

OPTEGRA VENTURES INC. (formerly Essex Minerals Inc.)

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three Months Ended December 31, 2023

General

The following Management Discussion and Analysis ("MD&A") for Optegra Ventures Inc. (formerly Essex Minerals Inc.) ("the Company") should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes for the three months ended December 31, 2023 and 2022 the audited consolidated financial statements and notes for the years ended September 30, 2023 and 2022. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional information relating to the Company can be found on the SEDAR+ website at www.sedarplus.ca.

The MD&A was approved by the Board of Directors of the Company on February 27, 2024.

The head office and principal address of the Company is located at 3002-1211 Melville Street, Vancouver, BC V6E 0A7, and the registered and records office of the Company is located at 2500-700 W Georgia Street, Vancouver, BC V7Y 1B3.

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee. They do not include all of the information required for full annual financial statements.

Basis of Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out in the September 30, 2023 audited consolidated financial statements. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except cash flow information. All amounts are in Canadian dollars unless otherwise stated.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "progressing", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown risks, uncertainties and other factors, many of which are beyond the Company's ability to predict or control could cause actual results to differ materially from those contained in the forward-looking statements, which include, without limitation, commodity price volatility, changes in debt and equity markets, increases in costs, interest rate and exchange rate fluctuations, general economic conditions, the ability of the Company to receive continued financial support from related parties and to obtain public equity financing, the ability to generate profitable operations in the future, and the receipt of regulatory approvals on acceptable terms. Readers are cautioned

that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements.

Overview

The Company was incorporated on November 19, 2012 under the Business Corporations Act (British Columbia). The Company's principal business activity is the exploration of mineral properties. The Company currently conducts substantially all of its operations in Canada in one business segment.

The Company is a natural resource company focused on mineral exploration opportunities where it can adopt an option earn-in and joint venture model with proven technical teams which have already expended the time and capital to assemble exploration projects where drill targets have been identified.

On December 22, 2016, the Company received a receipt from the British Columbia Securities Commission for the long form prospectus dated December 20, 2016. On March 15, 2017, the Company completed an initial public offering and its shares were listed on the TSX Venture Exchange ("TSXV").

On March 16, 2021, the Company's common shares began being quoted on the OTCQB market under the stock symbol "ESXMF". In addition to its primary listing on the TSXV, the Company is also listed on the Frankfurt Stock Exchange under the trading symbol "EWX1". On April 1, 2023, the Company did not renew its listing on the OTCQB market.

On August 25, 2023, the Company changed its name to Optegra Ventures Inc., and commenced trading on the TSX-V under the symbol "OPTG".

Significant Events and Transactions

Loans Payable

During the three months ended December 31, 2023, the Company signed loan agreements with various lenders to provide an unsecured non-revolving loan in the aggregate principal amount of \$106,479 (\$80,000 USD). The loans bear interest at 36% per annum and shall become due, payable and shall be paid in full upon demand by the lender at any time after six months from the date of the agreement.

During the there months ended December 31, 2023, the Company recorded accrued interest of \$5,583 and recognized foreign exchange gain of \$671. As at December 31, 2023, the loans payable balance is \$111,391.

Exploration and Evaluation Assets

The following tables summarize cumulative costs capitalized as exploration and evaluation assets as at December 31, 2023, by project and their nature:

	Cumberland		Mt. Turner		Total
Property acquisition costs:					
Balance, December 31, 2023 and September 30, 2023	\$	1,246,393	\$	1,000	\$ 1,247,393
Exploration and evaluation expenditures:					
Balance, September 30, 2023		41,431		-	41,431
Maintenance		5,237		-	5,237
Balance, December 31, 2023		46,668		-	46,668
TOTAL	\$	1,293,061	\$	1,000	\$ 1,294,061

The following tables summarize cumulative costs capitalized as exploration and evaluation assets as at September 30, 2023, by project and their nature:

	Cumberland	Mt. Turner	Compass Creek	Total
Property acquisition costs:				
Balance, September 30, 2022	\$ 1,256,063	\$ 939,118	\$ 643,684	\$ 2,838,865
Exploration and evaluation expenditures:				
Balance, September 30, 2022	(9,671)	(3,474)	5,462	(7,683)
Field expenses	314	12,373	-	12,687
Consulting	12,206	54,733	4,120	71,059
Geological	-	2,072	-	2,072
Maintenance	28,911	12,558	13,205	54,674
	31,760	78,262	22,787	132,809
Other item:				
Impairment	-	(1,016,380)	(666,471)	(1,682,851)
Balance, September 30, 2023	31,760	(938,118)	(643,684)	(1,550,042)

Australian exploration properties

On April 5, 2022, the Company acquired all the issued and outstanding shares of KNX and its subsidiary IsMins, which holds an interest in Cumberland, Compass Creek and Mt. Turner Projects in Australia.

As a result of the acquisition, the Company has an 88% interest in the Cumberland and Compass Creek Projects and 100% of the Mt. Turner Project through its 100% ownership of KNX.

Cumberland

Five granted exploration permits covering 26,000 ha, 30 km from Georgetown, North Queensland, 70 km northwest of the former 3.5 million-ounce Kidston gold mine. The property has the potential to host high-grade epithermal gold mineralization and is currently held 88% by the Company and 12% by another Australian company, AMD Resources Ltd. ("AMD"). The property requires additional soil sampling and geophysics to be completed to better define additional drill targets.

Compass Creek

Three granted exploration permits covering 6,400 ha in Pine Creek goldfield, 28 km north of Kirkland Lake's 2.5Mtpa Union Reefs mill. The property has the potential to host large high-grade orogenic gold mineralization and is currently held 88% by the Company and 12% by AMD.

During the fiscal year 2023, the Company decided to impair Compass Creek in full and recorded an impairment of \$666,471.

Mt. Turner

A granted exploration permit covering 6,000 hectares, 30 km northeast of Cumberland with the potential to host high-grade epithermal gold mineralization and large bulk tonnage copper-molybdenum (with gold and silver) porphyry mineralization. This property is held 100% by the Company.

During the fiscal year 2023, the Company decided to impair Mt. Turner to the carrying value of \$1,000 and recorded an impairment of \$1,016,380. The remaining exploration and evaluation balance represents the anticipated recoverable amount from Cuprium Resources Pty. Limited.

Option-out with Cuprium Resources Pty Limited ("Cuprium")

On August 4, 2023, the Company granted Cuprium Resources Pty Limited ("Cuprium"), an arm's length private Australian Corporation a 120-day exclusive option to acquire the Mt Turner properties in exchange for AUD\$1,000 cash and a 3% net smelter return royalty. On November 4, 2023, the option was extended until August 4, 2024. During the option period, Cuprium has undertaken to maintain the Mt Turner properties in good standing including masking all necessary property payments.

On November 4, 2023, the Company extended the Mt. Turner option with Cuprium until August 4, 2024.

As at December 31, 2023, total amounts received by the Company from Cuprium for reimbursement of exploration expenditure was \$1,347.

Mt. Turner earn-in agreement with Meryllion Resources Corporation ("Meryllion")

On April 26, 2022, the Company reached terms with Meryllion for an option and earn-in joint venture on the Mt. Turner copper-molybdenum and Drummer Fault gold projects in north Queensland, Australia in exchange for a \$25,000 non-refundable option fee (received). In addition, the Company will grant Meryllion a 90-day option to conduct preliminary exploration on the properties. During this period, Meryllion needs to spend \$250,000 minimum on an initial drill target definition, and the Company will provide Meryllion with the geological teams and manage the recommended exploration programs for the properties.

The \$250,000 minimum spend was received and completed during the prior fiscal year 2022. Meryllion has the right to exercise its option by making a further \$75,000 payment to the Company. During the fiscal year 2022, Meryllion advised the Company that it intends to exercise its option and further advanced an additional \$96,988 for reimbursement of exploration expenditure.

