BAYHORSE SILVER INC.

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MANAGEMENT'S DISCUSSION & ANALYSIS

Accompanying the March 31, 2025 Condensed Consolidated Interim Financial Statements

This Management's Discussion & Analysis ("MD&A"), prepared as of May 28, 2025, is intended to be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended March 31, 2025 and related notes thereto which have been reported in Canadian dollars (unless noted otherwise), and prepared in accordance with IFRS Accounting Standards ("IFRS"). Amounts in this MD&A are stated in Canadian dollars unless noted otherwise.

This discussion relates to the operations of Bayhorse Silver Inc. (the "**Company**"), during the period up to the date of this MD&A, being May 28, 2025.

Additional information, including press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR+**") and is available under the Company's profile at www.sedarplus.ca.

OVERVIEW

Bayhorse Silver Inc. was incorporated under the Canada Business Corporations Act on April 6, 2004 and continued its incorporation into British Columbia on May 3, 2010. The Company is engaged in the acquisition and exploration of mineral property interests. The Company's consolidated financial statements include the records of the Company's wholly owned US based subsidiary, Bayhorse Silver (USA) Inc. The Company is listed on the TSX-V under ticker symbol BHS as a Tier 2 mining issuer, in the USA on the OTCQB under the symbol BHSIF, and the Frankfurt Exchange, Germany, under the symbol 7KXN.

The Company is a junior natural resource company engaged in the acquisition, exploration and development of natural resource properties. The Company is yet to receive any revenue from its mineral exploration operations. Accordingly, the Company has no operating income or cash flows. As a result, the Company has relied almost exclusively upon equity and debt financing activities, which is not expected to significantly change in the immediate future.

OVERALL PERFORMANCE / DISCUSSION OF OPERATIONS

The Company's business is the acquisition, financing, and exploration of prospective mineral properties in areas of low political risk, close to support facilities and with ready access.

Mineral Properties

Bayhorse Silver Mine Property, Oregon State

The Company has a 100% interest in the Bayhorse Silver Mine, Oregon USA.

The Company entered into an Option and Joint Venture Agreement dated December 4, 2013 among Bayhorse Silver Mine, LLC, and American Cordillera Mining Corporation with its wholly-owned subsidiary

Amcor Exploration Inc. (collectively, “AMCOR”) of Spokane Washington, whereby the Company was granted an option (the "Option") to acquire an 80% interest in AMCOR’s 100% leasehold interest from Bayhorse Silver Mine, LLC in certain mineral claims commonly referred to as the Bayhorse Silver Mine located in Baker County, Oregon.

The Company earned its 80% interest in the Bayhorse Silver Mine by making a cash payment of $25,000, and making the following additional share issuances and property expenditures, all of which have been completed:

Share issuances

- Issue 1,500,000 common shares.

Property expenditures

- Incur cumulative expenditures of US$1,500,000 on or before the fifth anniversary of the Option date (December 17, 2018).

As of March 31, 2025, the cumulative property expenditure incurred was US $12.0 million.

The Company is required to make minimum advance royalty payments of US$50,000 annually on June 26, of which the Company has completed payments up to June 2023 and has paid US$32,500 for 2024.

In accordance with the provisions of the option agreement, the Company was responsible for 80% of the project expenditures and AMCOR was responsible for 20% of the expenditures going forward. Provisions in the option agreement allowed for dilution of either joint venture parties’ interest in the joint venture and, when either party’s interest fell below 10% based on participating project expenditures, their interest shall be converted to a 1% net smelter royalty and the surviving party shall hold a 100% interest to the mining lease.

On May 15, 2017, the Company completed all necessary terms to exercise its option to acquire an 80% interest in the Leasehold Interest in the Claim known as the Bayhorse Silver Mine and as such, a Joint Venture (“JV”) was deemed to have been formed with the following JV Interests:

- AMCOR deemed JV expenditures of $320,000 (20% interest)
- Bayhorse Silver Inc. deemed JV expenditures of $1,600,000 (80% interest)

On December 31, 2017, AMCOR confirmed that they did not wish to participate in funding the JV that has been established between Bayhorse Silver Inc. and AMCOR. AMCOR accepted a dilution of their interest in the JV to NIL and Bayhorse Silver Inc. therefore increased its interest to 100%.

Maiden Resource Estimate

In September 2018, the Company completed and filed on SEDAR+ a National Instrument 43-101 Technical Report on a Maiden Inferred Mineral Resource for the Bayhorse Silver Mine comprising 292,300 short tons at an average grade of 21.65 troy ounces per ton (opt) silver (Ag) at a cutoff of 7.5 opt Ag, for a total of 6,328,400 oz silver. Mr. Michael Dufresne, M.Sc., P.Geo., has supervised the preparation of and takes responsibility for the Mineral Resource Estimate, and is the President and a Principal of APEX Geoscience Ltd. Mr. Dufresne is independent of the Company and is a Qualified Person and Consultant to the Company.

An additional conceptual exploration target of 200,000 to 250,000 tons at a range of grades of 10 to 20 opt Ag for a range of 2 million to 5 million ounces of silver has been modelled. The additional exploration target is conceptual in nature, there has been insufficient exploration to define a mineral resource for the exploration target and it is uncertain if further exploration will result in the definition of additional resources.

APEX of Edmonton, Alberta has provided the Inferred Mineral Resource Estimate in Table 1 below that is primarily based upon historic underground channel sampling and drilling, supported and confirmed by recent underground sampling by APEX and Bayhorse personnel. A total of 364 channel or drill hole samples have been used in the estimate. Silver grades for composites have been capped at 135 opt, which resulted in the capping of seven composites. The resource was calculated using inverse distance squared (ID2) and all blocks intersecting the known and modelled underground workings were removed. At a lower cut-off grade of 7.5 opt Ag, the mineralized material removed from the resource was approximately 20,700 tons at an average grade of 24.34 opt Ag for a total of 503,000 ounces of contained Ag. Based upon historic reports of mining, this is in line with what was thought to have been removed historically. The Bayhorse Silver Mine is reported to have produced at an average grade of 35 opt Ag in the 1920's, and the last time it was mined in 1984, the grades averaged 16.7 opt Ag.

Table 1: Bayhorse Inferred Mineral Resource Estimate for silver at a variety of lower cut-off grades. The current mineral resource is bolded.

