ALTIPLANO METALS INC.

(the “Company” or “Altiplano”)

Form 51-102F1
MANAGEMENT’S DISCUSSION and ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2024

The following Management’s Discussion and Analysis (“MD&A”) supplements, but does not form part of, the audited consolidated financial statements of the Company and the notes thereto for the three months ended June 30, 2024 (the “Financial Statements”). Consequently, the following discussion and analysis of the results of operations and financial condition of Altiplano should be read in conjunction with the Financial Statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance. This MD&A has been prepared based on information known to management as of October 4, 2024.

Forward-Looking Statements

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve several known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below. The Company assumes no obligation to update or revise forward looking statements to reflect new events or circumstances except as required by law.

Altiplano’s operating asset, Farellon, relied upon past production records, underground sampling and related activities and current diamond drilling to estimate grade and widths of the mineralization to reactivate production. The Farellon mine was previously in production dating back to the 1970’s with a reported historical production (to a depth of 70 m) yielding approximately 300,000 tonnes at an average grade of 2.5% copper and 0.5g/t gold. This material was processed locally and sold to ENAMI. The decision to re-commence production on the Farellon deposit was not based on a feasibility study of mineral reserves demonstrating economic and technical viability and there was increased uncertainty, and economic and technical risks of failure associated with reactivating production.

The MDA may contain historical exploration data that have not been verified by Altiplano Metals Inc. and may not be accurate or complete, and therefore the information should not be relied upon. A qualified person has not done sufficient work to classify any historical estimates as current mineral resources or mineral reserves and the issuer is not treating the historical estimates as current mineral resources or mineral reserves.

Description of Business

Altiplano Metals Inc. (APN: TSXV) is a TSX Venture listed Tier 2 junior resource company and reporting issuer in the provinces of Alberta and British Columbia. The Company’s shares are also listed for trading on the OTC Pink Market, in the United States, under the trading symbol “ALTPF” and on the Tradegate Exchange, in Europe, under the trading symbol “WKN: A2JNFG”. The Company is in the business of evaluating and acquiring exploration projects with significant potential for advancement from discovery through to production, including strategic investment in production facilities.

Change of year end

On February 8, 2024, Altiplano changed its fiscal year end from December 31 to March 31 will allow it to complete its audit requirements with greater efficiency and to better align the Corporation's financial reporting periods with that of its peer group in the mineral resources and development sector, which will allow investors to more easily compare quarterly and annual financial results. With this year-end change, the Company will report a one-time transactional period for the fifteen months ended March 31, 2024.

Offtake agreement and loan facility

On April 18, 2023, the Company entered into a concentrate offtake and loan agreement (the "Offtake Agreement") with ArrowMetals Asia Pte. Ltd. ("ArrowMetals").

Pursuant to the Offtake Agreement, Altiplano would have sold copper concentrates produced at the El Peñón processing facility located 15 km from the Farellon Iron-Oxide-Copper-Gold mine in Chile, on an exclusive basis to ArrowMetals until December 31, 2025. Pursuant to a Term Loan Facility Agreement dated April 18, 2023 (the "Facility"), ArrowMetals also agreed to make available to Altiplano up to USD$1.5 million as a loan facility, which could be repaid by delivery of such concentrates. The Facility was to be available by way of multiple drawdowns upon the request of Altiplano, with the first drawdown being for USD$500,000 (CAD 679,250), which was to be repaid with interest in monthly instalments, against Altiplano's future shipments of concentrates over an agreed 12-month schedule.

Under the Offtake Agreement, Altiplano would ship the concentrates at a rate of 300 DMT per month during the term of the Offtake Agreement, until a minimum quantity of 10,000 DMT had been delivered. Provided certain conditions were met for metal content, ArrowMetals would pay 90% of the concentrate value based of the copper and gold content in the delivery month. Pricing was to be established either one month after delivery or four months after delivery, as declared prior to delivery, less treatment, refining, shipping and insurance charges. Final settlement was to take place within 3 months. Interest was be charged on the loaned amount due to ArrowMetals from time to time at a rate of SOFR plus 4.70%.

On August 20, 2024, the Company and ArrowMetals agreed to terminate the Offtake Agreement, and the Company paid off the outstanding loan facility of USD 299,160 ($408,922).

Financings completed.

On December 27, 2023, the Company completed a non-brokered private placement 6,000,000 units for proceeds of $600,000. Each Unit consists of one common share of the Company, and one warrant of the Company. The Company also paid finders' fees of $26,280 and issued 252,000 finders' warrants. Each Warrant will be exercisable to acquire one additional common share for two years from the closing date at a price of $0.12 per share.

