FORAN

Management's Discussion and Analysis

For the three and twelve months ended December 31, 2024 and 2023

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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, 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 March 20, 2025. Our discussion covers the three ("**Q4 2024**") and twelve months ended December 31, 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 the Company's objective of discovering mineral reserves and develop an operating mine; the McIlvenna Bay Deposit becoming the centre of a new mining camp; the Company's ability to undertake development and construction of the McIlvenna Bay Project, including through construction, exploration, resource definition and environmental and engineering studies; our business activities, including the acquisition, exploration and development of mineral properties; our ability to create a blueprint for responsible mining that is upheld as leading practice; our objective of creating value for stakeholders; our intention to strive to work with and support local communities, provide safe employment, and advance diversity and equality; the 2025 Technical Report; our capital cost estimate for Phase 1 to completion of $886 million and other details in respect thereto; the completion of the enclosure of the process plant in Q3 2025, completion of detailed engineering in Q1 2025, and commercial production starting in the first half of 2026; expectations regarding the CMIF Contribution and SIF Funding, including that the Company will be able to access such funds and comply with its obligations under the respective contribution agreements; our potential exercise of the option in respect of the Hanson Lake property; expectations regarding the Amended Credit Facility; the funds advanced to the DPA, including their potential release; the McIlvenna Bay Deposit and the Tesla Zone, including in respect of continuity of mineralization and expansion opportunities; the potential southern portions of the McIlvenna Bay Project area to host significant precious and base metal occurrences; completion of certain surface development structures by certain timelines; the finalization of outstanding assays; our geological interpretation of our properties; our goals, plans and objectives in respect of engineering, our construction schedule, underground development, and permitting; our plans for the construction of the Transmission Line; our ability to address conditions and secure approvals needed to construct and operate the McIlvenna Bay Project; our reclamation and remediation obligations; the Company's ability to conduct its 30,000m winter drill program for 2025, the program's focus on infill drilling across the Tesla Zone, testing high-priority regional targets, utilize nine drill rigs and use of certain drilling technologies expected to increase efficiency and precision; our plans in respect of dividend payments; our expectation that no material trends, fluctuations, events or uncertainties will impact our liquidity; 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; our intended use of proceeds from the July 2024 Offerings; the potential for the Company to reallocate funds and, if needed, update the use of funds in future MD&As; the expectation that exploration, development and operation of the Company's properties will require additional funding; the completion of the Transmission Line; our ability to obtain replacement financial instruments in the event that the Project Surety Bond, Project LC, SaskPower Guarantee, or LC Facility are terminated; our intention to continue to monitor and evaluate the design and effectiveness of our internal controls; our expectation that our development and exploration activities at the McIlvenna Bay Property and nearby non-material properties will continue to account for a majority of our operations in 2025; our ability to discover and advance economically viable mineral deposits; and the expectation that the Company will continue to expend financial and other resources on exploration and development of the McIlvenna Bay Property.

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; the Company may require additional financing and future share issuances may adversely impact share prices; failure to comply with covenants under the Amended Credit Facility or the Equipment Finance Facility may have a material adverse impact on the Company's operations and financial condition; 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's business may be impacted by international conflict and trade disputes; 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; 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 2025 Technical Report (as defined below); the Tesla Exploration Target (as defined below) is an estimate only and there is no guarantee that the target will be delineated as a mineral resource; current global financial conditions are volatile and may impact the Company in various manners; metal 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; 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; risks related to wildfires and extreme weather events; health crises; 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**"); Company operations may be adversely impacted by climate change and climate change regulation; security breaches of 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; 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; potential conflicts of interest with 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 McIlvenna Bay Property hosts 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.

The Property also hosts the Tesla Zone, which lies adjacent to and approximately 300 metres ("**m**") north of the McIlvenna Bay Deposit (the "**Tesla Zone**").

As of year end, Foran was in the development stage after announcing a formal investment decision to proceed with the construction of the McIlvenna Bay Project (the "**McIlvenna Bay Project**").

The Company holds its interest in the McIlvenna Bay Project through its wholly-owned subsidiary, McIlvenna Bay Operating Ltd. ("**MBO**").

Foran's objective is to develop the McIlvenna Bay Project as part of a broader mission to create a blueprint for responsible mining that is upheld as a leading practice. Foran strives to create sustainable value for stakeholders, which includes striving to work with local communities, provide safe employment, and advance diversity and equality.

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

2025 Technical Report

On March 12, 2025, the Company filed the 2025 Technical Report on the McIlvenna Bay Project, Saskatchewan, Canada dated and effective March 12, 2025 for the McIlvenna Bay Project (the "**2025 Technical Report**"). The 2025 Technical Report supersedes the Technical Report on the Feasibility Study for the McIlvenna Bay Project, Saskatchewan, Canada, dated April 14, 2022, effective February 28, 2022 and the Technical Report on the Bigstone Project, East Central Saskatchewan, Canada, effective November 30, 2020, as amended and restated on February 1, 2022, in their entirety. The 2025 Technical Report established a compliant mineral resource in respect of the McIlvenna Bay Deposit estimated at 38.6 Mt grading 2.02% CuEq in the Indicated category and an additional 4.5 Mt grading 1.71% CuEq in the Inferred category, as described in the table below.