Classification*	**Ag Cutoff (ounces per ton - opt)****	**Tonnage (in Short Tons)**	**Ag Grade (ounces per short ton - opt)**	**Ag Grade (parts per million)*****	**Contained Ag*** (troy ounces)**
Inferred	0	312,800	20.51	703.3	6,417,300
	2.5	305,800	20.94	718.1	6,404,100
	5	301,700	21.18	726.0	6,388,900
	7.5	**292,300**	**21.65**	**742.4**	**6,328,400**
	10	275,500	22.43	769.0	6,178,100
	12.5	253,700	23.39	801.9	5,934,000

* Inferred mineral resources are not mineral reserves. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. There has been insufficient exploration to allow for the classification of the inferred resources tabulated above as an indicated or measured mineral resource, however, it is reasonably expected that the majority of the inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Mineral Resources have been classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014).

** A price of $US15/oz Ag with a conceptual underground mining and processing cost of $100US/ton has been utilized to derive the favoured lower cut-off for Ag of 7.5 opt.

*** Grade in ppm and contained ounces may not add due to rounding.

The Company is not basing any decision to produce on a feasibility study of mineral reserves demonstrating economic and technical viability and advises there is an increased uncertainty and specific economic and technical risk of failure with any production decision. These risks include, but are not limited to, (i) a drop in price of commodities produced, namely silver, copper, lead and zinc, from the pricing used to make a production decision; (ii) failure of grades of the produced material to fall within the parameters used to make the production decision; (iii) an increase in mining costs due to changes within the mine during development and mining procedures; and (iv) metallurgical recovery changes that cannot be anticipated at the time of production.

APEX has estimated a remnant maiden inferred mineral resource for the historic Bayhorse Silver Mine utilizing a total of 364 underground channel and drill hole samples including 20 underground drill holes that have intersected or bracket mineralization. Modeled 3D geologic 'solids' were used to constrain mineralization in the block model and grades for silver were interpolated into blocks by Inverse Distance Squared (ID2). The Bayhorse Silver mineralized zone is hosted within a rhyolite that is structurally controlled along a modest dipping thrust fault. Geological 3D solids were developed using cross-sections and level

plans in conjunction with modern surveys to constrain the mineralization at the historic Bayhorse Silver Mine. East and west domains were created to accommodate elevation differences in the mineralization. In both cases a rough cut-off value of about 2 opt Ag was used to define and wireframe the 3D solids.

Based upon statistical treatment of the silver data for each of the two mineralized domains capping was employed at 135 opt Ag but had little effect on the overall estimate. A 2.0 m composite length was selected to approximate a potential underground mining height for the Bayhorse mineralized zone. In both zones, uniform down-hole composites were formed honoring the domain boundaries. Variography on the composite data was used to model prominent search directions for silver in the two domains. Silver was modeled along strike (Azimuth 099° Plunge -1° to the north), dip (Azimuth 189° Dip -18°) and across dip (Azimuth 186° Dip 72°). Separate block models were completed for each of the two remnant domains and the mined-out areas within those domains. The block model was dimensioned at 4 x 4 x 4 m with sub-blocking down to 1 x 1 x 1 m in order to fit to the mineralization solids for the Bayhorse mineralized zone. Based on available data the historic underground workings at the historic Bayhorse Mine were block modelled separately within the mineralized zone and were not included in the mineral resource estimate.

Specific gravity measurements were done on sample pulps by ALS Chemex and American Assay Laboratories based upon Archimedes methodology and resulted in 29 measurements for mineralization of different grades within the Bayhorse mineralized zone. Based upon this data blocks within the Bayhorse mineralized zone were assigned an average specific gravity of 2.80 g/cm3.

Grades for silver were interpolated into blocks by ID2 using the search ellipsoid dimensions and orientation established by variography. For the Bayhorse block models, the grade interpolation was completed in a series of passes with expanding search ellipsoids. As a verification tool for the selected ID2 block model, the composite average grades, the ID2 block model average grade and an average grade of an OK (ordinary Kriging) block model were compared along 20 m windows east - west, north – south and 5 m windows with elevation. Block grades matched the composite grades relatively well with no significant bias indicated in any of the modelled domains.

No economic evaluations have been completed on the Bayhorse mineralized zone, and as a result an economic cut-off for the mineralized zone is unknown. However, for the purposes of reporting mineral resources on the Project, current silver metal prices and current US$-CDN$ exchange rate were reviewed. In addition, a number of small operating mines were surveyed and reviewed for their existing operating costs for mining and processing. It was found that a lower silver cut-off grade corresponding to 7.5 opt Ag should be adequate for the mineral resource estimation and satisfy reasonable prospects for eventual future extraction. The Ag grade was determined for each estimated block utilizing a price for silver of US$15/oz. and 90% recovery. Conceptual mining and processing costs were estimated at $US100 per ton of mineralized material for the purposes of establishing the lower cut-off grade for the mineral resource.

Operations Update

The Company has established through engineering and testing work that the Bayhorse Mine mineralization is amenable through X-Ray Sorting and Dense Media processing to be readily upgraded to direct shipping material. The Company has conducted mucking out and timbering operations inside the Bayhorse Mine and opened the secondary escape-way as required by MSHA regulations.

The Company has completed the excavation of over 1,100 feet of underground haulage-ways and drifts. A secondary escape-way has been established and the necessary underground services (ventilation, water and air lines) have been installed. The Company has also completed the installation of a primary crushing circuit and the Steinert Ore-Sorter.

Since reopening the western end of the underground workings, the Company has inspected and rehabilitated a number of the historic slusher drifts that were installed by Silver King Mines in the 1980's in

preparation for mining the western zone of the deposit, much of which is unmined. The historical western most workings comprise a horizontal distance of about 320 feet (~95 m) from the western end of the Big Dog Zone. The mineralization is flat lying to shallow south dipping above the main historic haulage-way for approximately 30 - 40 feet. To the north, the mineralization then appears to incline upward toward the north at approximately 45 to 70 degrees for another 60-70 feet for a total horizontal across strike width of approximately 100 feet. The southern end of the flat lying area of mineralization appears to dip to the south.

The thickness of the mineralization has historically been reported as between 20 feet to 40 feet. The Company has developed a 20-foot vertical raise from the main haulage level up into mineralization, and was still in mineralization at 30 feet. The raise and working stope is 50 feet south of, and towards what was reported by Silver King Mines as a 1,000 ton block of mineralized material, The raise and working stope are being developed in mineralized material and suggest the block identified on the historic plans 50 feet to the north may be more extensive than historically reported. The Company has extracted a bulk sample from the raise and stope in excess of 1,200 tons of mineralized material already from this zone and has stored it on the all-weather pad.

The Company has started a new 85-foot working drift into the South Big Dog high grade silver zone with a drill station located on the south side of the main haulage way. This will provide another working face in the near term into high grade mineralization. This zone is 500 feet closer to the portal entrance, where the crushing plant is located, thus reducing transportation costs and time. The new working drift will also provide an additional escapeway from the mine and will also increase cross flow ventilation throughout the mine workings.