On August 29, 2023, the Company completed a non-brokered private placement 2,000,000 units for proceeds of $200,000. Each Unit consists of one common share of the Company, and one warrant of the Company. The Company also paid finders' fees of $11,000 and issued 110,000 finders' warrants. Each Warrant will be exercisable to acquire one additional common share for two years from the closing date at a price of $0.12 per share.

On May 18, 2023, The Company completed a private placement of 3,810,000 unites for gross proceeds of $381,000. Each unit consists of one common share of the Company, and one warrant of the Company. The Company also paid finders' fees of $15,060 and issued 141,600 finders warrants. Each warrant is exercisable to acquire one additional common share at $0.12 per share until two years from issuance.

On October 19, 2022, the Company completed a private placement of 4,620,000 units for gross proceeds of $924,000. Each unit consists of one common share and one-half warrant. The Company also paid finders' fees of

$12,216 and issued 23,950 finders warrants to certain arm's length finders. Each warrant is exercisable to acquire one additional common share at $0.30 per share until two years from issuance.

Options issued

On January 5, 2024, the Company granted incentive stock options to various directors, officers and consultants to purchase up to 3,900,000 common shares of the Company on or before January 5, 2029, at an exercise price of $0.10 per share.

Recent activity

Santa Beatriz

On June 14, 2023, the Company entered into an agreement for the potential acquisition of the Saint Beatriz Project. Located two kilometers (km) from the Company's existing operation at the Farellon near La Serena, Chile. Under the terms of the agreement the Company paid $6,649 (USD 5,000) to retain a 3-month exclusivity period to complete due diligence on the Santa Beatriz Project. At the end of this period Altiplano can rent the mine for USD 4,350/month and provide the owner with a 15% share in net profits after expenses. During the first 12 months of the option, APN can purchase the mine with no underlying royalty for a one-time cash payment of USD 440,000 or extend the option.

Copper, gold, and iron mineralized material at the Santa Beatriz Project is similar to the material currently extracted at Farellon and is expected to be suitable material for processing at the Company's mill and processing facility, El Peñón, located ~15 km from the mine. A decision to exercise the option has not been made.

Farellon

For the period Q1 ending June 30th, 2024, Copper-gold material produced totalled 6,392 tonnes and processed/sold material totalled 4,970 tonnes at a grade of 2.19% These figures compare with 8,600 tonnes produced and 7,822 processed in Q1 2024 representing a decrease of 26% and 36% respectively from the Q1 2024 results. The higher grade represents a 26% increase from the 1.74% copper reported in the previous period. Sales of 233,690 pounds of copper in Q2 2024 generated approximately US$665,258 in revenue (after processing costs), a decrease of 7% over the US$716,200 revenue figure received in 2024 Q1.

During the period January to March 31st, 2024 the copper grade produced at Farellon was recorded at 1.74%, a reduction from 1.87% observed in October to December 31, 2024 period. Production recorded in the first three months of 2024 totalled 8,600 tonnes of mineralized Cu-Au material and processed material totalled 7,822 tonnes. These figures represent a decrease of 5.6% and 3.7% respectively from the previous quarter ending December 31st, 2023. Sales of 292,862 pounds of copper recorded between January and March 31st, 2024, generated approximately US$716,200 in revenue (after processing costs), a decrease of 10% over the US$798,919 revenue figure in the previous quarter.

Altiplano has generated over US$21.2 million from the recovery and sale (after processing costs) of more than 6.71 million pounds of copper with an average grade of 1.8% Cu (January 1, 2018 – June 30, 2024). Cash flow has been re-invested into equipment, underground drilling, expanding underground development, enhancing ventilation to increase productivity and capacity, new underground development and exploration, and the start-up of the El Peñón fit-for-purpose mill and flotation plant.

On September 4, 2024, the Company and Minera Farellon Primera de Tambillos entered into an agreement to terminate ("the Termination Agreement") the lease and return the Farellon Property. Under the terms of the Termination Agreement, the Company has agreed to provide a payment plan for $215,839 (CLP 149,680,288) in outstanding royalties owed to Minera Farellon Primera de Tambillos at the effective termination date of August 1, 2024. In addition, the Company and Minera Farellon Primera de Tambillos will negotiate a contract for the Company to purchase ore for processing at the El Peñón mill plant.

