FORAN

Management's Discussion and Analysis

For the three and six months ended June 30, 2024 and 2023

TABLE OF CONTENTS

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 unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2024 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 was approved by the Company's board of directors (the "**Board of Directors**") on August 12, 2024. Our discussion covers the three ("**Q2 2024**") and six months ended June 30, 2024 and where noted, 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 (as defined below) and advance the McIlvenna Bay Project (as defined below), including through continued exploration, resource definition and environmental and engineering studies; 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 pre-development and advanced exploration activities; 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; our commitment to create value for all stakeholders; 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; statements relating to the terms and conditions and anticipated timing for completion of the Offerings, including our ability to close the Offerings, obtain shareholder approval to complete the second tranche closing, and receive other regulatory approvals including TSX approval; our intention to upsize the Senior Credit Facility; our ability to effect construction of the McIlvenna Bay Project; our capital cost estimate for the Phase 1 plan to completion of US $604 million and other details in respect thereto; our development update and our expectation that initial production will occur in Q4 2025 and commercial production in the first half of 2026; our intention to evaluate expansion opportunities in connection with a potential Phase 2; the Exploration Target; expectations regarding the Tesla Zone, including in respect of continuity of mineralization and it remaining open for expansion; the potential of Galvani, Curie, Hanson North and Denare West properties to host significant precious and base metal VHMS occurrences; our potential exercise of the Denare West Option (as defined below); our 34,000-metre planned summer drilling program, and its focus on expanding and increasing the definition of the

Tesla Zone and other high-priority targets within trucking distance of the planned processing facility at the McIlvenna Bay Property; our 2024 exploration program consisting of a planned 54,000-metres of exploration focused on expanding and increasing the definition of the Tesla Zone, drill testing the Bridge Zone and other high priority regional targets, our intention to continue focusing on such exploration programs during 2024, and our timeline and breakdown of exploration for 2024 into approximately 20,000 m of ice and land-base drilling, 6,000 of Tesla Zone extension drilling, and 28,000 m of summer drilling focused on expanding the Tesla Zone and regional targets in the Hanson Lake area; our infill drilling program targeting increased definition of the central part of, and the expected expansion of the mineralized footprint of, the Tesla Zone; our intention to continue to identify and refine exploration targets by collecting down-hole and surface geophysical data throughout drilling programs; the offering of any securities pursuant to our base shelf prospectus; the expectation that certain of our properties host significant precious and base metal VHMS occurrences; the repurchasing of any royalties; the finalization of outstanding assays; our plans in respect of dividend payments; 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 geological interpretation of our properties, including in respect of the Bridge Zone representing folded stratigraphy linking the Tesla Zone and McIlvenna Bay Deposit, and our expectation that additional drilling in such area is required; our view that Bridge Zone drilling results suggest that such zone may be a focus area for future exploration; our goals, plans and objectives in respect of engineering, surface prep and exploration decline, early works and permitting; our plans for the construction of a 77-kilometer long dedicated 137 kV transmission line sourced from Island Falls Hydro Generating Station to the McIlvenna Bay Project; expected completion of preliminary earthworks and concrete activities within the process plant and ancillary buildings; our expectation that first development ore will be extracted in the second half of 2024; mechanical completion of the grinding and processing circuit occurring in the second half of 2024, and hot commissioning commencing in the second half of 2025; our target of an ore stockpile of approximately 275,000 tonnes to support commissioning and the anticipated ramp-up to commercial production expected in the first half of 2026; our decline development targets, including our plan to complete approximately 2,300m of decline development at the McIlvenna Bay Project during 2024, with over 1,700m expected to be advanced in the second half of 2024; the surface construction items that we are planning to construct over the third quarter of 2024; our ability to address conditions and securing approvals needed to construct and operate the McIlvenna Bay Project; our reclamation and remediation obligations; our intended use of net proceeds from financing activities and our facilities, and our expectation that a reallocation of funds may be necessary and that we may update our use and application of funds in future MD&As; the expectation that our exploration, development and operation activities will require additional funding; our ability to obtain replacement financial instruments in the event that the Surety Bond (as defined below) or LC (as defined below) are terminated; and our intention to continue to monitor and evaluate the design and effectiveness of our internal controls.

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 (as defined below) or the Equipment Finance Facility (as defined below) 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, restricted share units ("**RSUs**") and deferred share units ("**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 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 the 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, located approximately 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**").

As of quarter end, Foran was 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 centre of a new mining camp in a prolific district that has already been producing for 100 years. Subsequent to quarter end, the Company announced a formal decision to proceed with the construction of the McIlvenna Bay Project moving it to the development stage.

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 in respect of the McIlvenna Bay Deposit (the "**McIlvenna Bay Project**"). The Tesla Zone lies adjacent to and approximately 300 metres ("**m**") 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. 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.

