of 22 claims totaling approximately 24,578 ha (the "**Bigstone Property**") and is located approximately 85 km west of Flin Flon, Manitoba. The Bigstone Property is oriented north-south and covers roughly 20 km of prospective volcanic stratigraphy. Some of the claims that comprise the Bigstone Property are subject to a 2% NSR Royalty. The claims comprising the Bigstone Property are in good standing for a period of between 6 and 21 years as of the date hereof.

On January 21, 2021, the Company announced the filing of a NI 43-101 compliant mineral resource estimate (the "**Bigstone Technical Report**") at the Bigstone Property (the "**Bigstone Deposit**"). The Bigstone Technical Report was subsequently amended and restated on February 1, 2022 to clarify and correct certain portions of the report, which changes did not materially change any of the previous disclosures made by the Company in the initial Bigstone Technical Report. This represents the second NI 43-101 compliant mineral resource defined by Foran within the Hanson Lake District and could be a contributor to a potential long-life mining camp that may be developed in the region. Indicated mineral resources are estimated at 1.98 Mt grading 2.22% CuEq and inferred mineral resources are estimated at 1.88 Mt grading 2.14% CuEq.

During 2023, the Company completed 703 metres of drilling on regional exploration targets on the Bigstone Property, focusing on EM conductors to the north of the Bigstone Deposit.

OVERALL PERFORMANCE

SELECTED FINANCIAL INFORMATION

Expressed in thousands of Canadian dollars, except share information	December 31, 2023	December 31, 2022	December 31, 2021
Revenue	**Nil**	**Nil**	**Nil**
Net loss	**13,623**	**9,788**	**4,363**
Net loss per share (basic and diluted)	**0.05**	**0.04**	**0.02**
Dividends declared per share	**Nil**	**Nil**	**Nil**
Cash and cash equivalents	266,487	87,322	83,996
Exploration and evaluation assets	258,081	140,812	87,654
Total assets	**542,489**	**236,734**	**174,894**
Accounts payable and accrued liabilities	30,184	8,902	9,619
Flow-through share premium liability	7,084	-	-
Share-based payment liabilities	7,660	5,210	3,330
Total non-current liabilities	39,256	34,321	812
Total liabilities	**84,428**	**49,033**	**14,539**

The Company's total assets as at December 31, 2023 were $542.5 million compared to $236.7 million as at December 31, 2022, an increase of $305.8 million. The increase in assets is explained below:

- Cash and cash equivalents: The increase from December 31, 2022 relates to the 2023 Offerings which, net of transaction costs, amount to approximately $289.5 million. Certain of the net proceeds were subsequently spent on exploration and evaluation expenditures and general and administrative expenses.

- Exploration and evaluation assets: The increase from December 31, 2022 was primarily a result of the Company's 2023 work program on its McIlvenna Bay Property. The most significant costs were early works costs at $50.5 million, detailed engineering costs of $12.9 million, surface prep and exploration decline costs of $12.6 million and drilling costs of $12.0 million.

The Company's total liabilities as at December 31, 2023 were $84.4 million compared to $49.0 million as at December 31, 2022, an increase of $35.4 million. The increase in liabilities is explained below:

- Accounts payable and accrued liabilities: The increase from December 31, 2022 was primarily a result of the increased activity at the McIlvenna Bay Project and timing of payments. The most significant accrued liabilities related to the early works program.

- Flow-through share premium liability: The increase from December 31, 2022 was due to the Company issuing Common Shares on a flow-through basis for gross proceeds of $35.0 million as part of the 2023 Offerings. The flow-through share premium liability will be amortized to other income as qualifying exploration expenditures are incurred by the Company.

- Share-based payment liabilities: The increase from December 31, 2022 was due to the issuance of deferred share units ("**DSUs**") to the Company's CEO and previous Executive Director in accordance with the Company's long-term incentive plan ("**LTIP**"), a reclassification of the restricted share units ("**RSUs**") obligation from equity to liabilities due to a modification to the terms of the RSUs, and the appreciation of the Company's share price during the twelve months ended December 31, 2023.