Underground Mining Activity

Mining activity during the January to March 31st, 2024 period focused on production from the 336 m level where a total of 8,612 tonnes were extracted. This amount included 6,692 tonnes from the north advance and 1920 tonnes from the south advance. High grade copper in amounts exceeding 2.6% copper were observed and mined in the NE extension of the 336 m mining level.

During the three months April to June 30th, 2024, mining activity focused on the newly developed 326 m level where extraction of copper and gold material was conducted in the northeast and southwest directions.

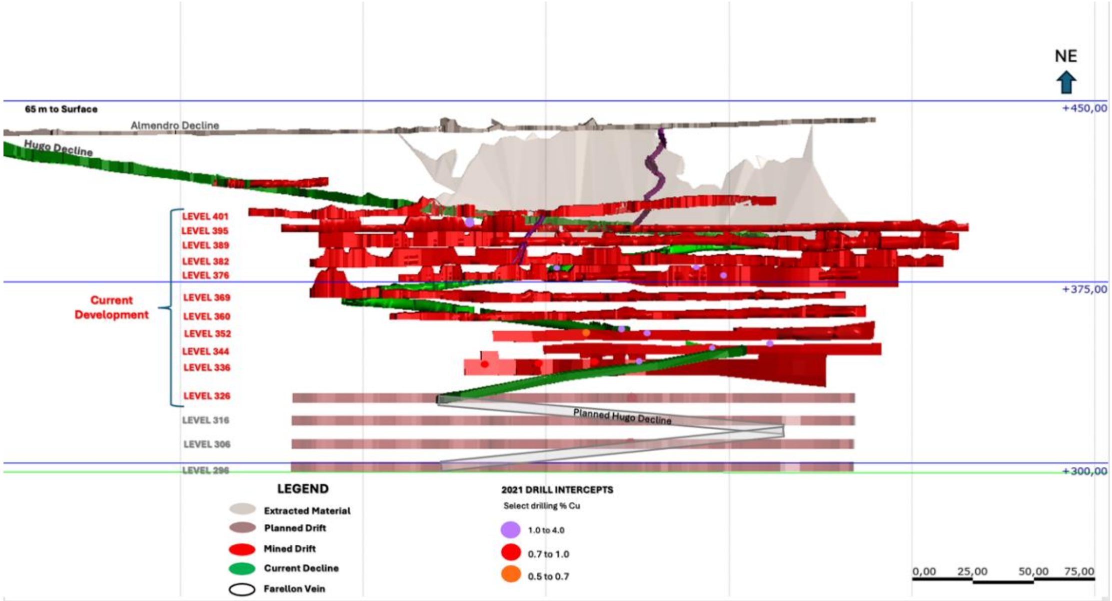
Development of the extension of the Hugo tunnel continued, advancing 43 meters towards the next mining level located a 326 m elevation where mining is planned on drifts to the NE and SW directions.

Mining during the fourth quarter 2024 and fifth quarter of 2024 focused on the extension of the Hugo Decline to the 336 m level where a total 8,612 tonnes were extracted in Q1 2024. High grade copper in amounts exceeding 2.6% copper were observed and mined in the NE extension of the 336 m mining level. Development continues with the extension of the Hugo tunnel, advancing towards the next mining level located a 326 m elevation with expected intersection of the level during Q2 2024.

Q2 2024, activity at Farellon was focused on the continuation of mining at level the 352 m level in the NE and SW directions. Bench mining was initiated on the 360 m level between the 368 m and 360 m levels. Mining on the 344 m level continued in the SW and NE levels, where most of the mineralized material (4,939 tons) was extracted during the quarter. The advance of the main decline continued towards level 336, where a total development of 25 m was completed by the end of June. The 336 m operational level was expected to be reached in mid-August, providing additional working faces to the NE and SW and access to levels above for bench mining.

Mining activity in Q1 2024 was focused on the extraction of copper and gold material from the 344 m and 352 m north levels, where grades in the NE section produced copper grades above 1.9%. In this area of extraction, the IOCG vein maintained an average width of 4.5 meters, ideal for minimizing dilution. Bench mining continued between the 360 m and 352 m levels in the NE section of the mine. Bench mining was also conducted at the 344 m south level using the Jumbo machinery to improve efficiencies. Mining was reactivated at level 352 m South level in anticipation of shipping this material to the El Peñón processing facility. Development work on the Hugo Decline has begun to reach the intersection of the new 336m level.

Figure 1: Simplified section of the Farellon vein showing underground operations as of December 31, 2024:



The decision to commence production on the Farellon deposit was not based on a feasibility study of mineral reserves demonstrating economic and technical viability and there is increased uncertainty and economic and technical risks of failure associated with the production decision.