Category	Zone	Mass (Mt)	NSR (US$/t)	Average Grades Cu (%)	Zn (%)	Pb (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Contained Metal Cu (Mlb)	Zn (Mlb)	Pb (Mlb)	Au (Moz)	Ag (Moz)
Indicated	L2	10.7	220.4	1.00	6.28	0.40	0.53	26.7	2.65	236	1,484	95	0.18	9.2
	CS	22.7	148.3	1.30	0.38	0.02	0.37	9.1	1.78	652	190	10	0.27	6.6
	SZ	1.3	115.4	1.15	0.47	0.06	0.28	12.0	1.39	34	14	2	0.01	0.5
	L3	2.0	138.7	0.87	3.27	0.15	0.26	15.5	1.67	39	146	7	0.02	1.0
	FW	1.8	169	1.42	0.60	0.04	0.45	8.9	2.03	55	23	1	0.03	0.5
	Total	38.6	167.6	1.19	2.18	0.13	0.41	14.4	2.02	1,016	1,858	115	0.51	17.9
Inferred	L2	1.4	182.9	0.71	6.69	0.46	0.30	27.8	2.20	21	201	14	0.01	1.2
	CS	3.2	124.3	1.03	0.85	0.04	0.27	10.7	1.50	72	60	3	0.03	1.1
	Total	4.5	141.8	0.93	2.60	0.16	0.28	15.8	1.71	93	260	16	0.04	2.3

Notes:

- Effective date November 16, 2024; CIM definitions were followed for Mineral Resources.
- The mineral resource is estimated based on 271 diamond drill holes and a NSR cut-off of US$70/t. NSR values were derived, and high-grade caps were applied as per the discussion in Estimation Methodology and Parameters and include provisions for metallurgical recovery and estimates of current shipping terms and smelter rates for similar concentrates. Metal prices used are US$4.83/lb. Cu, US$1.37/lb. Zn, US$2,336/oz. Au, and US$29.72/oz. Ag. Lead contributes no value.
- Rock density was interpolated for each block based on measurements taken from core specimens, with an average value of 3.56 g/cm3 for the main MS lens and 2.86 g/cm3 for the CS Zone.
- Mineral resources that are not mineral reserves do not have demonstrated economic viability.

- The block model grades were estimated using the Ordinary Kriging interpolation method, with search parameters derived from geostatistical analysis performed within the mineralization wireframes. Variogram ranges are from 65 m to 85 m for Au and Ag in the major axis and up to 100 m to 120 m for Cu and Zn.
- The QP did not identify any legal, political, environmental, or other factors that could materially affect the potential development of the mineral resource estimate.
- The mineral resource estimates are classified according to the CIM Definition Standards, which define a Mineral Resource as "a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge including sampling."
- The mineral resource was categorized based on geological confidence into inferred and indicated categories. An inferred mineral resource has the lowest level of confidence. An indicated mineral resource has a higher level of confidence than an inferred mineral resource. It is reasonably expected that the majority of the inferred mineral resources could be upgraded to indicated mineral resources with additional infill drilling.

The 2025 Technical Report also established the following mineral reserve estimate in respect of the McIlvenna Bay Deposit:

Classification	Ore Tonnes	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Massive Sulphide	10,430,655	0.99	5.44	0.50	23.8
Copper Stockwork	19,299,222	1.32	0.40	0.40	9.3
Total	**29,729,878**	**1.21**	**2.17**	**0.44**	**14.4**

Notes:
- Effective date November 21, 2024. CIM definitions were followed for Mineral Reserves.
- Mineral Reserves include transverse, longitudinal, and Avoca stopes, as well as ore development, marginal development, and incremental stopes.
- Stopes were estimated at a cut-off value of US $92.50/tonne NSR.
- Marginal tonnes were estimated at a cut-off value of US $73.97/tonne NSR.
- A minimum mining width of 3.0 m was applied for all stoping.
- Numbers may not sum due to rounding.
- NSR Reserve Prices ($US); Cu $4.20/lb, Zn $1.19/lb, Ag $25.84/oz, Au $2,031/oz

Project Development

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 Phase 1 capital budget presented below, and as outlined in the 2025 Technical Report, is based on capital expenditures from June 1, 2024, through 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 $886 million cost set out in the table below.

Items	Phase 1 Capital Budget ($M)
Process Plant	200
Underground Development, Equipment and Infrastructure	156
Project Indirect	204
Infrastructure	152
Owners Costs	118
Facilities & Surface Equipment	28
Contingency	46
Net Pre-Commercial Production Credits	(18)
Total	**886**

From June 1, 2024, to December 31, 2024, the Company incurred approximately $253.6 million of costs toward its Phase 1 capital budget.

On February 11, 2025, the Company announced a project update on its McIlvenna Bay Project as at December 31, 2024, with progress made across key areas of development, including:

- Safety remains a top priority for the Company, with no lost time injuries recorded in 2024, and a workforce of approximately 450 people on site.

- Structural steel installation for the grinding area of the process plant was initiated during the quarter, with full enclosure of the process plant set to be completed in Q3 2025.

- Detailed engineering is approximately 90% complete, with full completion expected by the end of Q1 2025, in line with the Integrated Project Management Team's ("IPMT") schedule.

- Surface construction is approximately 24% complete, and the overall schedule remains on track for commercial production in the first half of 2026.

- In 2024, approximately 2,114m of underground development were completed, bringing the total to approximately 2,307m since project inception, with the decline approaching the 180m level.

CMIF Contribution

On December 20, 2024, the Company announced a conditionally approved funding commitment of up to $20 million (the "**CMIF Contribution**") from Natural Resources Canada ("**NRCan**") through the Critical Minerals Infrastructure Fund Program. Subsequently, on March 10, 2025, the Company and NRCan entered into a contribution agreement approving the CMIF Contribution in accordance with the terms therein. The CMIF Contribution will support eligible expenses related to the construction of the McIlvenna Bay Project's hydroelectric transmission line, an on-site substation and electrical vehicle charging infrastructure. Up to $5.8 million of the CMIF Contribution is repayable for a period of ten years commencing on January 1, 2027, which repayment shall be in the same ratio as NRCan's contributions to the eligible expenses to be supported by the CMIF Contribution and shall be conditional upon the Company generating net income in connection with the Project. The remainder of the CMIF Contribution is non-repayable.