In order to maximize ongoing exploration and pre-development efforts, the Company has not paid, and does not currently intend to pay, dividends.

RESULTS OF OPERATIONS

Expressed in thousands of Canadian dollars	Three months ended December 31,		Twelve months ended December 31,		
	2023	2022	2023	2022	2021
Consulting	$ 3,583	$ 693	$ 4,971	$ 1,248	$ 428
Depreciation	-	-	-	58	98
Directors' fees	54	180	233	367	201
Investor relations	74	137	666	440	484
Office and administration	456	309	1,621	1,094	448
Professional fees	254	105	827	911	883
Salaries and benefits	1,647	1,173	3,287	2,569	907
Share-based payment expense	1,589	1,957	6,004	3,789	5,442
Total general and administration expenses	**$ 7,657**	**$ 4,554**	**$ 17,609**	**$ 10,476**	**$ 8,891**
Other (income) expense	$ (1,753)	$ (111)	$ (3,986)	$ (688)	$ (5,201)
Total other (income) expenses	**$ (1,753)**	**$ (111)**	**$ (3,986)**	**$ (688)**	**$ (5,201)**

Three months ended December 31, 2023 compared to 2022:

Details of the expenses and other items are as follows:

- Consulting fees: The increase in consulting fees was primarily related to corporate advisory services and short-term incentive payments made to the CEO and certain consultants in accordance with their consulting agreements.

- Salaries and benefits: The increase in salaries and benefits was primarily related to the hiring of officers as the Company's operations expanded.

- Share-based payment expense: The decrease in share-based payment expense was primarily due to the issuance of share-based compensation in 2022 to certain key management personnel in accordance with the Company's LTIP and a greater increase in non-cash revaluation of the outstanding DSUs in 2022. This was partially offset by an increase in the RSU expense due to a modification to the terms of the RSUs in 2023.

- Other income: The increase in other income was primarily due to the recognition of the flow-through share premium.

Twelve months ended December 31, 2023 compared to 2022:

Details of the expenses and other items are as follows:

- Consulting fees: The increase in consulting fees was primarily related to corporate advisory services and short-term incentive payments made to the CEO and certain consultants in accordance with their consulting agreements.

- Office and administration: The increase in office and administration costs was primarily related to increased corporate travel and software costs.

- Salaries and benefits: The increase in salaries and benefits was primarily related to the hiring of officers as the Company's operations expanded.

- Share-based payment expense: The increase in share-based payment expense was due to the issuance of share-based compensation to certain key management personnel in accordance with the Company's LTIP, increase in the RSU expense due to a modification to the terms of the RSUs and the non-cash revaluation of outstanding DSUs and RSUs as a result of the Company's share price increasing from $2.99 per share on December 31, 2022 to $3.90 per share on December 31, 2023.

- Other income: The increase in other income was primarily due to the recognition of the flow-through share premium and increase in interest income, partly offset by an increase in interest expense associated with the Senior Credit Facility.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited financial data for the last eight quarters which have been derived from the financial records of the Company.

The Company has increased its activity significantly throughout 2022 and 2023 and is in the midst of an early works program, constructing an exploration decline and related surface preparation at its McIlvenna Bay Project. The fourth quarter of 2022 and 2023 includes a Board approved bonus accrual and has increased year over year as a result of the addition of senior executives.