Samples taken from the extracted material have been assayed and the Company has received assay results from metallurgical samples conducted by Met-solve Metallurgical Labs of Langley, BC. Three 8 kg (17lb) metallurgical samples were taken from a homogenous 50 kg channel sample. From each 8kg sample, three 0.7 kg (1.5 lbs) were taken and submitted for assay and the results were 175.3 oz/t Ag (5,452.42 g/t), 166.6 oz/t Ag (5,175.60 g/t), and 169.7 oz/t Ag (5,278.25 g/t) per ton respectively. Two duplicates from the same sample group as well as a further sample from a separate channel sample were also submitted for assay. The two duplicate samples assayed 186.2 oz/t Ag (5791.47 g/t) and 147 oz/t Ag (4,572 g/t) respectively, while the third sample assayed 91.2 oz/t Ag (2,836.63 g/t).

The Company has produced the first refined silver from a 25 kg sample taken from a 10 foot by 2.5 foot by 3 inch thick panel of the Big Dog Zone vein. This first bar contained 37.69 ounces (1.172 kg) of .9999 fine silver and was produced by Mineral Solutions LLC and Liberty Refiners of Coeur d Alene Idaho in February 2019.

The Company has relocated its milling and silver flotation circuit from the Bayhorse Mine site, in Oregon to the Company’s purchased 1-acre site of industrial land in Payette, Idaho to establish a larger milling and flotation concentrate processing facility. The capacity of the circuit at 50-60 ton/day, has been increased to allow for processing at an "as mined" tonnage of 200 tons per day from the Bayhorse Silver Mine. The Company has added trained flotation operators to its Mine staff in Idaho to recommence flotation operations and recommissioning. The Company's metallurgical testing has achieved 87% silver recovery, with the expectation the recoveries will reach 90%. The Company is planning to create a silver concentrate averaging 10,000 g/dry metric ton. The concentrate is expected to contain 12% copper. The concentrate is expected to be placed in supersacks and shipped in 20-ton containers to Ocean Partners (USA).

The Company has been in discussions with various independent operators at other nearby mines to process their mainly gold production, at the Bayhorse Mill. The Company intends to seek JV’s with some of these independent operators and will increase the Mill capacity as required.

The Company has conducted extensive metallurgical work at Met-solve Metallurgical Labs of Langley, BC on a high grade sample from the Bayhorse Silver Mine to establish a smelter concentrate. A select 62.52 kg sample was milled and subjected to a known standard open circuit batch concentration process whereby a gravity concentrate is made and the middling gravity recovery would normally be resent through the milling circuit for further gravity upgrading. The subsequent mineralized tails are subjected to further gravity recovery and flotation to create an overall concentrate. On a weighted average basis, the first gravity concentrate yielded 9,171.5 grams that contained 19,512.9 g/t (570.30 oz/short ton) silver, 25.9% copper, 14% antimony, 12.4% zinc, 4.1% arsenic, and 6.2% silica. The partial results are tabulated below.

Concentrate	Weight grams	Ag g/tonne	Ag oz/short ton	Cu %	Zn %	Sb %	As %	Si %
Weighted Avg	9,171.50	19,512.00	570.30	25.90	12.40	14.17 *	4.10	6.2

(*Antimony is over limit by the assay method and should be viewed as approximate)

While normally the middlings of 7.63 kg would be recirculated through the mill to create additional gravity concentrate, in this instance the middlings are already of direct shipping grade of 10,443 g/t (313.97 oz/st) and are added directly to the gravity concentrate without further concentration. Silver recovery was 27.8% to gravity concentrate, rising to 40.6% when middlings are added to give an average grade of 15,528 g/t (439.7 oz/t). The table gravity tails of 45.7 kg, (73.1%) containing 59.4% of the silver, also of direct shipping grade, were subjected to additional recovery analysis using a Falcon Concentrator plus flotation. Three passes of the Falcon Concentrator gave similar results of 11,646 g/t (340.4 oz/t) indicating more passes would recover more silver. This gave a preliminary silver recovery of 67.9%. A separate sample of the high grade table tailings was subjected to flotation at starvation reagent levels. 45.3% of the residual silver was recovered at a grade of 13,450 g/t (393.4 oz/t), which is equivalent to a combined gravity and flotation silver recovery of 67.2%. The resultant concentrate analysis will give an indication of overall recovery. Concentrate test work is ongoing.

The results as shown are not indicative of actual mining grades. The analytical method for silver analysis consists of 1 Assay Ton (AT) samples subjected to fire assay with gravimetric finish. Base metal assays for the samples were subjected to an ICP MS35 element, four acid digestion assay.

As part of the extensive metallurgical work on mineralization from the Bayhorse Silver Mine, the Company has received assay results on the Ore-Sorter rejects as noted in the table below. A 35 kg sample of Ore-Sorted material at a crush size of ¾ inch minus size, and screened to plus 8 mm, was split, and a 250g assay sample was taken to establish working grades of the rejected material.

The low silver level of 15 g/t, or 0.42 oz/short ton silver in the rejected material demonstrates the highly selective nature of the Ore-Sorter. The Ore-Sorter has achieved reduction of the as-mined tonnage by up to 90-95% above 8 mm. Everything over 8 mm (0.32 Inch) of the as-mined material goes through the Ore-Sorter, while all mineralized material under 8 mm (0.32 in) by-passes the Ore-Sorter and goes directly to milling.

	Ag g/tonne	Ag oz short ton	Cu %	Zn %	Sb %	As %	Pb%
Ore-Sorter Rejects	15.00	0.42	0.047	0.15	0.12	0.011	<0.01

The milling and gravity concentration program conducted by Met-solve Metallurgical Labs of Langley, BC, was supervised by Consulting Metallurgist, John Fox.

Recent drilling directly above and to the north of the main mine haulage way, and adjacent to the historic access to the Goldilocks mineralized zone, has identified a 3.5 meter (12 ft) intersection averaging 24.65 oz/t (766 g/t) silver that is located 3 meters (10 feet) east of a historic 24.5 meter (80 ft) raise. This mineralization rises at a 45 – 50 degree angle to the north and is between 2.5 – 3.0 meters (6 – 8 ft) thick. This intersection confirms the high grade mineralization in the Goldilocks zone reported in 1984 when the mine was shut down due to low silver prices (<$5.00/oz). This intersection appears to demonstrate a solid zone of mineable, high grade mineralization (each square on the above illustration is 5 meters (16.5 ft) that is open to the north, east, and west. This zone will provide immediate high grade mill feed. Assays of material from the top of the raise reached as high as 100 oz/t silver in mined rounds (approx. 70 tons/round)

The Company has begun rehabilitating the historic 24.5 meter (80 foot) raise deep inside the mine, where Silver King Mines (1984) reported mining grades of up to 100 oz of silver. Additionally, 14 meters (46 feet) up on the south wall of the raise and for a further 10.5 meters (34.5 feet) to the top of the raise, high grade mineralization is present at the back (top) of the raise, indicating that the mineralized zone extends higher in elevation.