RECENT DEVELOPMENTS

Corporate Development

On May 29, 2024, the Company announced the appointment of Marie Inkster to its Board of Directors as an Independent Director. Ms. Inkster brings extensive experience in the mining sector. Ms. Inkster's career includes past leadership roles such as Chief Executive Officer at Lundin Mining Corp. Ms. Inkster served as a Director, Audit Committee Coordinator and member of the Capital Allocation and Projects Committee for Vale S.A.

On May 15, 2024, the Company announced the release of its inaugural Sustainability Report.

On May 9, 2024, the Company announced the results of the Company's annual special meeting of shareholders including the approval of the Company's Employee Share Purchase Plan.

Financings

On July 15, 2024, the Company announced a series of brokered and non-brokered strategic investments for up to $315 million. In connection with the brokered investment, the Company entered into an agreement with Eight Capital, as co-lead and joint bookrunner with BMO Capital Markets, and National Bank Financial on behalf of a syndicate of agents, pursuant to which the Company launched a proposed private placement for aggregate gross proceeds up to $222,000,008 (the "**Brokered Offering**"). The Brokered Offering was to consist of (i) up to 47,407,408 Common Shares of the Company for gross proceeds of up to $192,000,002; and (ii) up to 4,501,874 Common Shares with each such Common Share to be issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) (the "**FT Shares**") for gross proceeds up to $30,000,006.

Concurrently with the announcement of the Brokered Offering, the Company announced a non-brokered private placement pursuant to which Agnico Eagle Mines Limited ("**Agnico Eagle**") agreed to acquire up to 22,962,963 Common Shares for gross proceeds of up to $93,000,000 (the "**Non-Brokered Offering**" and, together with the Brokered Offering, the "**Offerings**").

On July 17, 2024, the Company announced that it had entered into an amending agreement to increase the size of the Brokered Offering from $222,000,008 to $260,891,830, such that the Brokered Offering will consist of (i) 57,010,327 Common Shares for gross proceeds of $230,891,824; and (ii) 4,501,874 FT Shares for gross proceeds of $30,000,006. The Company also announced that it intends to increase the size of the Non-Brokered Offering, pursuant to which Agnico Eagle will agree to acquire up to 24,472,052 Common Shares for gross proceeds of up to $99,111,811 in two separate tranches.

The Offerings will result in the issuance of a number of Common Shares greater than 25% of the Company's currently issued and outstanding Common Shares and, as a result, will require shareholder approval under the rules of the TSX. Additionally, the level of participation by an insider of the Company in the Brokered Offering, will result in such insider exceeding its pro rata shareholdings in the Company. The TSX has agreed to permit such increased level of participation on the basis that shareholder approval (excluding votes held directly or indirectly by the insider) for this is also obtained. As a result, the Offerings are expected to be completed in two tranches, with the second tranche occurring only if, and following, receipt of all requisite shareholder approvals.

The Company announced closing of the first tranche of the Offering on August 8th, 2024. The completion of the second tranche is subject to certain additional conditions including but not limited to, the receipt of all necessary regulatory and other approvals, including that of the TSX and the shareholder approval.

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.

Senior Credit Facility

On July 15, 2024, the Company announced that a term sheet had been signed with Sprott Resource Lending Corp. ("**Sprott**") to upsize the Senior Credit Facility from US $150 million to US $250 million, subject to completion of all due diligence, definitive credit documentation and approval by Sprott's investment committee (the "**Credit Facility Upsize**"). The interest rate on the proposed upsized Senior Credit Facility remains unchanged and the Company will provide further details upon completion of definitive documentation and closing of the upsizing, which is expected to occur in Q3 2024.

Project Development

On July 15, 2024, in conjunction with the announcement of the Offerings and the Credit Facility Upsize, the Company announced that the Board of Directors made the formal decision to proceed with the construction of the McIlvenna Bay Project.

In addition, the Company provided an updated initial capital cost estimate for the Phase 1 plan to completion, net of costs incurred up to and including May 31, 2024, of US$604 million, as well as a development update with initial production expected in Q4 2025 and commercial production expected in the first half of 2026. The Company also announced its intention to evaluate expansion opportunities in connection with a potential Phase 2. See "*Outlook - Formal Construction Decision*".

Exploration

<u>Tesla Zone Exploration Target</u>

On July 15, 2024 and subsequent to quarter end, the Company released an initial target for further exploration at Tesla (the "**Exploration Target**") outlining the potential scale of the current drill-defined zone. The estimated tonnage and grade range for the Tesla Exploration Target is set out in the table below.