(Expressed in thousands of Canadian dollars, except share information)	Q4, 2023	Q3, 2023	Q2, 2023	Q1, 2023
Revenue	Nil	Nil	Nil	Nil
General and administration expenses	7,657	2,985	1,926	5,041
Other (income) and expenses	(1,753)	(1,581)	(1,683)	1,031
Net loss for the period	5,904	1,404	243	6,072
Net loss per share (basic and diluted)	0.02	0.01	0.00	0.02
Weighted average shares outstanding (basic and diluted)	294,940,856	284,446,529	283,771,906	258,448,021

(Expressed in thousands of Canadian dollars, except share information)	Q4, 2022	Q3, 2022	Q2, 2022	Q1, 2022
Revenue	Nil	Nil	Nil	Nil
General and administration expenses	4,554	1,793	1,041	3,088
Other (income) and expenses	(111)	(187)	(288)	(102)
Net loss for the period	4,443	1,606	753	2,986
Net loss per share (basic and diluted)	0.02	0.01	0.00	0.01
Weighted average shares outstanding (basic and diluted)	252,715,354	239,836,305	239,197,794	237,998,069

CASH FLOWS

Three months ended December 31, 2023 compared to 2022:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, increased by $160.8 million during the three months ended December 31, 2023, to $266.5 million, from $105.1 million as at September 30, 2023. The increase was primarily a result of the December 2023 Offering, partially offset by $32.7 million of cash used in investing activities.

The $1.1 million of cash used in operating activities consisted of a $5.9 million net loss, partially offset by a $4.6 million change in working capital and $0.2 million of items not involving cash.

The $32.7 million of cash used in investing activities consisted primarily of exploration and evaluation expenditures, primarily related to early works at the McIlvenna Bay Property.

The $194.5 million of cash provided by financing activities consisted primarily of net cash of $194.5 million received from the December 2023 Offering.

Twelve months ended December 31, 2023 compared to 2022:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, increased by $178.7 million during the twelve months ended December 31, 2023, to $266.5 million, from $87.3 million as at December 31, 2022. The increase was primarily a result of the 2023 Offerings, partially offset by $105.4 million used in investing activities.

The $6.3 million of cash used in operating activities consisted of a $13.6 million net loss, partially offset by a $2.1 million change in working capital and $5.2 million of items not involving cash.

The $105.4 million of cash used in investing activities consisted primarily of exploration and evaluation expenditures, primarily related to early works at the McIlvenna Bay Property.

The $290.4 million of cash provided by financing activities consisted primarily of net cash of $289.5 million received from the 2023 Offerings.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure there is sufficient working capital to fund near-term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity. The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations.

Operational activities have been funded to date through debt financing and the issuance of share capital by way of private placements and stock option and warrant exercises. As at December 31, 2023, the Company had current assets in excess of current liabilities of $225.6 million (December 31, 2022: $73.7 million).

Restricted Cash

On June 22, 2022, the Company obtained a $14,910 surety bond to secure possible future reclamation and closure obligations in accordance with the approval to operate permit for the Company's advanced exploration decline program at its McIlvenna Bay Project. In turn, the surety bond is secured by restricted cash in the amount of $4,287. See "*Off-Balance Sheet Arrangements*" for further details.

Credit Facilities

<u>Senior Credit Facility</u>

On December 20, 2022, the Company entered into a senior secured project credit facility with MBO, as borrower, the Company, as guarantor, Sprott Resource Lending Corp., as lead arranger, and Sprott Private Resource Lending III (Collector-1), LP, as lender (the "**Senior Credit Facility**"), with the following key terms:

- US$150 million non-revolving facility with a maturity date of September 30, 2030.

- Interest shall accrue at a floating rate of 6.95% per annum plus the greater of the Term 3 Month Secured Overnight Financing Rate ("SOFR") and 2.00% per annum. Interest costs may be deferred and capitalized until the end of the Availability Period, which is to be either 18 months following the Company meeting certain drawdown conditions or June 30, 2025, whichever is earlier. After the Availability Period ceases, any remaining undrawn funds may, at the lender's discretion, be deposited into a blocked proceeds account, which would be available to the Company subject to certain conditions.

- Quarterly principal repayments will commence on June 30, 2026, in the amount of 4% of the outstanding principal balance at each repayment date.