During the fiscal year 2022, the total amounts received by the Company from Meryllion for reimbursement of exploration expenditure was \$371,988. During the fiscal year 2023, Meryllion had not fulfilled the property expenditure required to earn its first stage interest and the option lapsed. Consequently, the property remains 100% owned by the Company.

Summary of Periodic Results

The following table sets out selected quarterly information for the eight most recent quarters ended December 31, 2023:

	Dec 31, 2023 (Q1)	Sep 30, 2023 (Q4)	Jun 30, 2023 (Q3)	Mar 31, 2023 (Q2)	Dec 31, 2022 (Q1)	Sep 30, 2022 (Q4)	June 30, 2022 (Q3)	Mar 31, 2022 (Q2)
	\$	\$	\$	\$	\$	\$	\$	\$
Net income (loss) and comprehensive income (loss)	(105,064)	(2,043,387)	(115,036)	(227,301)	(201,775)	(154,158)	(265,217)	(408,938)
Basic and diluted income (loss) per share	(0.00)	(0.02)	(0.01)	(0.03)	(0.02)	(0.03)	(0.06)	(0.10)

Results of Operations

	Three months ended December 31, 2023	Three months ended December 31, 2022
Expenses		
Depreciation	\$ 229	\$ 327
General and administration	9,207	29,980
Investor relations	-	17,863
Management and consulting fees	34,500	66,500
Professional fees	27,655	30,984
Property investigation costs	24,000	31,500
Regulatory and transfer agent fees	4,542	4,653
Travel and promotion	-	16,726
Total expenses	(100,133)	(198,533)
Other Items		
Interest income	-	16
Interest expense	(5,583)	-
Foreign exchange	652	(3,258)
Net loss	\$ (105,064)	\$ (201,775)

Three Months ended December 31, 2023

The net loss for the three months ended December 31, 2023 was \$105,064 compared to a net loss of \$201,775 for the three months ended December 31, 2022. Major variances are as follows:

- For the three months ended December 31, 2023, general and administration fees were \$9,207 compared to \$29,980 for the prior period quarter. The decrease is mainly related to the subscription costs incurred in the prior quarter.
- For the three months ended December 31, 2023, investor relations fees were \$Nil compared to \$17,863 for the prior period quarter. The decrease is mainly related to the termination of investor relation services in the current quarter.
- For the three months ended December 31, 2023, management and consulting fees were \$34,500 compared to \$66,500 for the prior period quarter. The decrease is mainly related to less management and consulting fees recorded in the current quarter due to the resignation of the CFO during the prior year period.
- For the three months ended December 31, 2023, travel expenses were \$Nil compared to \$16,726 for the prior period quarter. The decrease is mainly related to no work related travel occurring in the current quarter.

Liquidity and Capital Resources

As at December 31, 2023, the Company has current assets of \$93,222 and current liabilities of \$461,999 compared to current assets of \$52,905 and current liabilities of \$386,609 as at September 30, 2023. As at December 31, 2023, the Company has working capital deficit of \$368,777 compared to working capital deficit of \$333,704 as at September 30, 2023.

Cash as at December 31, 2023 was \$39,633 compared to \$927 at September 30, 2023.

During the three months ended December 31, 2023, the Company signed loan agreements with various lenders to provide an unsecured non-revolving loan in the aggregate principal amount of \$106,479 (\$80,000 USD). The loans bear interest at 36% per annum and shall become due, payable and shall be paid in full upon demand by the lender at any time after six months from the date of the agreement.

The Company received \$75,000 from a Company owned by the CEO for proposed equity conversion. The amount is recorded as obligation to issue shares in the statement of financial position as at December 31, 2023.

The Company has financed its operations primarily from proceeds from the sale of shares and debt.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the TSXV and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company plans to issue more securities at such time as it believes additional capital could be obtained on favourable terms. There is no assurance that such funds can be available on favourable terms, if at all.

Outstanding Shares

As at December 31, 2023 and the date of this report, the Company has 8,817,880 common and outstanding shares.