SIF Contribution

On January 28, 2025, the Company announced the signing of a contribution agreement with the Canadian Government under the Government's Strategic Innovation Fund, for funding of up to $41 million or 15.6% of certain eligible costs incurred prior to December 31, 2026, whichever is lower (the "**SIF Funding**"). In accordance with the contribution agreement, 90% of the SIF Funding will be provided in the form of an unconditional repayable contribution and 10% as a non-repayable contribution. The first payment in respect of the unconditionally repayable contribution portion is due on April 30, 2032. Draws on the Contribution Agreement are made as eligible costs for investments in battery-electric underground mining equipment and remote-operations control centre, ventilation on demand, heat recovery system integration technologies, water recycling systems, and pyrite removal technologies are incurred.

Voyageur Option Agreement

On November 26, 2024, the Company announced that it had entered into an option agreement with Voyageur Mineral Explorers Corp. ("**Voyageur**") to acquire a 100% interest in Voyageur's Hanson Lake property. Under the terms of the agreement, the Company made an initial payment of $1 million in common shares for the right to explore the Hanson Lake property for five years with no minimum spending requirement. The Company also holds the option to acquire 100% of the property for a one-time payment of $10 million, in cash or common shares, at the Company's election during this period.

Net Smelter Royalty Repurchase

On November 21, 2024, the Company exercised its contractual right to repurchase the 1% net smelter royalty ("**NSR**") applicable to portions of McIlvenna Bay Property held by Cameco Corporation and South32 Royalty Investments Pty Ltd (formerly Billiton Metals Canada Inc.) for total cash consideration of $1 million.

Amended Credit Facility

On October 2, 2024, the Company announced the closing of the amended and restated Senior Credit Facility with a fund managed by Sprott Resource Lending Corp. (“**Sprott**”), which upsized the facility from US$150 million to US$250 million (the “**Amended Credit Facility**”). Upon closing, the Company received an advance of US$28 million. Additionally, and in accordance with the Amended Credit Facility, gross proceeds of US$100 million have been advanced to a debt proceeds account (“**DPA**”), net of 3% transaction costs. Funds advanced to the DPA will accumulate interest immediately and proceeds from the DPA will be released to the Company upon satisfaction of certain release conditions. The Company has recognized the funds within the DPA as restricted cash within its statement of financial position. Interest shall accrue at an unchanged floating rate equal to 6.95% per annum plus the greater of (i) three-month term SOFR and (ii) 2.00% per annum. Interest is payable quarterly, and 100% of interest costs may be deferred until March 31, 2026. The Company shall also pay annual anniversary interest to Sprott beginning in the first quarter of 2027, equal to 2.00% of the aggregate outstanding facility balance, inclusive of all deferred interest, on the payment date. The anniversary interest is payable in cash or shares at the Company’s election and is not due as of and from either a change of control of the Company or any potential refinancing of the facility. Principal repayments will commence on June 30, 2027, and the Company shall pay to Sprott equal repayments of the principal amount of the Amended Credit Facility, including deferred interest and other costs, in an amount equal to 2.65% of the outstanding principal amount of the Amended Credit Facility on a quarterly basis until June 30, 2031. The remainder of the scheduled principal payments are due upon the maturity date of September 30, 2031 (the “**Maturity Date**”). Additionally, Sprott has the right to sweep proceeds received by the Company from any investment tax credits (“**ITC**”) received up to a total of US$100 million. Any ITC sweep repayments shall be applied as principal payments against scheduled amortization payments, in reverse order of the Maturity Date, and shall only occur after the Company has received US$25 million of potential ITC proceeds.

Exploration

<u>Drilling</u>

From January to December 2024, the Company completed several drill programs encompassing approximately 48,750m of drilling, targeting the Tesla and Bridge Zones adjacent to the McIlvenna Bay Deposit and certain regional targets in the Hanson Lake area and along trend to the north of the Bigstone Deposit.

On March 19, 2025, the Company announced additional drill results from its 2025 winter drill program, which included results from hole TS-25-37 that was drilled into the central part of the Tesla Zone. The hole successfully intersected multiple zones of mineralization over a 143m long interval – marking the highest grade-thickness intercept to date. The intercepts correlated well with previous drilling but have yielded thicker than average mineralized intervals.

On February 27, 2025, the Company announced initial results from its 2025 winter drill program, confirming a significant down plunge expansion of mineralization at the McIlvenna Bay Deposit and an expansion of the mineralization associated with the Bridge Zone. The first hole indicated a significant intersection 200m down plunge from the nearest resource drill holes completed at the McIlvenna Bay Deposit, including grades in the new intersection that are significantly higher than the average reserve grade of the McIlvenna Bay Deposit.

On January 14, 2025, the Company announced the final assay results from the outstanding 2024 summer Tesla Zone drill holes. The results for several wedge holes were provided, which continue to confirm the continuity of the Tesla Zone mineralization, along with the results from hole TS-24-32, which confirmed the extension of the recently discovered (see September 4, 2024 news release) gold-bearing zone at the northwestern end of the Tesla Zone.

On November 18, 2024, the Company announced assay results from two new holes drilled into the Tesla Zone as part of the summer program. These holes were designed to infill two 200 x 300m gaps in the drill

hole spacing near the southern known margins of the Tesla Zone. The holes successfully encountered multiple wide zones of mineralization, confirming the continuity of the Tesla Zone in that area.
On October 7, 2024, the Company announced initial assay results from its summer drill program at the Tesla Zone. The infill summer drill program was completed to further understand and confirm the continuity of Tesla between existing wider-spaced drill holes. Results from hole TS-24-30 were released, which targeted a 200m by 150m area and successfully intersected a wide lens of copper-rich mineralization.