- The Company may elect to prepay the outstanding principal amount in whole, including all accrued interest, at any time subsequent to December 20, 2025 (the "**Voluntary Prepayment Option**"). The Company would incur a premium of between 3% - 4% of the total amount prepaid in exercising the Voluntary Prepayment Option on or before December 20, 2027, and a 0% premium thereafter.

- The Company's obligations under the Senior Credit Facility are guaranteed by the realizable value of the Company's assets. In addition, the Company is expected to maintain compliance with specified covenants (including financial covenants). The Company was in compliance with all covenants contained in the Senior Credit Facility as at December 31, 2023.

As at December 31, 2023 and December 31, 2022, the Company has drawn US$29.5 million of principal and accumulated US$3.9 million of capitalized interest.

Equipment Finance Facility

On September 7, 2023, the Company announced it secured an equipment finance arrangement ("**Equipment Finance Facility**") with Sandvik Financial Services Canada. The Equipment Finance Facility is intended to cover the initial battery electric vehicle mining fleet and essential components such as charging stations and batteries provided by Sandvik, to be used for the continued exploration, development and operation of the McIlvenna Bay Project. The Equipment Finance Facility contains the following key terms:

- Up to $67 million in draws, which will be initiated, at the Company's election, as equipment is delivered to the project site.

- Interest shall accrue at a fixed rate of 3.20% per annum plus the 5-year Canadian overnight index swap rate at the date of the draw.

- Interest and principal repayments on drawn amounts will commence immediately over a 60-month period.

As at December 31, 2023, the Company had drawn nil of the Equipment Finance Facility and as of the date hereof, the Company has drawn approximately $1.3 million on the Equipment Finance Facility.

Share capital

The Company is authorized to issue an unlimited number of Common Shares, non-voting shares and preference shares, each with no par value.

The rights, privileges, restrictions and conditions of the non-voting shares are identical to those of the Common Shares, except that the non-voting shares will not entitle the holder thereof to vote at a shareholder's meeting and that the non-voting shares may be converted, under certain conditions at the option of the holder, on a one-to-one basis into Common Shares. Once a non-voting share is converted into a Common Share, it shall have all the rights and privileges that attach to the Common Shares.

Private placement financing

On March 27, 2023, the Company completed the March 2023 Offering whereby an aggregate of 24,687,300 Common Shares were issued for gross proceeds of $100.0 million. The Company issued 20,270,300 Common Shares at a price of $3.70 per share for gross proceeds of $75.0 million and 4,417,000 Common Shares on a flow-through basis at a price of $5.66 per flow-through share for gross proceeds of $25.0 million. Share issue costs totaled approximately $5.0 million.

As a result of subscribers paying a premium for the flow-through shares, the Company allocated $8.7 million of the gross proceeds of the flow-through shares to the flow-through share premium liability and the remaining $16.3 million to share capital.

The anticipated use of the $95.0 million net proceeds of the March 2023 Offering as described below is based on the best estimates prepared by management of the Company.

Expressed in thousands of Canadian dollars	Anticipated use of net proceeds	Expenditures to December 31, 2023	Remaining as at December 31, 2023
Pre-construction & development	60,000	52,688	7,312
Exploration & studies	25,000	14,923	10,077
Corporate administration	10,029	6,068	3,961
Total expenditure	$ 95,029	$ 73,679	$ 21,350

On December 12, 2023, the Company completed the December 2023 Offering whereby an aggregate of 47,913,000 Common Shares were issued for gross proceeds of $200.0 million. The Company issued 46,350,000 Common Shares at a price of $4.10 per share for gross proceeds of $190 million and 1,563,000 Common Shares on a flow-through basis at a price of $6.40 per flow-through share for gross proceeds of $10 million. Share issue costs totaled approximately $5.5 million.

As a result of subscribers paying a premium for the flow-through shares, the Company allocated $3.6 million of the gross proceeds of the flow-through shares to the flow-through share premium liability and the remaining $6.4 million to share capital.