Tonnes (Mt)	Cu%	Zn%	Ag g/t	Au g/t	CuEq%
28-45	0.9-1.3	3.6-5.4	22-34	0.2-0.3	2.2-3.2

****The potential quantity and grade of this Exploration Target is conceptual in nature. There has been insufficient exploration to define a mineral resource in this area and it is uncertain if further exploration will result in the target being delineated as a mineral resource.**

Notes:

1. Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") definitions for mineral resources were followed; Cu = copper, Zn = zinc, Ag = silver; Au = gold, CuEq = copper equivalent
2. Exploration Target is based on the results from 32 drill holes using a Cu cut-off grade of 0.3% Cu for the copper-dominated lenses and a Zn cut-off grade of 1.0% Zn for the zinc-dominated lenses to define the wire frames for the mineralized zones; Assays within these lenses were composited into 1m composites, with Zn capped at 20% and Cu capped at 7%
3. CuEq grades were derived using provisions for metallurgical recovery based on life of mine (LOM) metallurgical recovery rates derived from test work on blended ores for the McIlvenna Bay Deposit completed as part of the 2022 Feasibility Study: 91.1% Cu, 79.8% Zn, 88.6% Au and 62.3% Ag. Metal prices used are US$4.00/lb. Cu, US$1.50/lb. Zn, US$1,800/oz. Au, and US$20.00/oz.
4. A specific gravity of 3.59 g/cm^3 was applied to massive sulphide lenses, and 3.00 g/cm^3 was applied to stockwork lenses in the Exploration Target volume based on the results of 85 density measurements of mineralized drill core

The tonnage and grade range estimates for the Tesla Zone incorporate over 42,969m of drilling in 32 drill holes and wedges completed since the discovery of the Tesla Zone in 2022. The Exploration Target volume is supported by three-dimensional wire frames constructed to connect the mineralized lenses between the drill holes. The wireframes define a mineralized footprint for the Tesla Zone extending 1,200m along strike and 500-700m in the down-dip direction. Current drilling has defined the Tesla Zone footprint over a 1,050m strike length where it remains open for expansion. Based on the thick intersections obtained at the current periphery of the drilling, it is clear that the mineralization extends beyond the drilling and therefore, the strike of the wireframe was extended to 1,200m, based on support from borehole electromagnetic ("**EM**") data collected and interpreted from the winter 2023 and 2024 drill programs that define robust plate models indicating that the Tesla Zone extends for at least that distance. Multiple lenses of mineralization were modelled based on mineralization style, copper and zinc ratios, and the location of the mineralization within the stratigraphy. The thickness of the modelled lenses varies from 2m to 20m, with an average combined thickness of 10m.

Please see the news release of the Company dated July 15, 2024 for further details on the above, including additional details on the quality assurance/quality control methodologies employed by the Company.

Drilling

From January to June 2024, the Company completed several drill programs encompassing over 36,000m of drilling, targeting the Tesla Zone and Bridge Zone in the McIlvenna Bay Property.

On May 28, 2024, the Company announced additional assay results from the 2024 winter program at the Tesla and Bridge Zones. The results continue to expand and confirm the continuity of Tesla Zone mineralization in large step-out holes up and down-dip of the central zone. Thick intersections were made in holes TS-24-20 and TS-24-15, which represent 230m and 320m down-dip step-outs from previously drilled mineralization, respectively. Tesla was confirmed as measuring more than 500m in the dip direction and approximately 1,050m along the strike, extending beyond the limits of the initial modelled conductive target.

On February 22, 2024, the Company announced initial assay results from the 2024 winter program at the Tesla Zone and Bridge Zone. Results from Tesla Zone drilling continued to confirm the continuity of mineralization along the strike, up to 1,050m and beyond the limits of the modelled conductor.