In March 2022, drill hole BHDD-019 intersected 2.9 meters (9.5 feet) of anomalous gold up hole from 30.5 feet to 40 feet (9.3 – 12.2 meters) including the 1.71 ppm Au sample from 37 to 40 ft. (11.3 – 12.2 meters). The gold intersection is located in the upper Goldilocks Zone at the extreme western end of the Mine development, where 100 feet (30 meters) to the east, during its 1984 mining operations, Silver King Mines reported silver grades in mined rounds (between 50 and 70 tons) of 100 ounces per ton. While Silver King reported mining gold grades of up to 10 g/t, the historic records did not identify in which part of the workings the gold was mined, this gold intersection indicates it was probably in this section of the mine.

The Company is establishing three new stope working faces at the Bayhorse Silver Mine. The first development stope working face at the Big Dog Zone has exposed a 2.5 foot wide, and 10 foot high seam of high grade silver mineralization from the floor of the working face to the back, and is open to both depth and elevation. The current stope working face has been panel sampled across and down the face prior to blasting, returning combined silver assays of 1,642 g/t (54.8 oz/t). Two prior faces sampled before blasting returned 549 g/t (17.65 oz/t) and 112.6 g/t (3.63 oz/t) respectively. Panel samples are considered select samples and may not represent actual mined silver grades.

A geological structural review by Dr. Clay Conway in April 2022 of the mineralized system deep inside the historic mine at the Big Dog and Goldilocks Zones indicated strongly altered andesite and locally richly mineralized rhyolite are interlensed as 'fault slices' in the complex Sunshine thrust fault zone. Historically mined Ag-rich mineralization has been taken from rich pockets in the fault zone which may be considered to have been a controlling factor for the mineralization. The Sunshine thrust zone is more than 63 feet thick in the Goldilocks area; the bottom is seen but not the top; an inaccessible raise extends another 25 feet higher. In comparison, the mineralized fault zone at the Sunshine stope near the historical upper adit, is about 20 feet thick. The areas in these zones were previously inaccessible until recently when they were made safe for inspection and review. The large proportion of rhyolite (greater than 60%) in the thick fault zone of the Goldilocks area, at the far western end of the mine, indicates there is strong potential for further westward extension of silver mineralization. In new sampling from the Goldilocks zone, silver is as high as 145 ounces/tonne (4,500 grams/tonne). An 88 foot high historic raise in the Goldilocks zone is currently being timbered for safety, for further access, and to enable future mining development. Mineralization here is similar to, and continuous with, the historically extensively stoped Big Dog zone. Grab samples taken during the review at the Big Dog zone returned 218.2 oz/t (6,786.76 g/t) and 30.17 oz/t (938.4 g/t) silver respectively, while a Goldilocks sample returned 145.05 oz/t (4,511.5 g/t) silver. The reader is cautioned that chip, channel and panel samples are considered select samples that may not be reflective of average or mined grades.

The Company recently completed the Geotech Ltd. helicopter-borne VTEM and Horizontal Magnetic Gradiometer Geophysical Survey over its Bayhorse Silver Mine. Resistivity data from the survey show two pronounced low-resistivity anomalies. The anomaly extends from beneath the Company's silver/copper rich Bayhorse Silver Mine in Oregon, and extends northward for over 5,000 ft (1.5km) and is open to the north.

The Company conducted an underground diamond drill program to drill the large low-resistivity anomaly that extends from beneath the Company's silver/copper rich Bayhorse Silver Mine and extends northward for over 5,000 ft (1.5km) to the north, to test for the presence of a porphyry copper deposit. The Company's underground diamond drill program showed anomalous values of continuous copper, (up to 125 ppm) and zinc (up to 695 ppm) and intermittent anomalous gold values (up to 0.023 ppm) in the first 115 m (380 ft) of the brecciation zone that now extends to the current bottom of the hole at 318 m (1,050 ft). Assay results received for the last 112 m (370 ft) of the highly silicified breccia zone encountered from 90 m (300 ft) to the bottom of drill hole BH24-01 at 318 m (1,050 ft) showed values of continuous copper (up to 510 ppm), zinc (up to 996 ppm) and intermittent anomalous gold values (up to 0.02 ppm) and intermittent silver values (up to 3.2 ppm) The presence of chalcopyrite was noted at the bottom of the hole.

The Company also conducted an IP survey. Final IP data received shows five IP low-resistance targets. The nearest IP target to the historic mined stopes starts 78 m (257 ft) to the immediate east of and 57 m (188 ft) below the previously mined historic Sunshine stope. The Sunshine, Junction, and Big Dog stopes extend over a strike length of 160 m (528 ft), were up to 10 m (33 ft) wide, and between 7 – 9 m (23 – 30 ft) in height, and up to 38 m (125 ft) in length. The five significant low resistance IP targets extend over a N-S distance of 450 m (,1485 ft) of which three anomalies lie on strike with, and in close proximity to the historic, mined, Sunshine, Junction, and Big Dog stopes, and the partially mined Goldilocks zone, over a nearly 600m (1,980 ft) strike.

Work is under way preparing to drill the first IP drill target, that lies 18 m (60 ft) under the Bayhorse Mine access road. Drilling will commence from the lower adit portal, that is 25 m (82 ft) from, and 3 m (10 ft) above the IP target. The IP target, 36m (118 ft) across, is estimated to be similar in size to the historic Sunshine and Junction stopes, where approximately 25,000 tons of direct shipping grade material was mined from each and shipped by rail to the historic Tacoma smelter. (US Metals, 1924).

The Bayhorse exploration model holds that the silver/copper rich mineralized rhyolite at the Bayhorse Silver Mine could have its source in underlying shallow granites that may be conductive porphyry copper bodies as reflected by the low-resistivity anomalies (Conway, 2024).