The anticipated use of the $194.5 million net proceeds of the December 2023 Offering as described below is based on the best estimates prepared by management of the Company.

Expressed in thousands of Canadian dollars	Anticipated use of net proceeds	Expenditures to December 31, 2023	Remaining as at December 31, 2023
Pre-construction & development	165,000	-	165,000
Exploration & studies	10,000	-	10,000
Corporate administration	19,519	-	19,519
Total expenditure	$ 194,519	$ -	$ 194,519

The $100.0 million private placement (the "**Fairfax Placement**") in 2021 with Fairfax contained restrictions on the conversion of the 27,777,778 non-voting shares issued to Fairfax. Such non-voting shares can only be converted to Common Shares upon a change of control event or upon disposal of the non-voting shares by Fairfax. The proceeds from the Fairfax Placement have been largely spent on the surface preparation and exploration decline, early works and exploration activities.

The Company's McIlvenna Bay Project is evolving and not all of the development steps and associated costs are established at this time. In addition, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The Company will update the use of the funds and the particular application of these funds in future MD&A's.

The Company's financial success is dependent on its ability to discover and advance economically viable mineral deposits. The exploration, development, and operation of the Company's properties are expected to require additional financing, the availability of which is subject to several factors, many of which are beyond the Company's control. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future, therefore, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. See "RISKS AND UNCERTAINTIES" for further information.

TABLE OF CONTRACTUAL OBLIGATIONS

The Company enters into contracts that give rise to commitments in the normal course of business. The following table summarizes the contractual cash flows of the Company's financial liabilities and contractual obligations shown in contractual undiscounted cash flows, at December 31, 2023:

Expressed in millions of Canadian dollars		Total	Due in less than one year	Due in one to three years	Due in four to five years	Due after five years
Accounts payable and accrued liabilities	$	30.2	30.2	-	-	-
Leases	$	0.6	0.6	-	-	-
Credit Facilities	$	45.4	-	5.2	11.2	29.0

As at December 31, 2023, the Company is required to spend $20.1 million of qualifying exploration expenditures by December 31, 2024 to satisfy the remaining flow-through share premium liability of $7.1 million.

OFF-BALANCE SHEET ARRANGEMENTS

On June 22, 2022, the Company obtained a $14.9 million surety bond (the "**Surety Bond**") from Trisura Guarantee Insurance Company ("**Trisura**") in favour of the Saskatchewan Ministry of Environment to secure possible future reclamation and closure obligations in accordance with the approval to operate permit for the Company's advanced exploration decline program at its McIlvenna Bay Project. The Surety Bond is in turn secured by an irrevocable standby letter of credit (the "**LC**") in the amount of $4.3 million issued on June 15, 2022 by the Bank of Montreal with the Company, as applicant, and Trisura, as beneficiary. In the event that the Surety Bond or LOC were terminated, the Company would need to obtain alternative credit sources to, in the case of the Surety Bond, secure the Company's reclamation and closure obligations and, in the case of the LOC, secure the Surety Bond.

As at the date of this MD&A, other than as disclosed herein, the Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company's related party transactions for the three and twelve months ended December 31, 2023 and 2022 were as follows:

Expressed in thousands of Canadian dollars	Three months ended December 31,				Twelve months ended December 30,			
		2023		2022		2023		2022
Short-term benefits[(1)]	$	1,838	$	1,308	$	3,330	$	2,361
Directors' fees[(2)]		54		180		233		367
Share-based payments[(3)]		1,467		761		5,583		2,781
Total	$	3,359	$	2,249	$	9,146	$	5,509

1. Short-term benefits consisted of salaries and bonuses for key management personnel and fees paid to Gorilleo Advisors Limited, a company controlled by the CEO.
2. Directors' fees consist of cash retainers paid to the directors.
3. Share-based payment expense consists of RSUs, DSUs and stock options granted to key management personnel.