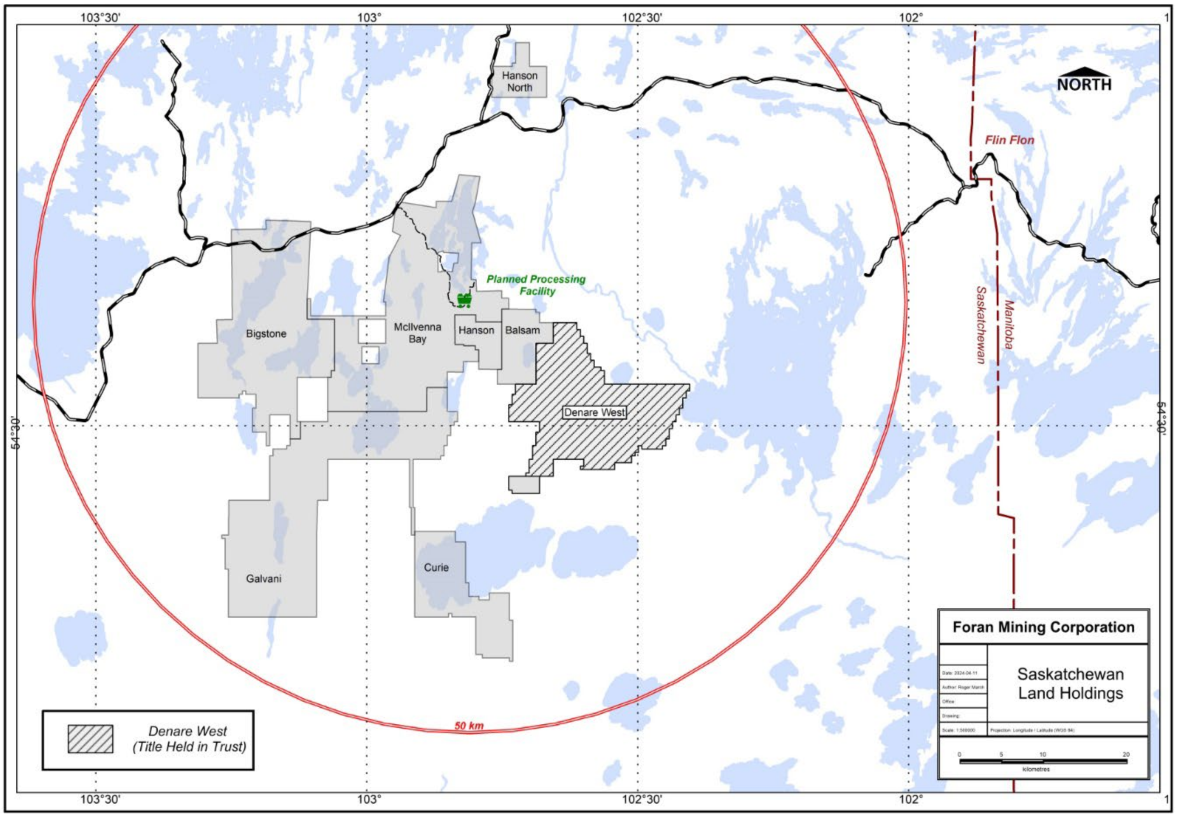
MINERAL PROPERTIES

As of the date of this MD&A, the Company holds 7 properties comprising a total of 92 mining claims covering approximately 103,336 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 40 and 102 km west of Flin Flon, Manitoba. All tenements are within 47 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 Galvani, Curie and Hanson North properties, 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 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 of $0.75 per tonne of ore extracted, held by Voyageur Mineral Explorers Corp. 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.

2024 Activity

During Q2 2024, the Company completed approximately 14,500m of drilling at the McIlvenna Bay Property as part of an ongoing 34,000m planned summer program primarily focused on expanding and increasing the definition of the Tesla Zone and other high-priority regional targets within trucking distance of a planned processing facility at the McIlvenna Bay Property.

For the six months ended June 30, 2024, the Company has completed approximately 36,700m of drilling at the McIlvenna Bay Property as part of a planned 54,000m 2024 exploration program focused on expansion and increased definition of the Tesla Zone and the drill testing of the Bridge Zone and other high priority regional targets.

<u>Tesla Zone</u>

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

During Q2 2024, the Company completed approximately 12,280m of drilling targeting the Tesla Zone mineralization, predominantly focused on the down plunge and along the strike expansion of the Zone and the start of an infill drilling program targeting increased definition of the central part of the Zone.

For the six months ended June 30, 2024, the Company completed approximately 29,000m of drilling targeting the Tesla Zone, predominantly focused on expanding the zone's mineralized footprint.

The assay results received and announced to date have successfully expanded the strike length of the Tesla Zone to 1,050m, beyond the limits of the original modelled EM conductor, and up to 500m in the down dip direction, where it remains open for further expansion with additional drilling. Additional assays from the Tesla drilling program are still pending.

Key drilling highlights from the Tesla Zone over 2024 include:

- TS-24-20:
  - 26.9m grading 1.23% Cu, 7.55% Zn, 38.4 g/t Ag and 0.20 g/t Au (3.67% CuEq), including 2.5m grading 2.40% Cu, 5.39% Zn, 62.5 g/t Ag and 0.20 g/t Au (4.20% CuEq), and 4.7m grading 0.62% Cu, 12.59% Zn, 26.8 g/t Ag and 0.05 g/t Au (4.48% CuEq);
  - 10.0m grading 0.81% Cu, 4.99% Zn, 31.4 g/t Ag and 0.35 g/t Au (2.58% CuEq), including 2.7m grading 0.33% Cu, 9.54% Zn, 21.1 g/t Ag and 0.12 g/t Au (3.32% CuEq).
- TS-24-15:
  - 11.8m grading 0.75% Cu, 8.22% Zn, 41.8 g/t Ag and 0.12 g/t Au (3.41% CuEq), including 8.6m grading 0.70% Cu, 10.01% Zn, 42.2 g/t Ag and 0.14 g/t Au (3.91% CuEq);
  - 4.2m grading 0.17% Cu, 8.63% Zn, 18.2 g/t Ag and 0.03 g/t Au (2.84% CuEq), including 1.7m grading 0.15% Cu, 13.79% Zn, 21.6 g/t Ag and 0.03 g/t Au (4.38% CuEq).