The Farellon mine was previously in production dating back to the 1970's with a reported historical production (to a depth of 70 m) yielding approximately 300,000 tonnes at an average grade of 2.5% copper and 0.5g/t gold. This material was processed locally and sold to ENAMI. Altiplano is relying upon past production records, underground sampling and related activities and diamond drilling to estimate grade, widths and tonnage of the mineralization to reactivate production. The decision to commence production on the Farellon deposit was not based on a feasibility study of mineral reserves demonstrating economic and technical viability and there is increased uncertainty and economic and technical risks of failure associated with the production decision.

El Peñón Mill

To support the operation at Farellon, the Company purchased a previously operating mill and processing facility (the "Plant"). The crushing and grinding equipment and a flotation plant had sufficient capacity to process 5,000 tonnes/month from the Company's Farellon project. The equipment includes the following equipment: primary, secondary, and tertiary crushing, milling, two 5' x 10' ball mills, and a full flotation circuit. Once completed, the Company will be able to save on trucking costs and toll mill fees and will be capable of producing a high-grade copper concentrate available for sale in the local and international markets.

The Company signed two lease agreements for land where the Plant will be located (the "Mill Site"). One of these land packages was purchased in April 2023. The second remains on lease and is expected to be purchased in May 2025. This Mill Site is approximately 15 kms from the Farellon project and hosts power, water and transportation infrastructure to support the Plant. In preparation for the construction of the Plant, the Company completed the civil work required, which involved pouring of cement foundations and flooring for the plant and concrete supports for the mill and crushers, installation of electrical lines, preparation for waterlines and the construction of a security perimeter fence.

During the year ended December 31, 2021, the Company's permitting application was approved by the Chilean mining authority SERNAGEOMIM to complete the construction of the 5,000 tonne/month processing facility located 15 kms from Farellon. With this approval, the Company began construction and assembly of the plant. The plant comprises crushing and grinding equipment and a full flotation plant with sufficient capacity to process up to 5,000 tonnes/month of copper-gold feed from the Company's Farellon mine. In addition, the circuit contains a dewatering facility which produces a dry tailing product, eliminating the need to construct a conventional tailing dam. A magnetic separation unit has been installed to recover magnetic iron, which is expected to create a secondary revenue stream through sales of 62% iron concentrate and reduce tailings emissions.

During Q3 2024, the Company completed the commissioning stage of the processing plant and began additional work in Q4 to enhance productivity and optimize concentrate production. Adjustments were made in the crushing, milling, and flotation circuits to focus on improving performance of these systems and to adapt to the specific mineralogy of the copper-gold-iron material produced at Farellon. These adjustments better integrated the copper-gold concentrate production circuit with the iron separation and filter press systems that are designed to reduce water consumption and tailings output. This work included gearing adjustments for the two ball mills, replacing reducers for the flotation cells and upgrading hydro-cyclones to improve the classification of material from the ball mill discharge to the flotation cells. Testing of the filter press systems for the tailings and the production of copper-gold concentrate and iron concentrate, through the magnetic drums and filter systems, have all performed to specifications. First sales of copper/gold concentrates were September 2024.

Processing at the Company's state of the art El Peñón facility is expected to significantly reduce operating, processing and transportation costs while focusing on the positive environmental impacts of using a dry stack tailings dewatering system expected to reduce water consumption by 75% and also to eliminate the need for a conventional tailings dam. In full operation, the processing facility is also expected to reduce tailings output by 40% by capturing ~1,850 tonnes of >61% magnetic iron which can be sold as a secondary income stream.

Figure 2. Ball Mills

Figure 3. Copper Gold Flotation Cells

Figure 4. Views of the Tailings, Iron and Copper-Gold Concentrate Production

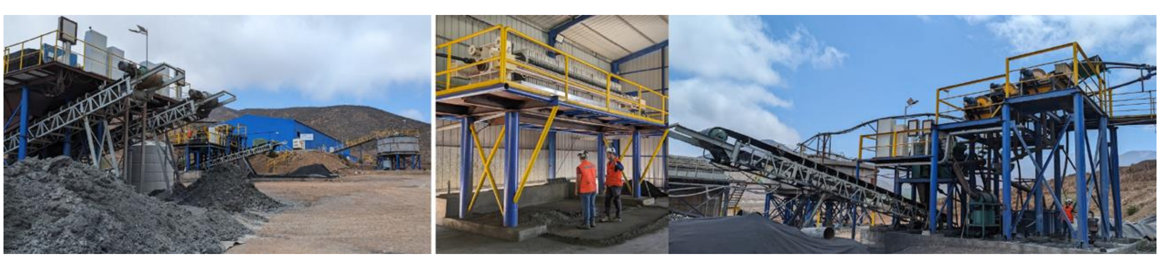


Figure 5. Views of Milling and Flotation, Iron Separation and Copper Thickening Tanks