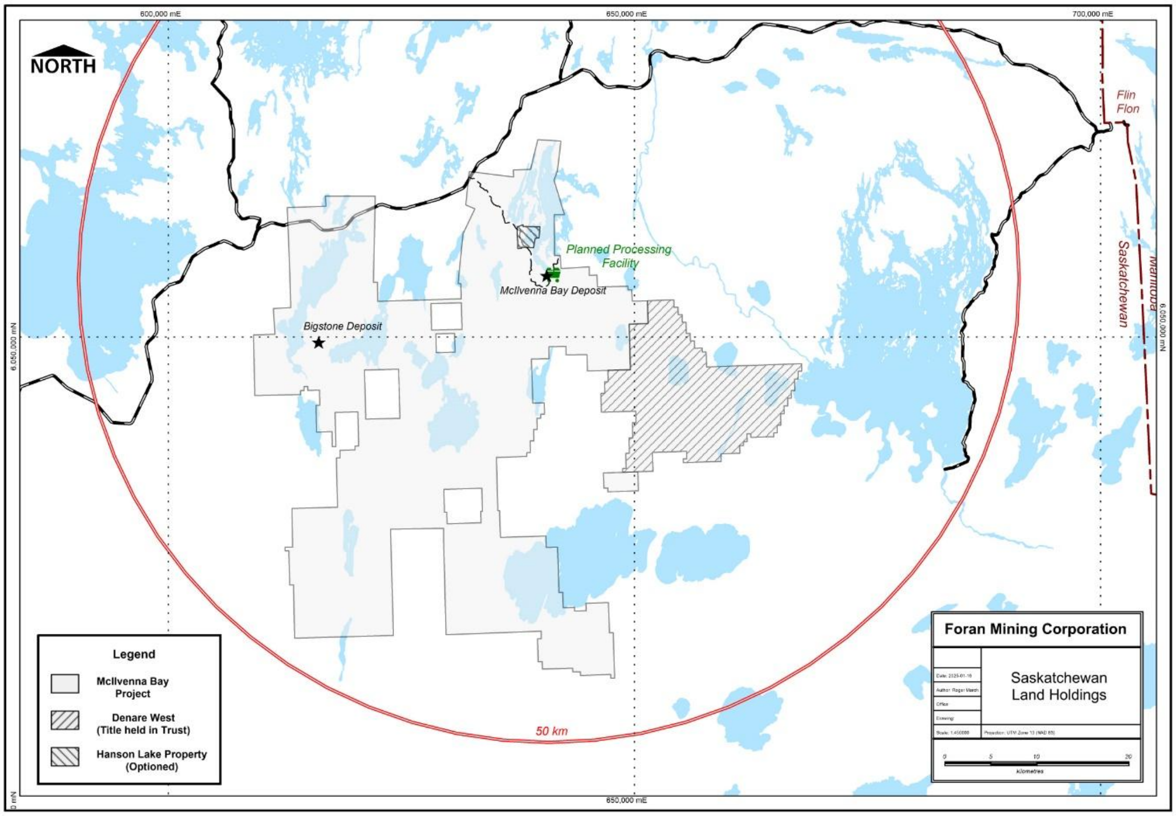
MINERAL PROPERTIES

As of the date of this MD&A, the Company holds a total of 101 mineral claims and one mineral lease, covering approximately 114,869 hectares **("ha")** which are part of the McIlvenna Bay Project. The mineral lease was established in September 2024 with the conversion of six pre-existing mineral claims encompassing approximately 1,638 ha to a lease which covers the McIlvenna Bay Deposit and adjacent Tesla Zone. The Company holds an option to acquire the Denare West property, which title is held in trust by MBO and consists of 10 mineral claims covering approximately 21,066 ha. The Company also holds an option to acquire the Hanson Lake Property, consisting of a single claim located approximately 5km northwest of the McIlvenna Bay Deposit and covering approximately 4,510 ha. The properties are located between approximately 40km and 102km west of Flin Flon, Manitoba. All tenements are within 47 km of the McIlvenna Bay Deposit.

Historically, the Company's land holdings in the area were disjointed and treated as separate properties. Recently, the Company has embarked on a significant period of staking, which has grown its land holdings substantially into one large contiguous package. The McIlvenna Bay Project now encompasses these contiguous land holdings located near the western limit of the Flin Flon Greenstone Belt, which is underlain by prospective felsic volcanic stratigraphy that hosts variably significant styles of alteration and mineralization. The northern part of the project area, which includes the McIlvenna Bay and Bigstone Deposits, as well as the recently discovered Tesla Zone adjacent to the McIlvenna Bay Deposit, are located in close proximity to the highway and have therefore seen significantly more exploration over the years. The southern portions of the project area are more remote and are at an earlier stage of exploration maturity but are expected to have the potential to host significant precious and base metal occurrences.

The McIlvenna Bay Deposit is located approximately one km south of Hanson Lake, Saskatchewan, 375km northeast of Saskatoon, Saskatchewan and 65km west south-west of Flin Flon, Manitoba, and 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 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.

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



McIlvenna Bay Project

<u>Construction Progress Summary</u>

Description	Progress to Date (as at December 31, 2024 unless otherwise stated)
Health & Safety	○ Lost time incident Frequency rate year-to-date remains at 0 and a total recordable incident frequency rate year-to-date of 1.6 after over 866,000 total person-hours worked in 2024.
Construction Progress & Schedule	○ At quarter end, overall completion of surface construction stood at approximately 24%. ○ The overall schedule remains in line with previous guidance, with commercial production anticipated in the first half of 2026. ○ Approximately 6,653m^3 of concrete poured since project inception, representing approximately 1/3 of total requirements. ○ Surface maintenance shop erected and cladded. ○ Mine waste rock and ore pad liner were completed. ○ Permanent mine water discharge line installed at the final location.
Engineering	○ Approximately 90% of detailed engineering has been completed.