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.

<u>Bridge Zone</u>

The Bridge Zone consists of mineralization located between the Telsa Zone and the McIlvenna Bay Deposit. The current geological interpretation indicates that this area represents folded stratigraphy linking the two areas, as confirmed by drill core logging and TruScan geochemistry. During Q1 2024, the Company completed 4,904m of drilling at the Bridge Zone. The area between Telsa and the McIlvenna Bay Deposit is structurally complex and additional drilling will be required to better understand their relationship. No additional drilling was completed at the Bridge Zone during Q2.

Key highlights from the Bridge Zone for 2024 include:

- MB-24-292:
  - 8.5m grading 1.56% Cu, 2.05% Zn, 24.3 g/t Ag and 0.65 g/t Au (2.52% CuEq), including 2.6m grading 0.85% Cu, 2.64% Zn, 19.5 g/t Ag and 1.59 g/t Au (2.58% CuEq).

The results drilled to date at the Bridge Zone suggest that this area may be an important focus area for the Company's exploration plans.

Near-Deposit Expansion & Regional Drilling

For the six months ended June 30, 2024, the company completed approximately 2,700m of expansion drilling focused on testing the footwall below existing mineralization at the McIlvenna Bay Deposit as well as various regional targets on the McIlvenna Bay Property.

Surface Prep and Exploration Decline

During Q2 2024, approximately 445m were advanced, including decline development costs of $5.3 million, water treatment costs of $1.2 million and $0.9 million of other costs. Exploration decline activities were focused on advancing the decline and level development, including the electrical substation, muck, main sump, haulage drift, and x-cuts.

For the six months ended June 30, 2024, approximately 608m were advanced, including decline development costs of $9.4 million, water treatment costs of $2.8 million and other costs of $1.6 million. Exploration decline activities included advancing beyond the regolith into more competent basement rock, dewatering infrastructure and electrical infrastructure and reducing ground support requirements.

Detailed Engineering

During Q2 2024, detailed engineering and procurement services focused on supporting early works activities, including the following:

- Developing the draft baseline schedule;
- Designing the road, ponds, berms, truck shop and process plant buildings;
- Incorporating recent testing results into the design requirements of the permanent water treatment plant;
- Completing the technical bid evaluation to support the issue of equipment purchase orders; and
- Continuing progress on process and paste plant design.

As at June 30, 2024, G Mining Services Inc. has progressed through approximately 64% of the McIlvenna Bay Project's detailed engineering, including the following:

- Process and metallurgy engineering is 85% complete;
- Earthworks engineering is 92% complete;
- Civil, Structural and architectural is 51% complete;
- Mechanical and piping engineering is 66% complete; and
- Procurement is managing 186 packages, with overall work at 58% progress.

The paste plant engineering, currently performed by Patterson & Cooke, has progressed approximately 80%.

Early Works

During Q2 2024, the Company made progress at the McIlvenna Bay Project in the following key early works areas:

- Final commissioning of the permanent camp and relocation of the temporary camps;
- Commissioning of the batch plant;
- Completion of the earthworks for the process plant;
- Completion of the camp bunkhouse, gym building and cultural centre;
- Increased capacity of the existing waste and rock ore pad;
- Installation of potable water and sewage treatment plant infrastructure, septic fields and tanks;
- Progressed with forming and re-bar installation as well as lean concrete pouring for the ball and SAG mill foundations;
- Completion of Norseman warehouse concrete floors and battery charging area; and
- Completion of surface prep and first blast for the main fresh air raise collar.

On June 27, 2024, the Company signed a Cost Recovery Agreement with Saskatchewan Power Corporation ("**SaskPower**") to construct a 77-kilometer-long 138 kV transmission line from the Island Falls Hydro Generating Station to the McIlvenna Bay Project.

During Q2 2024, the Company had accumulated over 147,632 person-hours with zero lost-time incidents. For the six months ended June 30, 2024, the Company had accumulated over 300,000 person-hours with zero lost-time incidents.