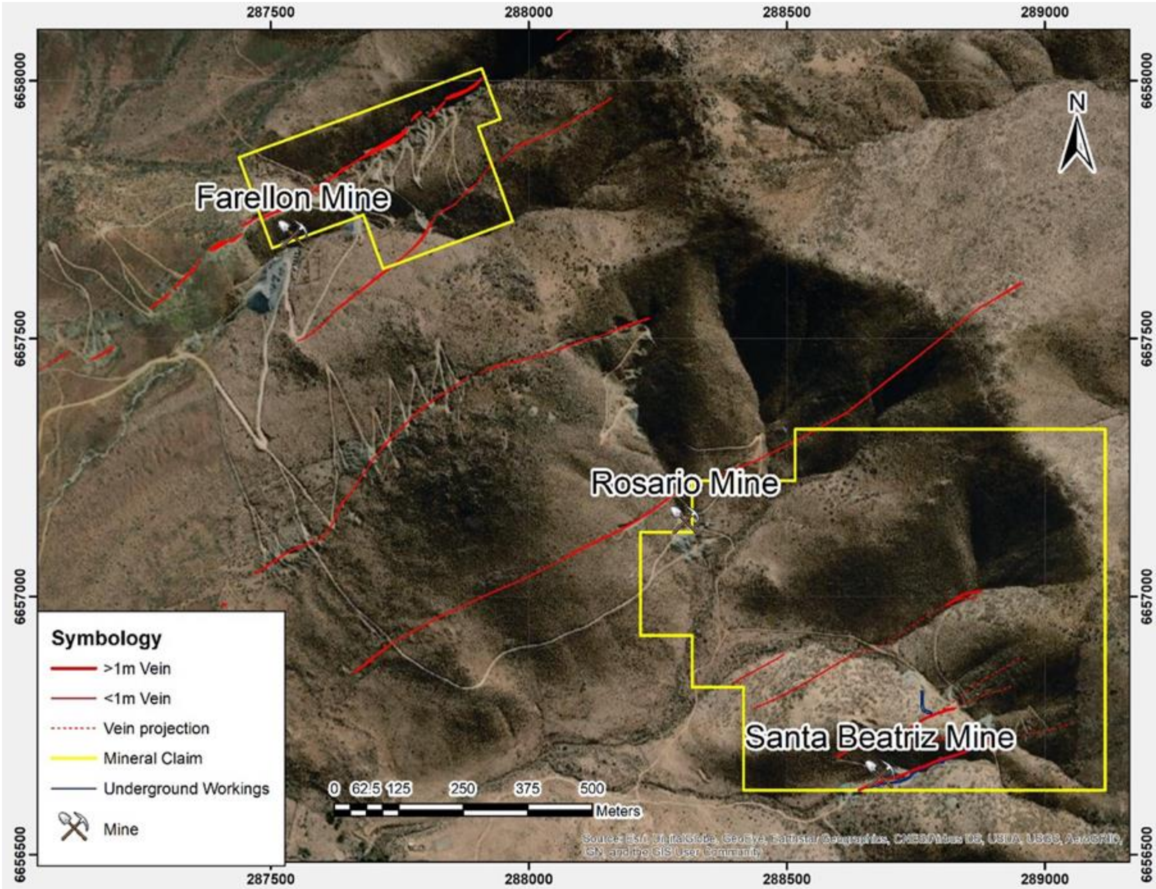
Santa Beatriz

The Company initiated technical due diligence on the Santa Beatriz Copper-Gold mine and confirms similarities to the Farellon mine in mineralization, lithology, and structural trends. The mine is located only 2 kilometres (km) by road from the existing operation at the Farellon Copper-Gold Mine near La Serena, Chile (Figure 6). Farellon and Santa Beatriz are situated in the north/northeast trending 1,000-kilometre Atacama Fault zone within Chile's copper-rich iron oxide copper-gold (IOCG) belt, this area is associated with several significant deposits. Farellon and Santa Beatriz have the potential to be part of a larger IOCG system.