SHARE CAPITAL

As at the date of this MD&A, the Company had the following securities issued and outstanding:

- 305,088,481 Common Shares
- 27,777,778 non-voting shares
- Nil preference shares
- 17,554,168 stock options exercisable for Common Shares
- 5,714,285 warrants exercisable for Common Shares
- 1,867,375 deferred shares units convertible into Common Shares
- 444,167 restricted shares units convertible into Common Shares

PROPOSED TRANSACTIONS

Ontario Teachers' Pension Plan Investment

Following the closing of the December 2023 Offering, on December 12, 2023 the Company announced that it does not intend to proceed with the non-binding proposed transaction with Ontario Teachers' Pension Plan Board that was previously announced by the Company in its press release on August 8, 2022.

CRITICAL ACCOUNTING ESTIMATES

In preparing the accompanying consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. All estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Areas requiring estimates that have the most significant effect on the amounts recognized in the consolidated financial statements are:

Stock option expense

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Decommissioning obligations

Decommissioning obligations are measured based on the present value of estimated future costs. Such estimates require extensive estimates about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations, and remediation practices.

Further information about critical judgements and estimates in applying accounting policies in the condensed consolidated interim financial statements are the same as those described in the consolidated annual financial statements for the year ended December 31, 2023.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**"), has evaluated the design of the Company's disclosure controls and procedures. Based on the results of that evaluation, the Company's CEO and CFO have concluded that, as of December 31, 2023, the Company's disclosure controls and procedures framework provides reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. The design of any system of controls and procedures is based in part upon certain assumptions about the likelihood of future events. Therefore, even those systems determined effective can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Changes in Internal Control over Financial Reporting

Management, including the CEO and CFO, have evaluated the Company's internal controls over financial reporting to determine whether any changes occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. During the twelve months ended December 31, 2023 there have been no significant changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Under the supervision and with the participation of management, including the CEO and CFO, management will continue to monitor and evaluate the design and effectiveness of its internal controls over financial reporting and disclosure controls and procedures, and may make modifications from time to time as considered necessary.

FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 11 of the Company's consolidated financial statements for the year ended December 31, 2023.

RISKS AND UNCERTAINTIES

The exploration, development and mining of natural resources are highly speculative in nature and are subject to significant risks. Besides the risks discussed below and elsewhere in this MD&A, there are other risks and uncertainties that have affected the Company's consolidated financial statements or that may affect them in the future. The risks described in this MD&A are not the only ones facing the Company. For a more comprehensive discussion of other risks affecting or that could potentially affect the Company, see "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2023 available on SEDAR+ under the Company's profile.

The Company is heavily reliant on the McIlvenna Bay Property

The Company's exploration and development activities at the McIlvenna Bay Property and nearby, non-material properties accounted for much of the Company's operations in 2023 and is anticipated to continue to account for the majority of the Company's operations in 2024. Any adverse conditions affecting exploration or development at the McIlvenna Bay Property may have a material adverse effect on the Company and could materially and adversely affect the potential future mineral resource production, profitability, financial performance and results of operations of the Company. At this time, other project assets are presently not seen as contributing significantly to perceived shareholder value.

The Company has a history of losses and may not be able to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis

The Company has no history of revenue or earnings from operations. The Company's property interests are in the exploration and pre-development stage and no cash flow or operating revenues are anticipated until one of the Company's projects comes into production, which may or may not occur. There is no assurance that any of the Company's property interests will generate earnings, operate profitably or provide a return on investment in the future. The Company has had negative cash flow since the date of its incorporation and is subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The Company expects to continue to expend substantial financial and other resources on exploration and development of the McIlvenna Bay Property. These investments may not result in revenue or growth in the business. If the Company cannot eventually earn revenue at a rate that exceeds the costs associated with its business, it will not be able to achieve or sustain profitability or generate positive cash flow on a sustained basis and its revenue growth rate may decline. If the Company fails to eventually earn revenue, its business, results of operations, financial condition and prospects could be materially adversely affected.