<u>Community and Permitting</u>

During Q2 2024, the Company finalised certain permits to support early works, including the following:

- Approval to commission a potable water treatment plant;
- Approval to construct a structural streel for the processing plant;
- Approval to construct and operate the concrete batch plant;
- Approval to construct the fresh air raise; and
- Approval to increase waste rock storage capacity.

As at June 30, 2024, the Company continues to progress with a number of permits, including the following:

- Application to construct tailings storage facility;
- Application to construct treated water discharge line;
- Application to construct process plant phase III (Grinding).

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 Technical Report was subsequently amended and restated on February 1, 2022 to clarify and correct certain portions of the report, which revisions 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. 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.

OUTLOOK

Formal Construction Decision

On July 15, 2024, the Company announced that its Board of Directors had made a formal decision to proceed with the construction of the McIlvenna Bay Project. The initial capital cost estimate outlined in the 2022 Feasibility Study was revised to incorporate detailed engineering efforts, including expansionary capacity and additional processing redundancies. The initial capital budget is based on capital expenditures from June 1, 2024 through to commercial production. Phase 1 project capital costs have been estimated to completion, net of costs incurred up to and including May 31, 2024, with a resulting $826 million (US$604 million capital) cost set out in the below.

Items	**Phase 1 Capital Budget ($M)**
Process Plant	173
Underground Development, Equipment and Infrastructure	156
Project Indirect	153
Infrastructure	144
Owners Costs	112
Facilities & Surface Equipment	30
Contingency	77
Net Pre-Commercial Production Credits	-19
Total	**826**

From June 1, 2024 to June 30, 2024, the Company incurred $22.4 million of costs towards its Phase 1 Capital budget.

In accordance with the Phase 1 capital budget, early works have already commenced, with the completion of preliminary earthworks and concrete activities within the process plant and ancillary buildings underway. After reaching the first two mining levels underground earlier this year, first development ore from underground is expected to be extracted in the second half of 2024. Mechanical completion of the grinding and processing circuit is expected in the second half of 2025, with hot commissioning expected to commence in the second half of 2025. The Company is targeting an ore stockpile of approximately 275,000 tonnes to support commissioning, and the anticipated ramp-up to commercial production is expected to occur in the first half of 2026.

Decline Development

The Company plans to complete approximately 2,300m of decline development at its McIlvenna Bay Project during 2024, with over 1,700m expected to be advanced in the second half of 2024.

Surface Construction

Items planned over the third quarter of 2024 will include:

- Continuing construction of the process plant foundation;
- Purchasing and installation of key electrical infrastructure;
- Commissioning of sewage treatment and potable water plants;
- Beginning construction of the surface maintenance shop;
- Completing expansion of the waste rock and ore storage pad;
- Progressing underground decline development to the 180m level (bottom of first mining block); and
- Continuing the vertical excavation of the ventilation fresh air raise.

Exploration

During 2024, the Company plans to continue to focus on the regional exploration of its mineral interests as well as the expansion of the Tesla Zone and Bridge Zone at the McIlvenna Bay Property. The Company has budgeted for an exploration program of up to 54,000m of drilling over 2024, consisting of:

- Approximately 20,000m of ice and land-based drilling during the winter drilling program;
- Approximately 6,000m of Tesla Zone extension drilling to the northwest of the known mineralization prior to the commencement of the larger summer program; and
- Approximately 28,000m of summer drilling focused on the continued expansion of the Tesla Zone and other regional targets in the Hanson Lake area during the summer months.

In addition, the Company will continue to identify and refine exploration targets by collecting a combination of down-hole and surface geophysical data throughout the above-mentioned drilling programs.

OVERALL PERFORMANCE

SELECTED FINANCIAL INFORMATION

Expressed in thousands of Canadian dollars	June 30, 2024	December 31, 2023
Cash and cash equivalents	$ 156,467	$ 266,487
Exploration and evaluation assets	377,147	258,081
Total assets	**549,696**	**542,489**
Accounts payable and accrued liabilities	32,156	30,184
Flow-through share premium liability	598	7,084
Share-based payment liabilities	8,050	7,660
Total non-current liabilities	46,853	39,256
Total liabilities	**87,816**	**84,428**

The Company’s total assets as at June 30, 2024 were $549.7 million compared to $542.5 million as at December 31, 2023, an increase of $7.2 million. The net increase in assets is explained below:

- Cash and cash equivalents: The decrease from December 31, 2023 was primarily a result of cash used to fund the exploration and evaluation expenditures and general and administration expenses paid in the period.
- Exploration and evaluation assets: The increase from December 31, 2023, was primarily due to the Company’s 2024 work program on its McIlvenna Bay Property. The most significant costs were early works costs of $59.0 million, drilling costs of $12.3 million, surface prep and exploration decline costs of $13.8 million, and detailed engineering costs of $10.4 million.