Highlights

- Mineralized material at Santa Beatriz offers ideal potential for processing at the Company's El Peñón facility located ~18 kilometres to the north.
- IOCG-type veins at Farellon and Santa Beatriz share similar mineral characteristics and exhibit a consistent northeast orientation, indicating the possibility that both projects could be part of a larger system.
- Copper and gold mineralization within the vein structures at both Farellon and Santa Beatriz host excellent potential to develop a high-grade copper and iron resource with associated gold.
- The Santa Beatriz Mine is permitted for ~ 2,000 tons per month of production by the Chilean mining authority SERNAGEOMIN (Servico Nacional de Geologia y Mineria), with the potential to expand to 5,000 tonnes per month.
- Seven additional mapped IOCG veins on the Santa Beatriz property remain untested.
- The previously mined veins at Santa Beatriz remain open with the potential to intersect at depth.

Figure 6. Location of Santa Beatriz

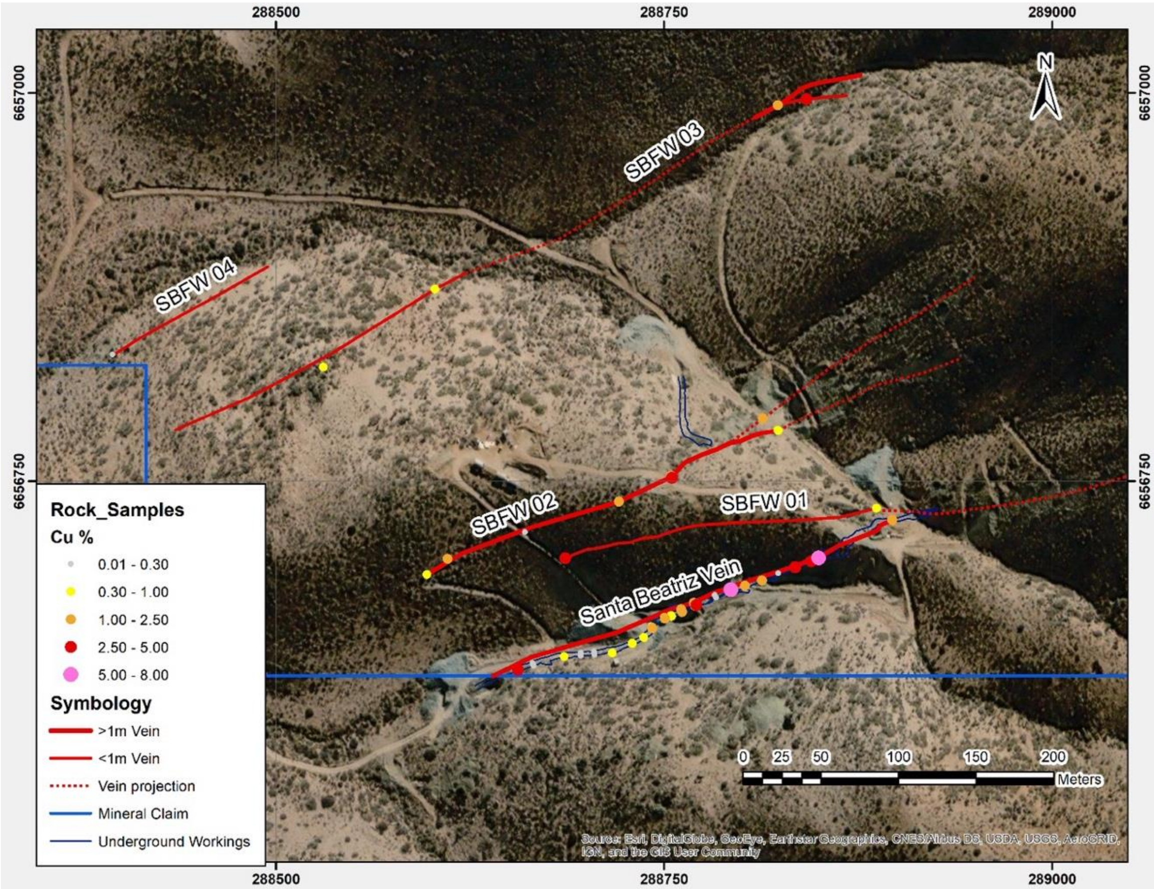


During the period April to June 30th, 2024 period the Company updated sampling results from the Santa Beatriz Copper-Gold-Iron Project.