The Company submitted its Full Operating Permit Application for the Bayhorse Silver Mine to the Oregon Department of Geological and Mining Industries ("DOGAMI") in mid-January 2023. The Full Operating Permit is required for the Company to increase mining extraction above the 5,000 cu/yds permitted per year under the exemptions. The Company has received its first formal response from DOGAMI, that includes, among other things, a notice that based upon their GIS interpretation, the Company has exceeded its 1 acre surface disturbance. The Company was allowed to operate under the 1 acre surface disturbance and 5,000 cu/yds exemption without an operating permit. Due to exceeding the permitted 1 acre surface disturbance, DOGAMI has formally advised that the Company is restricted from conducting mining operations at the Bayhorse Mine until a Full Operating Permit is issued by DOGAMI. A Full Operating Permit will allow the Company to mine above the 5,000 cu/yds per year it has been restricted to. The Company is currently working with DOGAMI to address all concerns.

The Company is required to submit a number of baseline studies to DOGAMI in support of its application. These baseline studies include vegetation, soil/overburden, climate/air quality/ precipitation (including modeling 100-year, 24-hour precipitation event), fish/aquatic biology, wildlife (terrestrial/avian), surface water, groundwater, area seismicity, geology and geographic hazards, mineralogy and chemistry and noise. The Company has completed the installation of three groundwater test wells as the final part of its

baseline studies required for the Company's full Mine Operating Permit. The groundwater testing requires the installation of three test wells on the Bayhorse property. The test wells were installed under the direction and supervision of HDR Engineering, of Boise, Idaho, through a ground water test plan approved by DOGAMI.

Leach Testing

Mineralized material was submitted to Metals US, of Missoula, Montana, for leach testing to establish whether silver and the secondary metals (copper, zinc, antimony, lead) can be recovered more economically than via flotation by using their Total Metals Recovery Process. Test results received from Metals US indicate near total silver recovery from the recent two stage leaching test program conducted for the Company. In the leaching test (hydrometallurgical process) on 25 kg of Bayhorse Silver Mine mineralized material grading 25.6 oz/ton (796 g/ton) silver, near total recovery of the silver was achieved as shown in the table below. Using ion exchange purification and reduction, the resultant silver can be formed into pure silver bars.

Summary of 2 Stage Silver leach results		ppm Ag
Head assay	grams Ag/ton	796
Tails after leaching	grams Ag/ton	< 2
Ag in leach solutions	grams Ag/ton	792

The leach testing of the Bayhorse silver run of mine mill feed, concentrate and flotation tails at SGS Australia using the advanced leaching techniques developed by Clean Earth Technologies of Singapore, in conjunction with CSIRO, Australia has ceased because the results were not favourable.

Pegasus Project, Idaho

The Bayhorse Pegasus Project lies one half mile east of the Bayhorse Silver Mine in Oregon and comprises 103 claims of approximately four square miles in Sections 16, 17, 20, 21, 22, 28 and 29 of T13N R7W, in Washington County, Idaho. The Bayhorse Silver Mine and the Pegasus Project are 44 km southwest of Hercules Silver Corp.'s porphyry copper discovery. Both areas have similar geological settings with silver mineralization, including significant copper, antimony, and zinc credits. A review of Bureau of Land Management ("BLM") files shows Barrick Gold Exploration has staked ground in Section 14 of the same Township, as close as one mile east of the Bayhorse Pegasus Idaho claims.

The Company recently completed its geological mapping program at Pegasus. There are a number of small intrusive rhyolite bodies in the Pegasus claim group area. The mineralized aphanitic rhyolite in the western part of the area extends westward across the Brownlee Reservoir to the Bayhorse mine in Oregon where it is spatially and apparently genetically related to silver mineralization. Geologic mapping has outlined a stratigraphic succession with significant fault offsets. Mineralization associated with rhyolite has been identified, which is correlative with the mineralization at the Bayhorse mine.

The rhyolite bodies in the Pegasus area intrude the Weatherby Formation. A rhyolite tuff in the lower part of the Weatherby in the Mineral district has been dated at 180.7 million years by Northrup and others (2011). Also in the Mineral district, rhyolite and rhyodacite of the upper member of the Huntington Formation have yielded three dates at 187 million years (Ware and others, 2022). These numbers would require that the rhyolite intrusion and associated silver mineralization of the Bayhorse/Pegasus area cannot be older than 187 million years and likely no older than 180 million years. The younger age limit of rhyolite magmatism and silver mineralization is not at present constrained, but it is most likely Jurassic. If the model holds that silver mineralization and porphyry copper mineralization are co-genetic then these same age constraints hold for porphyry copper.

The Company recently completed the Geotech Ltd. helicopter-borne VTEM and Horizontal Magnetic Gradiometer Geophysical Survey over its Bayhorse Silver Mine Property in Oregon and the Pegasus Project in Idaho, USA. This survey showed the presence of three significant magnetic anomalies, within an area 1.8 km by 1.2 km (1.13 miles by 0.75 miles) in the northern section of the property from where the "Low Resistivity" signatures were identified.

There are possibly two different mineralized targets on the newly acquired Pegasus Project claims. A Bayhorse Mine style silver rich massive sulphide target related to the strong magnetic signatures and a possibly Hercules Silver-type copper porphyry target marked by the strong minimal Resistivity results.

Two silver exploration targets, BGP_T1 and BGP_T2 have been identified. BGP_T1 covers the western half of the Bayhorse Silver Mine while BGP_T2 is located in the NE region of the Pegasus Project. A helicopter based survey of the entire property was conducted and is being used to review potential alternative drill site locations and identification of drill water sources for an up to 3,000 meter (10,000 ft) diamond drill program targeting depths of up to 550 meters (1800 ft) at the Pegasus Project.

The Company plans to drill the large low-resistivity anomaly beneath the rhyolite at Pegasus to test for the presence of a porphyry copper deposit. This large anomaly lies at the southeast corner of the VTEM geophysical survey area and is thus open to the southeast. It is also open to depth.

Brandywine, British Columbia

On April 5, 2019, the Company entered into a letter of intent for an Option Agreement to acquire an 80% interest in the Brandywine precious metals-rich, volcanogenic massive sulfide deposit located near Squamish, BC from Turnagain Resources of Richmond, BC.
On March 20, 2025, the Company and Turnagain Resources mutually agreed to terminate the Option Agreement and the Company no longer has any interest or further obligations related thereto.