The Company’s total liabilities as at June 30, 2024 were $87.8 million compared to $84.4 million as at December 31, 2023, a net increase of $3.4 million. The net increase in liabilities is explained below:

- Accounts payable and accrued liabilities: The increase from December 31, 2023 was primarily a result of the timing of exploration and evaluation activity payments.
- Flow-through share premium liability: The decrease from December 31, 2023, was due to the Company's qualifying exploration expenditures.

- Share-based payment liabilities: The increase from December 31, 2023 was due to the issuance of RSUs to certain executives and consultants in accordance with the Company's long-term incentive plan, partly offset by the depreciation of the Company's Common Share price.

- Non-current liabilities: The increase from December 31, 2023 was due to the Company drawing on the Equipment Finance Facility (defined below) and interest accrued on the Senior Credit Facility.

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 June 30, 2024	2023	Six months ended June 30, 2024	2023
	$	$	$	$
Revenue	**-**	**-**	**-**	**-**
Net (income) loss	**(637)**	**244**	**(160)**	**6,315**
Net loss per share (basic and diluted)	**-**	**-**	**-**	**0.02**
Dividends declared per share	**-**	**-**	**-**	**-**
Consulting	295	322	674	1,004
Directors' fees	58	62	112	125
Investor relations	131	270	362	385
Office and administration	394	410	889	774
Professional fees	94	332	404	538
Salaries and benefits	1,054	596	2,021	1,133
Share-based payment expense (recovery)	747	(65)	2,672	3,008
Total general and administration	**$ 2,773**	**$ 1,927**	**$ 7,134**	**$ 6,967**
Other (income) loss	$ (3,410)	(1,683)	(7,294)	(652)
Total other (income) loss	**$ (3,410)**	**(1,683)**	**(7,294)**	**(652)**

Three months ended June 30, 2024 compared to 2023:

Details of the expenses and other items are as follows:

- Professional fees: The decrease in professional fees was primarily due to a decrease in legal fees.

- 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 primarily due to an increase in the non-cash revaluation of the outstanding DSUs in 2024.

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

Six months ended June 30, 2024 compared to 2023:

Details of the expenses and other items are as follows:

- Consulting fees: The decrease in consulting fees was primarily related to corporate advisory services performed in the comparative period.

- 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 a decrease in non-cash revaluation of the outstanding DSUs in 2023.

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

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, 2023 and the first half of 2024 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 each of 2022 and 2023 includes a Board of Directors approved bonus accrual and has increased year over year as a result of an increase in employee head count. During 2023 and the first half of 2024 the Company recognized a flow-through share premium.

(Expressed in thousands of Canadian dollars, except share information)	Q2, 2024	Q1, 2024	Q4, 2023	Q3, 2023
Revenue	Nil	Nil	Nil	Nil
General and administration expenses	2,773	4,361	7,657	2,985
Other (income) and expenses	(3,410)	(3,884)	(1,753)	(1,581)
Net (income) loss for the period	(637)	477	5,904	1,404
Net (income) loss per share (basic and diluted)	(0.00)	0.00	0.02	0.01
Weighted average shares outstanding (basic and diluted)	333,371,445	332,653,925	294,940,856	284,446,529

(Expressed in thousands of Canadian dollars, except share information)	Q2, 2023	Q1, 2023	Q4, 2022	Q3, 2022
Revenue	Nil	Nil	Nil	Nil
General and administration expenses	1,927	5,041	4,554	1,793
Other (income) and expenses	(1,683)	1,031	(111)	(187)
Net (income) loss for the period	244	6,072	4,443	1,606
Net (income) loss per share (basic and diluted)	0.00	0.02	0.02	0.01
Weighted average shares outstanding (basic and diluted)	283,771,906	258,448,021	252,715,354	239,836,305

CASH FLOWS

Three months ended June 30, 2024 compared to 2023:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, decreased by $54.0 million during the three months ended June 30, 2024, to $156.5 million, from $210.4 million as at March 31, 2024. The decrease was primarily a result of $56.8 million of cash used in investing activities.

The $1.3 million of cash provided by operating activities consisted of a net income of $0.6 million and a $0.9 million change in working capital, partially offset by $0.2 million of items not involving cash.

The $56.7 million of cash used in investing activities consisted of exploration and evaluation expenditures, primarily related to early works at the McIlvenna Bay Property.

The $1.4 million of cash provided by financing activities consisted primarily of a $1.4 million Equipment Finance Facility draw.

Six months ended June 30, 2024 compared to 2023:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, decreased by $110.2 million during the six months ended June 30, 2024, to $156.5 million, from $266.5 million as at December 31, 2023. The decrease was primarily a result of $110.3 million of cash used in investing activities.