	○ Engineering is planned to be completed by end of Q1 2025.
Procurement	○ Procurement is managing 196 work packages, with 156 packages awarded in 2024.
Surface Development (Plant)	○ Process plant structural steel started to be installed during the quarter. ○ The process plant structural steel, including the enclosure around the SAG and ball mills, is scheduled for completion by March 2025.
Underground Development	○ In 2024, approximately 836m of decline advance was completed and 1,278m of lateral development, for a total of approximately 2,114m of underground development. ○ Completion of the Battery Electric Vehicle charging bay at the 60m level. ○ Constructed and commissioned split-level truck load outs at the 90m and 120m levels. ○ At quarter end, the decline was approximately 40m past the 150m level access.
Permitting	○ Key permits continue to be received as construction progresses. ○ Recent requests have been submitted for the crown work authorization amendment and all progress is as per or ahead of schedule.
Human Resources	○ At quarter end, there were approximately 450 persons on site, with approximately 110 mining, site services and admin and 340 IPMT contractors for the surface construction.

Exploration

In 2024, the Company completed approximately 48,751m of a 54,000m budgeted program for the year and focused 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 Board of Directors has approved a 30,000m winter drill program for 2025. The program began in early January and will predominantly focus on infill drilling across the Tesla Zone, targeting wider gaps in the current drill hole spacings, along with testing several high-priority regional exploration targets within approximately five kilometres of the McIlvenna Bay Deposit. The program will utilize up to nine drill rigs to capitalize on the frozen condition of Hanson Lake, along with the use of wedging and directional drilling technologies to reduce the overall metres required for the program and increase the efficiency and precision of the drilling at tighter spacings.

OVERALL PERFORMANCE

SELECTED FINANCIAL INFORMATION

Expressed in thousands of Canadian dollars, except share information	December 31, 2024	December 31, 2023	December 31, 2022
Cash and cash equivalents	363,634	266,487	87,322
Restricted cash	142,241	4,287	4,287
Exploration and evaluation assets	62,069	258,081	140,812
Mineral property, plant and equipment	564,569	-	-
Total assets	**1,156,220**	**542,489**	**236,734**
Accounts payable and accrued liabilities	66,696	30,184	8,902
Flow-through share premium liability	7,916	7,084	-
Share-based payment liabilities	7,786	7,660	5,210
Total non-current liabilities	272,363	39,256	34,321
Total liabilities	**360,559**	**84,428**	**49,033**

The Company's total assets as at December 31, 2024, were $1,156.2 million compared to $542.5 million as at December 31, 2023, an increase of $613.7 million. The net increase in assets is explained below:

- Cash and cash equivalents: The increase from December 31, 2023, was primarily a result of the cash provided by the July 2024 Offerings and Amended Credit Facility advance, partly offset by mineral property, plant and equipment, exploration and evaluation and general and administrative expenditures paid in the period.

- Mineral property, plant, and equipment: The increase from December 31, 2023, was due to the formal investment decision, the reclassification of costs related to the McIlvenna Bay Project from exploration and evaluation assets to mineral property, plant, and equipment in July 2024, and construction costs incurred during the second half of 2024.

- Exploration and evaluation assets: The decrease from December 31, 2023, was primarily due to the reclassification of McIlvenna Bay Project costs to mineral property, plant and equipment as a result of the Board's formal investment decision, partially offset by costs incurred on other exploration projects.

The Company's total liabilities as at December 31, 2024 were $360.6 million compared to $84.4 million as at December 31, 2023, a net increase of $276.2 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 an increase in spending on the McIlvenna Bay Project.

- Flow-through share premium liability: The increase from December 31, 2023, was due to the Company's July 2024 Offerings, partially offset by 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.

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

RESULTS OF OPERATIONS

Expressed in thousands of Canadian dollars	Three months ended December 31, 2024	2023	Twelve months ended December 31, 2024	2023	2022
Revenue	**-**	**-**	**-**	**-**	**-**
Net loss	**18,528**	**5,904**	**18,874**	**13,623**	**9,788**
Net loss per share (basic and diluted)	**0.04**	**0.02**	**0.05**	**0.05**	**0.04**
Consulting	$ 533	$ 3,583	$ 3,533	$ 4,971	$ 1,248
Depreciation	-	-	-	-	58
Directors' fees	63	54	237	233	367
Investor relations	162	74	939	666	440
Office and administration	531	456	1,853	1,621	1,094
Professional fees	518	254	1,384	827	911
Salaries and benefits	1,201	1,647	4,611	3,287	2,569
Share-based payment expense	263	1,589	4,429	6,004	3,789
Total general and administration expenses	**$ 3,271**	**$ 7,657**	**$ 16,986**	**$ 17,609**	**$ 10,476**
Other (income) expense	$ 8,963	$ (1,753)	$ (4,406)	$ (3,986)	$ (688)
Total other (income) expenses	**$ 8,963**	**$ (1,753)**	**$ (4,406)**	**$ (3,986)**	**$ (688)**

Three months ended December 31, 2024 compared to 2023:

Details of the expenses and other items are as follows:

- Consulting fees: The decrease in consulting fees was primarily due to a decrease in corporate advisory costs that included short-term incentive payments made in 2023 to the CEO and certain key consultants in accordance with their consulting agreements.

- Professional fees: The increase in professional fees was primarily due to an increase in legal and audit fees.

- Salaries and benefits: The decrease in salaries and benefits was primarily related to the timing of short-term incentive obligation accrual recognition, partially offset by hiring officers as the Company's operations expanded.

- Share-based payment expense: The decrease in share-based payment expense was primarily due to the Company's share price depreciation over Q4 2024 compared to an appreciation in the Company's share price over Q4 2023.

- Other income: The decrease in other income was primarily due to an increase in the loss recognized on the foreign exchange translation of the US$ denominated Amended Credit Facility, partially offset by an increase in interest income due to the increased cash balance as a result of the Company's July 2024 Offerings and draws on the Amended Credit Facility and an increase in flow-through share premium recovery.

Twelve months ended December 31, 2024 compared to 2023:

Details of the expenses and other items are as follows:

- Consulting fees: The decrease in consulting fees was primarily due to a decrease in corporate advisory costs that included short-term incentive payments made in 2023 to the CEO and certain key consultants in accordance with their consulting agreements.