MINERAL PROPERTY AND EXPLORATION EXPENSES BY PROPERTY

Mineral expenses by property in Canadian dollars for the three months ended March 31, 2025 and 2024 are as follows:

Three Months Ended March 31, 2025				
	Bayhorse	Brandywine	Pegasus	Total
	$	$	$	$
Acquisition and holding costs	2,580	-	-	2,580
Assays and analysis	10,266	-	-	10,266
Depreciation	68,411	-	-	68,411
Drilling	60,128	-	-	60,128
Equipment & other rentals	48,491	-	-	48,491
Geological	128,779	2,942	-	131,721
Labour	88,922	-	-	88,922
Mining claims	6,817	-	-	6,817
Project management	15,000	6,000	15,000	36,000
Supplies	31,499	-	-	31,499
Technical	17,509	-	-	17,509
Travel and accommodation	47,198	-	-	47,198
Miscellaneous	7,895	-	-	7,895
	533,495	8,942	15,000	557,437

Three Months Ended March 31, 2024				
	Bayhorse	Brandywine	Pegasus	Total
	$	$	$	$
Acquisition and holding costs	16,151	-	-	16,151
Depreciation	68,103	-	-	68,103
Equipment & other rentals	(269)	-	-	(269)
Geological	22,468	-	-	22,468
Labour	41,046	-	-	41,046
Mining claims	21,204	-	-	21,204
Project management	18,000	12,600	-	30,600
Property preparation	69,428	-	-	69,428
Supplies	16,122	-	-	16,122
Technical	17,802	-	-	17,802
Travel and accommodation	16,706	-	-	16,706
Miscellaneous	2,968	-	-	2,968
	309,729	12,600	-	322,329

SUMMARY OF QUARTERLY FINANCIAL RESULTS

A summary of the last eight quarterly financial results is as follows:

Three Months Ended	General administrative expenses ($)	Exploration Expenses ($)	Net Loss ($)	Loss per Share ($)
March 31, 2025	630,953	557,437	(1,056,618)	(0.00)
December 31, 2024	368,279	741,997	(996,135)	(0.04)
September 30, 2024	981,756	708,106	(1,588,549)	(0.01)
June 30, 2024	457,320	470,037	(797,044)	(0.00)
March 31, 2024	444,772	322,329	(636,551)	(0.00)
December 31, 2023	271,939	247,399	(1,061,252)	(0.01)
September 30, 2023	162,930	107,555	(266,920)	(0.00)
June 30, 2023	133,244	155,160	(73,544)	(0.00)

General administrative expenses decreased for the quarters ended June 30, 2023 and September 30, 2023, mainly due to a decrease in financing fees. General administrative expenses increased for the quarters ended March 31, 2023, March 31, 2024, September 30, 2024 and March 31, 2025, mainly due to increased financing fees from warrant modifications. General administrative expenses increased for the quarter ended June 30, 2024 and December 31, 2024, mainly due to costs associated with stock option grants.

The decrease in exploration expenses for the quarter ended March 31, 2025 was mainly due to the decrease in acquisition and holding costs. The decrease in exploration expenses for the quarters ended March 31, 2023 to September 30, 2023 was mainly due to minimal work conducted for the Brandywine project and work reduction at the Bayhorse mine. The increase in exploration expenses for the quarters ended March 31, 2024 to December 31, 2024 was mainly due to increased work conducted at the Bayhorse mine and the addition of the Pegasus project to the Company's mineral properties.

RESULTS OF OPERATIONS

The following table sets forth expense items with variances between the three months ended March 31, 2025 and 2024:

	Three months ended		
	March 31, 2025	March 31, 2024	increase/ (decrease)
	$	$	$
Mineral property costs	557,437	322,329	235,108
Expenses			
Communications	8,915	19,315	(10,400)
Financing fee and interest expense	496,542	271,158	225,384
Foreign exchange and bank charges	(408)	6,641	(7,049)
Insurance	6,012	6,001	11
Management fees	18,000	23,400	(5,400)
Office and other	16,145	16,600	(455)
Office rent	3,000	3,000	-
Professional fees	65,576	73,370	(7,794)
Share-based compensation	-	11,976	(11,976)
Transfer, listing and filing fees	10,771	10,288	483
Travel	6,400	3,023	3,377
	(630,953)	(444,772)	186,181
Loss before other items	(1,188,390)	(767,101)	421,289

Three Months Ended March 31, 2025

Exploration expenditures increased for the 2025 period compared to the 2024 period mainly because the Company mobilized exploration activities at the Bayhorse mine and the Pegasus project in 2025 in comparison to 2024.

Communications expenses decreased for the 2025 period compared to the 2024 period mainly because the Company decreased its communications to shareholders in 2025 in comparison to 2024.

Financing fee and interest expense increased for the 2025 period compared to the 2024 period due to the higher incremental value recorded for warrants modified in 2025 in comparison to 2024.

Foreign exchange and bank charges decreased for the 2025 period compared to the 2024 period primarily due to the exchange rate changes for the US dollar as the Company's convertible debentures are denominated in US dollars.

Management fees decreased for the 2025 period compared to the 2024 period mainly due to increased project management required for the exploration activities at the Bayhorse mine and the Pegasus project in 2025 in comparison to 2024 resulting in less administrative management.

Professional fees decreased for the 2025 period compared to the 2024 period due to less legal fees in comparison to 2024.

Share-based compensation decreased for the 2025 period compared to the 2024 period due to more options being granted in 2024.

LIQUIDITY, CAPITAL RESOURCES AND COMMITMENTS

Working Capital and Cash

The Company's cash decreased by $415,061 from $568,130 to $153,069 during the three months ended March 31, 2025.

Cash used in operations of $642,253 during the three months ended March 31, 2025, was mainly due to exploration expenses.

During the three months ended March 31, 2025, the Company received gross proceeds of $65,000 from private placements, exercise of options, and exercise of warrants and recorded rental income of $139,932.

Going Concern

The Company has not yet put into commercial production any of its mineral properties and as such has no operating revenues or cash flows. Accordingly, the Company is dependent on the equity and debt markets as its sole source of operating working capital, and the Company's capital resources are largely determined by the strength of the junior resource capital markets 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. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to it.

The Company is in the mineral exploration and development business and is exposed to a number of risks and uncertainties inherent to the mineral resource industry. This activity is capital intensive at all stages and subject to fluctuations in metal prices, market sentiment, currencies, inflation and other risks. The Company currently has no source of material revenues and relies primarily on equity and debt financings to fund its exploration, development and administrative activities. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration and development activities, as well as its continued ability to raise capital. The current severe recessionary credit conditions have significantly limited the Company's ability to raise financing through its usual methods and if these conditions persist, they will materially decrease the Company's liquidity and capital resources.

The Company's consolidated financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. At March 31, 2025, the Company had a working capital deficit of $1,409,419 (December 31, 2024 – $1,109,390), an accumulated deficit of $46,514,150 (December 31, 2024 – $45,457,532), had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the three months ended March 31, 2025, the Company reported a loss and comprehensive loss of $1,056,618 (2024 – $636,551). The Company does not have sufficient funds to meet its committed obligations for the next twelve months from March 31, 2025. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company is dependent on equity and debt financings to fund its operations. The recoverability of the underlying value of assets is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete development, and future profitable production. These circumstances comprise a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company's condensed consolidated interim financial statements for the three months ended March 31, 2025 do not reflect the adjustments to the carrying values of assets and liabilities

and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and such adjustments could be material.