As at December 31, 2023 and the date of this report, the Company has 4,591,450 warrants outstanding.

As at December 31, 2023 and the date of this report, the Company has 110,000 stock options outstanding and exercisable.

Related Party Balances and Transactions

Balances

As at December 31, 2023, the Company has \$194,329 (September 30, 2023 - \$234,794) due to related parties included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing and have no specified terms of repayment.

As at December 31, 2023, the Company has \$8,400 (September 30, 2022 - \$8,400) of property investigation costs paid in advance to a related party included in prepaid and deposits.

The Company received \$75,000 from a Company owned by the CEO for proposed equity conversion. The amount is recorded as obligation to issue shares in the statement of financial position as at December 31, 2023.

The Company has identified its directors and certain senior officers as its key management personnel.

Transactions

During the three months ended December 31, 2023 and 2022, the Company has the following related party transactions:

	December 31, 2023	December 31, 2022
Management and consulting fees - former and current directors and officers	\$ 34,500	\$ 56,000
Property investigation costs	24,000	-
	\$ 58,500	\$ 56,000

Financial Instruments

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, and interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. Refer to Note 1 of its condensed consolidated interim financial statements for further details related to the ability of the Company to continue as a going concern.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company has a cash balance of \$39,633 (September 30, 2023 - \$927) to settle current liabilities of \$461,999 (September 30, 2023 - \$386,609). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

The Company's cash is held by large Canadian financial institutions. The Company's loan receivable is exposed to significant credit losses. Credit risk on cash is assessed as low. Credit risk on the loan receivable is assessed as high.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. An immaterial amount of interest rate exposure exists in respect of cash balances on the condensed consolidated interim statement of financial position. As a result, the Company is not exposed to interest rate risk on its cash balances.

Foreign currency risk

Foreign currency exchange risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Since the Company's reporting currency is Canadian dollars and the Company and its subsidiaries have significant operations in Australia, the Company is exposed to foreign currency fluctuations on its reported amounts of assets and liabilities. This risk is not considered significant as most financial assets and liabilities are maintained in Canadian dollars. The Company's loan receivable is denominated in US dollars. If the Canadian dollar changes by 10% against the US dollar, it would result in a \$Nil (September 30, 2023 - \$Nil) change in loss and comprehensive loss.

Fair value of Financial Instruments

The Company's financial instruments measured at fair value consist of cash, restricted cash, loan receivable and accounts payable. The carrying values of cash, restricted cash and accounts payable approximate their fair values due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

Cash and restricted cash are classified as Level 1.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain the future development of the business.

The capital structure of the Company consists of shareholder's equity, comprising issued capital and deficit. The Company is not exposed to any externally imposed requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Risks and Uncertainties

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further development of its projects or to fulfil its obligations under applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's intended business operations with the possible dilution or loss of such interest. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of intended business operations. There is no assurance that the Company can operate profitably or that it will successfully implement its plans.

The Company is in the development stage and has no operating earnings. The likelihood of success of the Company must be considered in light of the problems, expenses and difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company operates at a loss and there is no assurance that the Company will ever be profitable.

Qualified Persons and Information Concerning Estimates of Mineral Projects

All of the scientific and technical information contained in this latest news releases have been reviewed and/or prepared by Mr. Richard Newport, BSc (Hons), MAIG (2182), a "Qualified Person" within the meaning of National Instrument 43-101 - Standards of Disclosure for Minerals Projects.

Other technical information contained in this MD&A has been summarized by the Company's Qualified Person at the time, Mr. Rod Husband, who supervised the preparation of, and approved, the scientific and technical information contained herein.

OPTEGRA VENTURES INC.
CORPORATE DATA
February 27, 2024

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CAPITALIZATION

Authorized:	Unlimited number of common shares, no par value
Issued:	8,817,880
Options:	110,000
Warrants:	4,591,450
Escrowed shares:	Nil

LISTINGS

TSX Venture Exchange
Trading Symbol: ESX.V
CUSIP #: 297133100