Financial instrument risk

From time to time, the Company may use certain financial instruments to manage the risks associated with changes in copper, zinc and other metal prices and interest rates. The use of financial instruments involves certain inherent risks including, among other things: (i) credit risk, the risk of default on amounts owing to the Company by the counterparties with which the Company has entered into such transaction; (ii) market liquidity risk, the risk that the Company has entered into a position that cannot be closed out quickly, either by liquidating such financial instrument or by establishing an offsetting position; (iii) unrealized mark-to-market risk, the risk that, in respect of certain financial instruments, an adverse change in market prices for commodities, currencies or interest rates will result in the Company incurring an unrealized mark-to-market loss in respect of such derivative products. Volatility of external factors beyond the Company's control may result in substantial and permanent losses. Furthermore, to adequately reduce these risks to acceptable levels, available investment alternatives may result in limited or no return on these assets and any derivative which may be acquired in an attempt to mitigate these risks may be ineffective.

Financial assets and liabilities consist of cash and cash equivalents, accounts and other receivable, investments, restricted cash, accounts payable and accrued liabilities, the Senior Credit Facility and the Equipment Finance Facility, and embedded derivatives. It is management's opinion that the Company is not exposed to significant credit risks arising from these financial assets as all cash and cash equivalents are held at reputable Canadian institutions and the accounts receivable amounts are due from Canadian governmental agencies.

The Company is exposed to risks related to mineral resources exploration and development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return of investment capital.

The 2022 Feasibility Study prepared in respect of the McIlvenna Bay Deposit was favourable, however, development will follow only if the assessment of the results of the 2022 Feasibility Study justifies such development and sufficient project financing can be secured. The Company may undertake further advanced exploration and pre-development work that could further test the McIlvenna Bay Deposit, however, the business of exploration for minerals and development of mines involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial ore bodies, other than as outlined in the 2022 Feasibility Study based on the inputs and assumptions therein. Furthermore, whether a mineral deposit, including the McIlvenna Bay Deposit, will be commercially viable depends on a number of factors, including, but not limited to: (i) the particular attributes of the deposit, such as size, grade, metallurgy and proximity to infrastructure; (ii) metal prices which are highly cyclical; (iii) the cost of operations and processing equipment; (iv) metal recovery rates; (v) variations of the tonnage and grade of ore mined; (vi) the proximity and capacity of milling and smelting facilities; (vii) the availability and cost of skilled labour; and (viii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, allowable production, importing and exporting of minerals and environmental protection. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors, including but not limited to the foregoing factors. Substantial expenditures are required to establish reserves through drilling, identify the appropriate metallurgical processes to extract metal from ore, and develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The Company is subject to government regulation and failure to comply could have an adverse effect on the Company's operations

The current and future operations of the Company, from exploration through development activities and commercial production, if any, are and will be governed by laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of governmental authorities and there can be no assurance that the Company will be successful in obtaining all required permits. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations. Further, there can be no assurance that all permits which the Company may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Company may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Company is not currently covered by any form of environmental liability insurance. Existing and possible future laws, regulations and permits governing operations and activities of exploration and pre-development companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in exploration or pre-development activities.

Interest rate risk

Increases to benchmark interest rates may have an impact on the Company's cost of borrowing under the Senior Credit Facility, Equipment Finance Facility and any debt financing the Company may negotiate, resulting in reduced amounts available to fund the Company's exploration and development activities and could negatively impact the market price of its Common Shares and/or the price of copper, zinc or other metals, which could have a material adverse effect on the Company's operations and financial condition.