Capital Management

The Company manages its capital structure, being its share capital, and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. At March 31, 2025, the Company had share capital of $30,623,432 and debentures of $438,468. 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 future development of the business. Planning, annual budgeting, cash flow forecasting and implementing controls over major investment decisions are primary tools used to manage the Company's capital.

The Company's investment policy is to hold cash in interest bearing bank accounts.

The Company currently has no source of revenues other than from month-to-month leasing activities. During the three months ended March 31, 2025, the Company recorded $139,932 (2024 – $131,489) of rental income from its leasing activities. As such, the Company is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes to the Company's approach to capital management during the three months ended March 31, 2025. The Company is not subject to externally imposed capital requirements.

Contractual Obligations

The following table summarizes the contractual maturities of the Company's significant financial liabilities and capital commitments, including contractual obligations for the years indicated:

	2025	2026	2027	2028	2029	Total
Accounts payable and accrued liabilities	$ 2,048,973	$ -	$ -	$ -	$ -	$ 2,048,973
Advance royalty payment obligations[(1)]	97,038	71,880	71,880	71,880	71,880	384,558
Consulting agreement obligations	49,500	66,000	66,000	-	-	181,500
Convertible debentures [(2)]	438,468	-	-	-	-	438,468
	$ 2,633,979	**$ 137,880**	**$ 137,880**	**$ 71,880**	**$ 71,880**	**$ 3,053,499**

(1) Represents advance royalty payments for the Bayhorse mineral property.
(2) The amount represents the actual face value of the debt obligation at March 31, 2025.

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial condition or future results of operations of the Company.

Flow-through shares

During the year ended March 31, 2025, the Company recorded penalties and interest on late payment of the Part XII.6 tax of $5,667 (2024 – $nil). As at March 31, 2025, the Company had total Part XII.6 payable of $138,997 (December 31, 2024 – $133,330).

Subsequent Events

Subsequent to March 31, 2025:

(a) A total of 11,950,000 warrants with an exercise price of $0.10 expired unexercised.
(b) On May 9, 2025, the Company closed the first tranche of its non-brokered private placement of 4,475,000 units at $0.04 per unit for gross proceeds of $170,000. Each unit consists of one common share and one transferable common share purchase warrant with each warrant entitling the holder to acquire one common share at a price of $0.06 per share within two years from the date of issuance.

TRANSACTIONS BETWEEN RELATED PARTIES

Key management personnel compensation

The remuneration of the Company's directors and other members of key management, who have the authority and responsibility for planning, directing and controlling the activities of the Company, consists of the following amounts.

The following table summarizes transactions with related parties during the three months ended March 31, 2025 and 2024:

		Three Months Ended	
	Note	March 31, 2025	March 31, 2024
Management fees	(a)	$ 18,000	$ 23,400
Mineral property costs – project management fees	(a)	36,000	30,600
Mineral property costs – geological	(b)	47,871	-
Professional fees	(c)	37,500	37,500
Corporate services	(d)	9,900	9,900
Office rent	(e)	3,000	3,000
Share-based compensation	(f)	-	11,976
		$ 152,271	**$ 116,376**

(a) Management fees and mineral property costs – project management fees were paid to Highcard Exploration Inc. ("Highcard"), a company controlled by Graeme O'Neill, the CEO and director of the Company ("O'Neill").

(b) Mineral property costs – geological were paid to Mark Abrams ("Abrams"), a director of the Company.

(c) Fees paid to RHL Enterprise Corp., a company controlled by the Company's CFO, Rick Low ("Low").

(d) Fees paid to Wiklow Corporate Services Inc., a company controlled by the Company's Corporate Secretary, Donna Moroney.

(e) Office rent was paid to Low.

(f) During the three months ended March 31, 2025, the Company issued nil (2024 – 400,000) stock options to related parties.

The following table summarizes payable balances to related parties as at March 31, 2025 and December 31, 2024:

		March 31, 2025		December 31, 2024
Trade payable to Abrams	$	11,374	$	15,301
Trade payable to Low		12,000		10,000
Trade payable to Highcard		108,000		79,000
Trade payable to RHL Enterprise Corp.		183,100		156,850
Trade payable to Wiklow Corporate Services Inc.		48,685		42,195
	$	**363,159**	$	303,346

During the year ended December 31, 2024, the Company issued shares for indebtedness owed to Highcard. The amount settled of $57,000, resulted in the issuance of an aggregate of 1,425,000 common shares in the capital stock of the Company at a price of $0.05 per share. In addition, the Company recorded a loss of $14,250 on the debt settlement.

During the year ended December 31, 2024, the Company issued shares for indebtedness owed to RHL Enterprise Corp. The amount settled of $27,900, resulted in the issuance of an aggregate of 697,500 common shares in the capital stock of the Company at a price of $0.05 per share. In addition, the Company recorded a loss of $6,975 on the debt settlement.

During the year ended December 31, 2024, the Company issued shares for indebtedness owed to Wiklow Corporate Services Inc. The amount settled of $12,000, resulted in the issuance of an aggregate of 300,000 common shares in the capital stock of the Company at a price of $0.05 per share. In addition, the Company recorded a loss of $3,000 on the debt settlement.

During the year ended December 31, 2024, O'Neil purchased 11,625,000 units which consisted of 11,625,000 common shares and 11,625,000 warrants for total proceeds of $490,000. Of the 11,625,000 warrants purchased, 2,500,000 have an exercise price of $0.10 and 9,125,000 have an exercise price of $0.08.

During the year ended December 31, 2024, Low purchased 850,000 units which consisted of 850,000 common shares and 850,000 warrants for total proceeds of $40,000. Of the 850,000 warrants purchased, 600,000 have an exercise price of $0.10 and 250,000 warrants have an exercise price of $0.08.

During the year ended December 31, 2024, O'Neil exercised 4,700,000 warrants for gross proceeds of $235,000.

During the year ended December 31, 2024, James Walker, a director of the Company, exercised 100,000 stock options for gross proceeds of $5,000.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes

three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

	Level 1	Level 2	Level 3
March 31, 2025			
Cash	$ 153,069	$ -	$ -
Contract liabilities	$ (27,113)	$ -	$ -
December 31, 2024			
Cash	$ 568,130	$ -	$ -
Contract liabilities	$ (22,967)	$ -	$ -

As at March 31, 2025 and December 31, 2024, the Company believes that the carrying value of its accounts receivable, account payables, accrued liabilities, provision for indemnity, and convertible debentures approximate their fair value because of their nature and relatively short maturity dates or duration.