- Investor relations: The increase in investor relations fees was primarily due to an increase in engagement with the financial markets and shareholders.

- Professional fees: The increase in professional fees was primarily due to an increase in legal and audit 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 decrease in share-based payment expense was primarily due to the Company's share price depreciation over 2024 compared to an appreciation in the Company's share price over 2023.

- Other income: The increase in other income was primarily due to the recognition of an increase in interest income due to the increased cash balance as a result of the Company's July 2024 Offerings and draws on the Amended Credit Facility, and flow-through share premium recovery, partially offset in the loss recognized on the foreign exchange translation of the US$ denominated Amended 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 Company's financial records.

The Company has increased its activity significantly throughout 2023 and 2024 and is in the midst of advancing construction at its McIlvenna Bay Project. The fourth quarter of 2024 includes a foreign exchange loss as a result of the revaluation of the U.S dollar-denominated Amended Credit Facility and the declining Canadian dollar relative to the U.S dollar.

(Expressed in thousands of Canadian dollars, except share information)	Q4, 2024	Q3, 2024	Q2, 2024	Q1, 2024
Revenue	Nil	Nil	Nil	Nil
General and administration expenses	3,271	6,581	2,773	4,361
Other (income) and expenses	8,963	(6,075)	(3,410)	(3,884)
Net (income) loss for the period	18,528	506	(637)	477
Net (income) loss per share (basic and diluted)	0.04	0.00	(0.00)	0.00
Weighted average shares outstanding (basic and diluted)	420,578,569	376,675,017	333,371,445	332,653,925

(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	1,927	5,041
Other (income) and expenses	(1,753)	(1,581)	(1,683)	1,031
Net (income) loss for the period	5,904	1,404	244	6,072
Net (income) loss per share (basic and diluted)	0.02	0.00	0.00	0.02
Weighted average shares outstanding (basic and diluted)	294,940,856	284,446,529	283,771,906	258,448,021

CASH FLOWS

Three months ended December 31, 2024 compared to 2023:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, decreased by $62.4 million during the three months ended December 31, 2024, to $363.6 million, from $424.8 million as at September 30, 2024. The decrease was primarily a result of $244.1 million of cash used in investing activities, partially offset by $181.3 million of cash provided by financing activities.

The $0.3 million of cash provided by operating activities consisted of $23.0 million of items not involving cash, partially offset by a net loss of $18.5 million and $4.2 million change in working capital.

The $244.1 million of cash used in investing activities consisted primarily of mineral property, plant, and equipment, and exploration and evaluation expenditures, primarily related to the construction of the McIlvenna Bay Project and funds drawn from the Amended Credit Facility that were recognized as restricted cash.

The $181.3 million of cash provided by financing activities consisted primarily of a US$128 million Amended Credit Facility draw and a $12.2 million Equipment Finance Facility draw.

Twelve months ended December 30, 2024 compared to 2023:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, increased by $95.7 million during the twelve months ended December 31, 2024, to $363.6 million, from $266.5 million as at December 31, 2023. The increase was primarily a result of $554.7 million of cash provided by financing activities, partially offset by $458.0 million used in investing activities.

The $1.0 million of cash used in operating activities consisted of a net loss of $18.9 million and a $3.7 million change in working capital, partially offset by $21.6 million of items not involving cash.

The $458.0 million of cash used in investing activities consisted primarily of mineral property, plant, and equipment, and exploration and evaluation expenditures, primarily related to the construction of the McIlvenna Bay Project and funds drawn from the Amended Credit Facility that were recognized as restricted cash.

The $554.7 million of cash provided by financing activities consisted primarily of $356.0 million net cash received from the July 2024 Offerings, a US$128 million Amended Credit Facility draw and a $28.3 million Equipment Finance Facility draw.

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 material 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 December 31, 2024, the Company had current assets in excess of current liabilities of $283.2 million (December 31, 2023: $225.6 million).

Restricted Cash

On August 9, 2024, the Company obtained a $19.3 million letter of guarantee in support of its obligations related to Saskatchewan Power Corporation's ("**SaskPower**") construction of the Transmission Line. The letter of guarantee is secured by restricted cash of $5.8 million and a performance security bond of $13.5 million provided by Export Development Canada. See "*Off-Balance Sheet Arrangements*" for further details.

On August 15, 2024, the Company's surety bond to support a possible future reclamation and closure obligation in accordance with the approval to operate permit for the Company's McIlvenna Bay Project was reduced from $14.9 million to $5.5 million upon a review by the Saskatchewan Ministry of Environment. As a result, the amount of restricted cash required to secure the surety bond was reduced from $4.3 million to $0.8 million. See "*Off-Balance Sheet Arrangements*" for further details.

On October 2, 2024, in accordance with the Amended Credit Facility (defined below), gross proceeds of US$100 million have been advanced to debt proceeds account ("**DPA**"), net of 3% transaction costs. Funds advanced to the DPA will accumulate interest immediately and proceeds from the DPA will be released to the Company upon satisfaction of certain release conditions.

Credit Facilities

Amended 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, ("**Sprott**") as lender (the "**Senior Credit Facility**"). The Senior Credit Facility was amended and restated in its entirety on October 1, 2024 and upsized to US$250 million from US$150 million (the "**Amended Credit Facility**"). The Amended Credit Facility has the following key terms:

- US$250 million non-revolving facility with a maturity date of September 30, 2031 (the "**Maturity Date**").

- 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 March 31, 2026.

- The Company shall also pay annual anniversary interest to Sprott beginning in the first quarter of 2027, equal to 2.00% of the aggregate outstanding facility balance, inclusive of all deferred interest, on the payment date. The anniversary interest is payable in cash or shares at the Company's election and is not due as of and from either a change of control of the Company or any potential refinancing of the facility.