Market and liquidity risk

There can be no assurance that an active market for the Common Shares will be sustained and any increased demand to buy or sell the Common Shares can create volatility in price and volume. Securities of small and mid-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include but are not limited to global economic developments and market perceptions of the attractiveness of certain industries. The price per Common Share is also likely to be affected by change in metal prices, the Canadian dollar, other currencies, or in the Company's financial condition or results of operations as reflected in its quarterly and annual filings. Other factors unrelated to the performance of the Company that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to subscribers concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company’s securities, lessening in trading volume and general market interest in the Company’s securities may affect a subscriber’s ability to trade significant numbers of Common Shares, the size of the Company’s public float may limit the ability of some institutions to invest in the Company’s securities, and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company’s securities to be delisted from the exchange, further reducing market liquidity. If an active market for the Common Shares does not continue, the liquidity of a shareholder’s investment may be limited and the price of the Common Shares may decline. If such a market does not develop, shareholders may lose their entire investment in the Common Shares.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management’s attention and resources.

Risks related to wildfires and other extreme weather events

The Company’s flagship McIlvenna Bay Project is located in east-central Saskatchewan, an area of Canada which carries a heightened risk of wildfires. Wildfires, as well as other extreme weather events, could have a material adverse effect on the Company in various ways, including by provoking evacuations of the areas in which its mineral projects are situated, by closing, damaging or destroying government infrastructure necessary for accessing, developing and operating the Company’s mineral projects, by damaging or destroying the Company’s own equipment and/or buildings, and by preventing the Company from carrying out any planned exploration and development work.

Ongoing climate change is expected to increase the frequency and severity of extreme weather events worldwide, including wildfires. This increase could raise the costs required to meet the Company’s business objectives through increased repairs and use of contingency plans. Extreme weather conditions and changes in temperature could affect over time the efficiency of mining exploration and the Company’s ability to attract and retain suitable employees. Changes in precipitation that result in droughts could increase the risk of wildfire caused by the Company's electrical equipment.

Indigenous peoples land claims risks

The properties may in the future be the subject of indigenous peoples’ land claims or indigenous rights claims. The nature and extent of indigenous peoples’ rights and title remains the subject of active debate, claims and litigation in Canada, including in Saskatchewan and including with respect to intergovernmental relations between indigenous peoples’ authorities and federal, provincial and territorial authorities. There can be no guarantee that such claims will not cause permitting delays, unexpected interruptions or additional costs for the Company’s projects. Indigenous peoples’ title claims may affect the ability of the Company to pursue exploration, development and mining on the Company’s mineral properties. Indigenous peoples’ rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in Tsilhqot'in Nation v. British Columbia marked the first time in Canadian history that a court has declared First Nations title to lands outside of reserve land. The Company’s mineral properties may now or in the future be the subject of aboriginal or indigenous land claims. The legal nature of indigenous peoples’ land claims is a matter of considerable complexity. The impact of any such claim on the Company’s ownership interest in its mineral properties cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of indigenous peoples’ rights in the area in which the Company’s mineral properties are located, by way of a negotiated settlement or judicial pronouncement (or through the grant of an injunction prohibiting mineral exploration or mining activity pending resolution of any such claim), would not have an adverse effect on the Company’s activities. Even in the absence of such recognition, the Company may be required to negotiate with and seek the approval of holders of indigenous peoples’ interests in order to facilitate exploration and development work on the Company's mineral properties, but there is no assurance that the Company would be able to establish a practical working relationship with any such interest holders which would allow the Company to ultimately develop its mineral properties. These risks may have increased after the Supreme Court of Canada decision of June 26, 2014 in Tsilhqot'in Nation v. British Columbia.

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. The Company operates in some areas presently or previously inhabited or used by indigenous peoples. Many of these regulations and materials impose obligations on governments to respect the rights of indigenous people. Some require that governments consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of governments and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. The Company's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of the Company's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities. Opposition by indigenous people to the Company's operations may require modification or preclude operation or development of the Company's projects or may require the Company to enter into agreements with indigenous people with respect to the Company's projects. Such agreements may have a material adverse effect on the Company's business, financial condition and results of operations.

QUALIFIED PERSON

Mr. Roger March, P.Geo., Principal Geoscientist for the Company and a Qualified Person within the meaning of NI 43-101, has reviewed and approved the technical information in this MD&A.