Highlights:

- A total of 5 veins/splays were identified either outcropping on surface, with old mine workings, or with excavator trenching
- The total strike of these veins adds up to 1,050 m and range in width from 0.30 to 3.13 m. Inferred projections are not being considered and only actual outcrops were measured and sampled. The main vein, Santa Beatriz, was explored previously with underground workings along a strike length of 275 m.
- A total of 98 samples were taken along these veins to complete 37 sampling channels taken systematically every 10 to 15 metres (Figure 7.).
- The best channel sample result belongs to the Santa Beatriz vein and yields 2.45 m with 3.65 %Cu; 0.29 g/t Au; and 26.97 %Fe which includes a 1.08 m sample that yields 8.08%Cu, 0.63g/t Au, and 39.49%Fe.

Figure 7. Showing the identified veins and their projections, Cu% grade of vein samples, and underground workings.



<u>Exploration Plan</u>

After reviewing and evaluating the existing datasets for Santa Beatriz a further exploration program has been formulated encompassing activities such as mapping, sampling, and drilling. A surface and underground exploration program commenced in August 2023 and early 2024 focusing on mapping and rock sampling at surface and underground. Underground geological mapping was performed in the existing tunnels where channel samples were collected in the exposed vein. This information will be used to support the creation of surface and underground geological maps in addition to the design of an empirical 3D geological model.

Channel sampling and mapping of the veins underground and on the surface will aid in determining grade potential and extent. A 1,300-meter drill program is planned to validate the width and consistency of the veins at depth to determine mineralization and mining potential as the exploration program advances.

A subsequent exploration program will include a detailed ground magnetic survey to examine the potential depth and extent of the additional IOCG veins on the Santa Beatriz project, further drilling of the veins would be required to validate the geophysics. The additional untested veins on the project have the potential to be included in the production of the Santa Beatriz project.

Overall Performance

The Company has proceeds from the sale of mineralized material however, the Company has not yet commenced commercial production. The Company relies on the issuance of common shares to finance exploration and to provide working capital.

Selected Annual Information

The following table summarizes audited financial data for operations reported by the Company for the fifteen month period ended March 31, 2024, and the twelve month period ended December 31, 2022, and December 31, 2021:

Fiscal year ended	Mar 31, 2024	Dec 31, 2022 (restated)	Dec 31, 2021 (restated)
Current assets ($)	392,689	676,575	1,984,421
Current liabilities ($)	2,760,406	2,372,889	869,093
Net loss ($)	(1,564,032)	(2,454,603)	(2,166,219)
Basic and diluted loss per common share ($)	(0.02)	(0.02)	(0.02)
Weighted average number of common shares outstanding	123,384,336	114,878,173	108,140,695

Summary of Quarterly Results

The following table summarizes financial data for the eight most recently completed quarters:

Quarter ended	Jun 30 2024	Mar 31 2024	Dec 31 2023 (restated)	Sep 30 2023 (restated)	Jun 30 2023 (restated)	Mar 31 2023 (restated)	Dec 31 2022 (restated)	Sep 30 2022 (restated)
Net income (loss) ($)	(37,537)	(1,075,319)	(91,833)	102,565	(20,821)	(478,624)	(992,321)	(499,598)
Basic and diluted net income (loss) per common	(0.00)	(0.01)	(0.00)	0.00	(0.00)	(0.00)	(0.01)	(0.00)

Results of Operations

<u>Three months ended June 30, 2024</u>

During the three months ended June 30, 2024 ("the current quarter"), the Company incurred a net loss of $37,537 compared to $20,821(restated) during the three months ended June 30, 2023 ("2023" or "the comparative quarter"). General and administrative expenses for the current quarter, consisting of management fees, investor relations expenses, regulatory and filing fees, office and administration and professional fees, totaled $132,916 (2023 - $252,421). Corporate expenses in the current quarter include the following:

- Office and administrative expenses of $28,412 (2023 - $8,692) include office, accounting, and support fees incurred in the current quarter;
- Professional fees of $25,715 (2023 - $75,644) were incurred for legal fees pertaining to corporate legal counsel on general matters and accounting fees;
- Investor relations expenses of $17,776 (2023 – $66,695) include investor relations consulting, travel and on-line shareholder communication expenses;
- Regulatory and filing fees of $2,013 (2023 - $15,741) include transfer agent expenses and TSXV fees incurred during the current and comparative quarter;

- Management fees of $59,000 (2023 - $79,000) include management services rendered in connection with corporate activity and project evaluation;

Partially offsetting the above expenses, the Company received interest income of $573 (2023 – $2,390). In addition, the Company recorded other expenses of $27,162 (2023 – $41,994) and a foreign exchange gain of $4,700 (2023 – $45,472).