- Principal repayments will commence on June 30, 2027, and the Company shall pay to Sprott equal repayments of the principal amount of the Amended Credit Facility, including capitalized interest and other costs, in an amount equal to 2.65% of the outstanding principal amount of the Amended Credit Facility on a quarterly basis until June 30, 2031. The remainder of the scheduled principal payments are due upon the Maturity Date.

- Sprott has the right to sweep proceeds received by the Company from any investment tax credits ("**ITC**") received up to a total of US$100 million. Any ITC sweep repayments shall be applied as principal payments against scheduled amortization payments, in reverse order of the Maturity Date, and shall only occur after the Company has received US$25 million of potential ITC proceeds.

- The Company may elect to prepay the outstanding principal amount in whole, including all accrued and unpaid interest, at any time subsequent to December 31, 2026 (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 31, 2028, and a 0% premium thereafter.

- The Company's obligations under the Amended 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 Amended Senior Credit Facility as at December 31, 2024.

As at December 31, 2024, the Company has drawn US$157.5 million of principal and accumulated US$11.9 million of deferred 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, 2024, the Company had drawn approximately $28.3 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 financings

In July 2024, the Company announced the July 2024 Offerings, a series of brokered and non-brokered strategic investments for up to $360 million. The July 2024 Offerings were completed in two tranches, with the second tranche following the receipt of all requisite shareholder approvals under the rules of the TSX.

On August 8, 2024, the Company completed the first tranche of the July 2024 Offerings totaling 68,465,540 common shares for aggregate gross proceeds of approximately $289.1 million. The Company issued 63,963,666 common shares at a price of $4.05 per share for gross proceeds of approximately $259.1 million, 2,906,977 common shares on a flow-through basis at a price of $6.88 per flow-through share for gross proceeds of approximately $20.0 million and 1,594,897 common shares on a flow-through basis at a price of $6.27 per flow-through share for gross proceeds of approximately $10.0 million (the "**July 2024 FT Shares**"). Share issue costs totaled $4.0 million.

On September 17, 2024, the Company completed the second tranche of the July 2024 Offerings totaling 17,518,713 common shares at a price of $4.05 per share for aggregate gross proceeds of approximately $71.0 million.

As a result of subscribers paying a premium for the July 2024 FT Shares, the Company allocated $11.8 million of the gross proceeds of the flow-through shares to the flow-through share premium liability and the remaining $18.2 million to share capital.

The anticipated use of the $356.0 million net proceeds of the July 2024 Offerings 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, 2024		Remaining as at December 31, 2024
Development		320,000		55,923		264,077
Exploration & studies		30,000		9,821		20,179
Corporate administration		6,018		1,249		4,769
Total expenditure	$	356,018	$	66,993	$	289,025

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 the future as needed.

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 approximately $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 proceeds from the December 2023 Offering have been spent mainly on early works, construction and exploration activities.

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 aggregate gross proceeds of approximately $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 proceeds from the March 2023 Offering have been spent mainly on early works, construction and exploration activities.

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 December 31, 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	$	66.7	66.7	-	-	-
Leases	$	14.7	14.7	-	-	-
Construction commitments[1]	$	74.6	74.6	-	-	-
Credit Facilities	$	480.6	6.0	163.0	128.0	183.6

1. Certain contractual commitments may contain cancellation clauses; however, the Company discloses its commitments based on management's intent to fulfill the contracts.

As at December 31, 2024, the Company is required to spend $20.2 million of qualifying exploration expenditures by December 31, 2025 to satisfy the remaining flow-through share premium liability of $7.9 million.

OFF-BALANCE SHEET ARRANGEMENTS

On August 6, 2024, the Company obtained a $19.4 million letter of guarantee (the "**SaskPower Guarantee**") issued by Royal Bank of Canada under a revolving credit facility between MBO, as borrower, Foran, as guarantor, and Royal Bank of Canada, as lender (the "**LC Facility**"), in support of the Company's obligations to SaskPower in respect of the construction of a dedicated 77km long power transmission line originating from the Island Falls Hydro Generating Station and extending up to the McIlvenna Bay Project site (the "**Transmission Line**"). The SaskPower Guarantee is secured by a performance security bond of $13.5 million from Export Development Canada and $5.8 million of restricted cash as collateral. In the event that the SaskPower Guarantee or LC Facility were terminated, the Company would need to obtain alternative credit sources to secure the Company's Transmission Line obligations.

On August 15, 2024, the Company reduced its surety bond from $14.9 million to $5.5 million (the "**Project 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 McIlvenna Bay Project. The Project Surety Bond is in turn secured by an irrevocable standby letter of credit (the "**Project LC**") in the amount of $0.8 million issued on August 15, 2024, by the Bank of Montreal with the Company, as applicant, and Trisura, as beneficiary. In the event that the Project Surety Bond or Project LC were terminated, the Company would need to obtain alternative credit sources to, in the case of the Project Surety Bond, secure the Company's reclamation and closure obligations and, in the case of the Project LC, secure the Project 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, 2024 and 2023 were as follows:

Expressed in thousands of Canadian dollars	Three months ended December 31, 2024	Three months ended December 31, 2023	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Short-term benefits[1]	$ 1,022	$ 1,838	$ 3,765	$ 3,330
Directors' fees[2]	63	54	237	233
Share-based payments[3]	238	1,467	3,997	5,583
Total	$ 1,323	$ 3,359	$ 7,999	$ 9,146

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 the grant and revaluation of RSUs, DSUs and stock options issued to management personnel.

PROPOSED TRANSACTIONS

Except as otherwise noted herein, the Company does not have any other material proposed transactions.

SHARE CAPITAL

As at March 14, 2025, the Company had the following securities issued and outstanding:

- 393,136,638 Common Shares
- 27,777,778 non-voting shares
- Nil preference shares
- 15,720,768 stock options exercisable for Common Shares
- 5,714,285 warrants exercisable for Common Shares
- 1,792,375 deferred shares units convertible into Common Shares
- 276,667 restricted shares units convertible into Common Shares

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 consolidated financial statements are the same as those described in the consolidated annual financial statements for the year ended December 31, 2024.