The $3.3 million of cash used in operating activities consisted of a net income of $0.2 million and $0.5 million of items not involving cash, offset by a $4.0 million change in working capital.

The $110.3 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 $3.4 million of cash provided by financing activities consisted primarily of a $2.7 million Equipment Finance Facility draw and $0.9 million received from the exercise of stock options, partially offset by $0.2 million in debt and interest repayments on the Equipment Finance Facility.

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. Other than as described in the risk factors discussed in this MD&A, the Company does not expect that any trends, fluctuations, events or uncertainties will impact its liquidity.

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 June 30, 2024, the Company had current assets in excess of current liabilities of $119.2 million (December 31, 2023: $225.6 million).

Restricted Cash

On June 22, 2022, the Company obtained a $14.9 million 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 $4.3 million. See "*Off-Balance Sheet Arrangements*" for further details.

Credit Facilities

Senior Credit Facility

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 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 June 30, 2024.

As at June 30, 2024, the Company has drawn US$29.5 million of principal and accumulated US$6.0 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 June 30, 2024, the Company had drawn approximately $2.7 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 a private placement (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 (the "**March 2023 FT Shares**") 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 March 2023 FT Shares, the Company allocated $8.7 million of the gross proceeds of the March 2023 FT 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 June 30, 2024	Remaining as at June 30, 2024
Pre-construction & development	60,000	60,000	-
Exploration & studies	25,000	25,000	-
Corporate administration	10,029	6,909	3,120
Total expenditure	$ 95,029	$ 91,909	$ 3,120

On December 12, 2023, the Company completed concurrent private placements (the "**December 2023 Offerings**") whereby an aggregate of 47,913,000 Common Shares were issued for aggregate 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 (the "**December 2023 FT Shares**") for gross proceeds of $10 million. Share issue costs totaled approximately $5.5 million.

As a result of subscribers paying a premium for the December 2023 FT Shares, the Company allocated $3.6 million of the gross proceeds of the December 2023 FT 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 Offerings, as described below, is based on the best estimates prepared by the management of the Company.

Expressed in thousands of Canadian dollars	Anticipated use of net proceeds	Expenditures to June 30, 2024	Remaining as at June 30, 2024
Pre-construction & development	165,000	37,416	127,584
Exploration & studies	10,000	8,338	1,662
Corporate administration	19,519	-	19,519
Total expenditure	$ 194,519	$ 45,754	$ 148,765

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, including interest and contractual obligations shown as contractual undiscounted cash flows as at June 30, 2024:

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	$	32.2	32.2	-	-	-
Leases	$	3.7	3.7	-	-	-
Construction commitments	$	14.0	14.0	-	-	-
Credit Facilities	$	51.1	0.5	10.0	10.8	29.8

As at June 30, 2024, the Company is required to spend $1.7 million of qualifying exploration expenditures by December 31, 2024 to satisfy the remaining flow-through share premium liability of $0.6 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 LC 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 LC, 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 six months ended June 30, 2024 and 2023 were as follows:

Expressed in thousands of Canadian dollars	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Short-term benefits(1)	$ 687	$ 561	$ 1,355	$ 1,016
Directors' fees(2)	58	62	112	125
Share-based payments (recovery)(3)	625	(156)	2,409	2,806
Total	$ 1,370	$ 467	$ 3,876	$ 3,947

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.

PROPOSED TRANSACTIONS

Except as otherwise noted herein, the Company does not have any other material proposed transactions. See the heading *Recent Developments – Financings* and *Recent Developments – Senior Credit Facility*.

SHARE CAPITAL

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

- 306,055,216 Common Shares
- 27,777,778 non-voting shares
- Nil preference shares
- 16,764,099 stock options exercisable for Common Shares
- 5,714,285 warrants exercisable for Common Shares

- 1,792,375 deferred shares units convertible into Common Shares
- 444,167 restricted shares units convertible into Common Shares

CRITICAL ACCOUNTING ESTIMATES

In preparing the accompanying condensed consolidated interim 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 condensed consolidated interim 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 June 30, 2024, 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 six months ended June 30, 2024 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 10 of the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2024.

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 at www.sedarplus.ca.

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 are 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 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.

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.

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.

QUALIFIED PERSONS

Mr. Samuele Renelli, P. Eng., Vice President, Technical Services for the Company, is the Qualified Person within the meaning of NI 43-101 for all technical information regarding McIlvenna Bay Phase 1 operations disclosures and has reviewed, verified and approved such technical information in this MD&A.

Mr. Roger March, P.Geo., Principal Geoscientist for the Company, is the Qualified Person within the meaning of NI 43-101 for all technical information disclosure other that the technical information disclosure regarding McIlvenna Bay Phase 1 operations and has reviewed, verified and approved such technical information in this MD&A.