There were no transfers between Level 1, 2 and 3 for the three months ended March 31, 2025 and the year ended December 31, 2024.

The fair values of the Company's financial instruments classified as FVTPL are determined as follows:

- The fair value of the contract liabilities is based on the silver commodity spot rate. The changes in fair value for the three months ended March 31, 2025 and the year ended December 31, 2024, are not related to a change in the credit risk of the contract liabilities.

Financial Risk

A discussion of the Company's use of financial instruments and their associated risk is provided below:

Industry Risk

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity-based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and its accounts receivable, which is primarily due from one individual for the lease of the ore sorter. This risk is managed through the use of major banks that are considered to be high credit quality financial institution as determined by rating agencies.

Currency Risk

The Company's functional currency is the Canadian dollar. There is moderate foreign exchange risk to the Company as it incurs significant mineral property-related expenditures in the USA and its Debentures and lease liability are denominated in US dollars. The Company is also exposed to foreign exchange risk arising from:

- Cash balances held in US dollars,
- Accounts receivable denominated in US dollars;
- Accounts payable denominated in US dollars;
- Prepayments denominated in US dollars; and
- Debentures and interest payments denominated in US dollars.

These are all shown on the statement of loss and comprehensive loss. The Company does not engage in any hedging activities to reduce its foreign currency risk. A 10% variance in the foreign exchange rates would expose the Company to a positive or negative impact on its comprehensive loss of approximately $133,100 during the three months ended March 31, 2025.

Interest Rate Risk

The Company has interest rate risk with respect to interest that can be charged on the overdue balances in accounts payable and accrued liabilities, and advances from related parties.

The Company's convertible debentures accrue interest at fixed rate; therefore, the Company is not exposed to interest rate risk on these instruments.

Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk are assessed as high.

The Company is not subject to externally imposed capital requirements but must maintain the minimum listing requirements in order to maintain its TSX-V listing. The Company manages its capital structure based on the funds available to the Company, in order to fund its general and administration expenses, support acquisition, maintenance, exploration and development of mineral properties.

The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage, so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed.

OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at the date of this report, 311,109,290 shares were issued and outstanding.

As at the date of this report, the following stock options were outstanding and exercisable:

Expiry Date	Number	Exercise Price
October 5, 2025	1,800,000	$0.20
November 10, 2025	1,300,000	$0.05
December 1, 2025	100,000	$0.20
January 28, 2026	880,000	$0.125
April 27, 2026	2,350,000	$0.25
September 3, 2026	3,600,000	$0.15
December 14, 2026	200,000	$0.15
January 29, 2029	400,000	$0.10
June 29, 2029	4,600,000	$0.10
December 3, 2029	1,150,000	$0.06
	16,380,000	**$0.14**

As at the date of this report, the following warrants were outstanding and exercisable:

Expiry Date	Number	Exercise Price
July 2, 2025	2,806,562	$0.18
July 10, 2025	3,387,500	$0.18
August 4, 2025	3,360,000	$0.20
August 6, 2025	1,940,000	$0.20
October 30, 2025	1,213,333	$0.20
November 27, 2025	1,600,000	$0.20
December 20, 2025	13,656,100	$0.10
December 23, 2025	3,500,000	$0.15
January 18, 2026	8,499,700	$0.10
February 1, 2026	20,000,000	$0.15
October 26, 2026	15,128,750	$0.08
December 10, 2026	5,547,500	$0.08
March 28, 2027	11,497,000	$0.15
May 9, 2027	4,475,000	$0.06
August 16, 2027	12,750,000	$0.10
	109,361,445	**$0.12**

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future

periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates

i. Valuation of equity instruments - The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they were granted. Estimating the fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, and dividend yield and making assumptions about them.

ii. Valuation of derivatives – derivatives issued by the Company are valued using the commodity spot prices and foreign exchange rates. Changes in the inputs could impact the carrying value of the derivatives and the amount of gains or losses recognized in profit or loss.

iii. Deferred income taxes – The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the consolidated statement of financial position. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives.

iv. Provision for indemnity - The Company utilizes significant judgement in assessing its compliance with relevant flow-through financing tax requirements including the determination of qualified eligible expenditures to reduce flow through spending obligations. Management makes estimates when determining tax rates used in calculating provisions recorded.

v. Useful lives of property and equipment – Management exercises professional judgement when determining the useful life and residual values of property and equipment. Management estimates these inputs based on industry standards and previous experience assessing similar capital assets.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

i. The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

ii. The determination of functional currency. Management has determined that the functional currency of the Company is the Canadian dollar.

iii. The determination or absence of asset retirement obligation.

iv. Assessment of impairment indicators of non-financial assets.

NEW ACCOUNTING PRONOUNCEMENTS

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is assessing the impact that the adoption of IFRS 18 will have on its financial statements.

RISKS AND UNCERTAINTIES

Certain risks are faced by the Company, which could affect its financial position. In general, they relate to the availability of equity capital to finance the acquisition, exploration and development of existing and future exploration and development projects. The availability of equity capital to junior resource companies is affected by commodity prices, global economic conditions and economic conditions and government policies in the countries of operation, among other things. These conditions are beyond the control of the management of the Company and have a direct effect on the Company's ability to raise capital.

The Company's working capital and liquidity fluctuate in proportion to its ongoing equity financing activities. The Company requires a certain amount of liquid capital in order to sustain its operations and in order to meet various obligations as specified under its mineral property option agreement. Should the Company fail to obtain future equity financing due to reasons as described above, it will not be able to meet these obligations and may lose its interest in the property covered by the agreement. Further, should the Company be unable to obtain sufficient equity financing for working capital, it may be unable to meet its ongoing operational commitments.

The Company's properties are in the exploration stage and without known reserves. Exploration and development of natural resources involves substantial expenditures and a high degree of risk. Few exploration properties are ultimately developed into producing properties. Accordingly, the Company has no material revenue, writes-off its mineral properties from time to time and operates at a loss. Continued operations are dependent upon ongoing equity financing activities.

FORWARD LOOKING INFORMATION

Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations up to the date of this MD&A, being May 28, 2025.

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the 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.

Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Such risks and other factors include, among others, risks related to integration of acquisitions; risks related to operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risks and Uncertainties." Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

Except as required under applicable securities law, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or others. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties."

QUALIFIED PERSON

All geotechnical information about the Company's mineral properties contained in this MD&A has been prepared under the supervision and approval of Mark Abrams, CPG., a consultant to and director of the Company, who is a "Qualified Person" within the meaning of National Instrument 43-101.