Determination of technical feasibility and commercial viability

The determination of technical feasibility and commercial viability of a mineral property requires significant judgement and takes into account, among other factors, a combination of, the extent to which mineral reserves or mineral resources have been defined in a definitive feasibility study in accordance with National Instrument 43- 101, Standards of Disclosure for Mineral Projects; the results of any optimization studies and further technical evaluation carried out to mitigate project risks identified in the definitive feasibility study; the status of environmental permits; and the status of mining leases or permits.

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, 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 twelve months ended December 31, 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 13 of the Company's consolidated financial statements for the twelve months ended December 31, 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 comprehensive discussion of 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, 2024 and "Risks and Uncertainties" in the Company's MD&A for the year ended December 31, 2024, each of which is 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 development and exploration activities at the McIlvenna Bay Property and nearby, non-material properties accounted for much of the Company's operations in 2024 and are anticipated to continue to account for the majority of the Company's operations in 2025. Any adverse conditions affecting development or exploration at the McIlvenna Bay Property may have a material adverse effect on the Company and could materially and adversely affect the potential future 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 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, trade tariffs, and environmental protection, the combination of which may result in the Company not receiving an adequate return of investment capital.

The 2025 Technical Report prepared in respect of the McIlvenna Bay Project was favourable, however, ongoing development depends on a number of factors, including executing construction according to the Project's development budget and schedule, access to the equipment and materials required to advance development, advancing underground development, attracting and retaining employees, and the Company being able to continue to finance development. The Company may undertake further exploration work that could further test the McIlvenna Bay Deposit and other near-mine targets, including in connection with any potential expansions of the McIlvenna Bay Project. 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 2025 Technical Report 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 may require additional financing and future share issuances may adversely impact share prices.

The Company's current cash and cashflows may not be sufficient to pursue additional exploration, development or discovery of additional reserves or new acquisitions and the Company may require additional financing. Although the Company has been successful in the past in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on its properties. Additional financing may not be available on acceptable terms, if at all. The Company may need additional financing by way of offerings of equity or debt or the sale of a project or property interests in order to have sufficient working capital for its business objectives, as well as for general working capital purposes. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's mineral projects, giving rise to the possible loss of the Company's interest in such mineral projects.

The success and pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time. There can be no assurance that financing will be available to the Company or, if it is available, that it will be offered on acceptable terms. Sales or issuances of substantial amounts of securities of the Company, or the perception that such sales could occur, may adversely affect prevailing market prices for the securities of the Company that are issued and outstanding from time to time. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, this may negatively impact the price of the Common Shares and could result in dilution to shareholders with respect to voting power and the interests of shareholders in the net assets of the Company may be diluted.

Failure to comply with covenants under the Amended Credit Facility or the Equipment Finance Facility may have a material adverse impact on the Company's operations and financial condition.

On October 1, 2024, the Company closed the Amended Credit Facility, which amended and restated its original Senior Credit Facility. The Company is expected to use the funds available under such facility towards general corporate and administrative purposes, the construction, development and operation at the McIlvenna Bay Project, and other expenses as set out in the Amended Credit Facility. In addition, on September 7, 2023, the Company announced the Equipment Finance Facility and is expected to use the funds available under the Equipment Finance Facility to acquire certain equipment for the potential development and operation at the McIlvenna Bay Project.

Failure to comply with the covenants under the Amended Credit Facility or the Equipment Finance Facility could result in restricted access to additional capital or being required to repay all amounts owing thereunder. Any such restricted access to the Amended Credit Facility or the Equipment Finance Facility could have an adverse effect on the Company's business, financial condition and results of operations.

The Company's ability to make payments of interest and principal, with such principal repayments commencing on June 30, 2027 under the Amended Credit Facility and immediately upon draw under the Equipment Finance Facility, will depend on its future operating performance and cash flows from operations or from raising additional funds, which are subject to prevailing economic conditions, prevailing commodity price levels, and financial, competitive, business and other factors, many of which are beyond its control. The Company's cash flow from operations will be in part dedicated to the payment of the principal and interest under the Amended Credit Facility and Equipment Finance Facility and no assurance can be given that the Company will be able to repay the Amended Credit Facility or Equipment Finance Facility.

The Amended Credit Facility and Equipment Finance Facility impose certain restrictions on the Company, including on incurring of additional indebtedness, acquisition and dispositions of assets, entering into amalgamations, mergers, and other restrictions. In addition, the Amended Credit Facility includes certain financial covenants with which the Company must comply. A breach of any of the terms of the Amended Credit Facility or Equipment Finance Facility could result in some or all of the amounts borrowed becoming immediately due and payable, which could adversely affect the Company's financial condition. Pursuant to the terms of the Amended Credit Facility, the lender has been provided with security over all of the assets of the Company, and pursuant to the terms of the Equipment Finance Facility, the lender has been provided with security over all equipment acquired with funds drawn down from the Equipment Finance Facility. A failure to comply with the obligations in the Amended Credit Facility or Equipment Finance Facility and related agreements could result in an event of default which, if not cured or waived, could permit acceleration of future amounts owing under the Amended Credit Facility or Equipment Finance Facility which may adversely affect the Company.

The Company has no history of mineral production.

The Company has no prior interest or operating experience in mineral producing properties. There is no assurance that commercial quantities of minerals will be recovered from the McIlvenna Bay Property or any other properties or future properties. There can be no assurance that McIlvenna Bay Property or any other properties or future properties will ever be brought to a stage where mineral resources can profitably be produced thereon. Factors which may limit the Company's ability to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources, availability of additional capital and financing, actual costs of bringing properties into production, and the nature of any mineral deposits.

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 than the technical information disclosure regarding McIlvenna Bay Phase 1 operations and has reviewed, verified and approved such technical information in this MD&A.