In addition, the current period includes revenue from sale of mineralized material of $721,865 (2023 – $780,631), exploration and evaluation expenses of $230,608 (2023 – $148,289) and operating expense of $548,358 (2023 – $406,610) related to the exploration and development of its mineral properties in Chile and sale of mineralized material in development of the Farellon mine.

Other comprehensive loss for the three months ended June 30, 2024 totaled $37,537 (2023 – $213,684) and consisted of a Gain (loss) on foreign exchange of $174,369 (2023 – ($192,684)) arising from the translation of the Company's foreign operations. Total comprehensive loss for the three months ended June 30, 2024 is the sum of net loss and other comprehensive loss.

Financial instruments and risk management

Fair value of financial instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

The Company's cash and cash equivalents and listed equity investments are classified as Level 1, whereas accounts receivable and prepayments, and accounts payable and accrued liabilities are classified as Level 2, and non-listed equity investments are classified as Level 3. As at June 30, 2024, the Company believes that the carrying values of cash, accounts payable and accrued liabilities, and promissory notes approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

<u>Market risk</u>

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

Foreign exchange risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and Chilean peso will affect the Company's operations and financial results. The operating results and financial position of the Company are reported in Canadian dollars. The Company's operations are in Canada and Chile. The foreign exchange exposure at June 30, 2024 is with the Chilean Peso and a 10% increase in the exchange rate would have an impact of $55,461 (March 31, 2024 - $124,210) on the Company's results and a 10% decrease in the exchange rate would have an impact of $55,461 (March 31, 2024 - $112,918) on the Company's results.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities; therefore, interest rate risk is limited to potential decreases on the interest rate offered on cash held with its financial institution. The Company considers this risk to be minimal.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Company has a significant number of customers which minimizes concentration of credit risk. The Company is exposed to credit risk from customers. In order to reduce its credit risk, the Company deals only with financially sound counterparties and, accordingly, does not anticipate loss for non-performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. All of accounts receivable is current. The amounts disclosed in the balance sheet represent the maximum credit risks. Credit risk that arises from accounts receivable is considered low. The Company's cash is also exposed to credit risk. Cash is held with a major financial institution, consequently, the risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

As at June 30, 2024, the Company's working capital deficit was $2,747,118. The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	June 30 2024	March 31 2024
Financial assets at amortized cost:		
Cash	**$ 25,132**	$ 97,374
Accounts receivable	**60,729**	207,499
Financial assets at FVTPL:		
Investments	**313**	313
	$ 86,174	$ 305,186

Financial liabilities included in the statement of financial position are as follows:

	June 30 2024	March 31 2024
Financial liabilities at amortized cost:		
Accounts payable and accrued liabilities	**$ 2,012,928**	$ 1,960,581
Promissory notes	**992,508**	900,441
	$ 3,005,436	$ 2,861,022

Determination of fair value

The statements of financial position carrying amounts for cash, accounts receivable and accounts payable and accrued liabilities, and promissory notes approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Capital Management

In the management of capital, the Company includes components of stockholders' equity. The Company aims to manage its capital resources to ensure financial strength and to maximize its financial flexibility by maintaining strong liquidity and by utilizing alternative sources of capital including equity and debt to fund continued growth. The Company sets the amount of capital in proportion to risk and based on the availability of funding sources. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Issuance of equity has been the primary source of capital to date. Additional debt and/or equity financing may be pursued in future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, the Company may issue new shares, take on additional debt or sell assets to reduce debt. There are no external restrictions on the management of capital. There was no change to the Company's approach to capital management during the three months ended June 30, 2024.

Related Party Transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the three months ended		June 30 2024		June 30 2023
Management fees paid to key management and directors	**$**	**59,000**	$	79,000
Rent paid to corporation controlled by key management		**10,050**		10,050
Office and admin fees paid to a corporation controlled by key management		**-**		12,000
Share-based compensation		**-**		-
	$	**69,050**	$	101,050

At June 30, 2024, accounts payable and accrued liabilities include $598,498 (2023 - $305,540) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

During the period ended June 30, 2024, the Company received proceeds of $69,745 (2023 - $nil) from companies controlled by directors and officers of the Company for the issuance of promissory notes issued and bonus warrants issuable. As at June 30, 2024, $- (2023 - $142,500) was due to directors and officers related to outstanding promissory notes and interest.

Liquidity and Capital Resources

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain adequate financing in the future.

Working capital deficit at June 30, 2024 was $2,747,118 compared to $2,367,717 at March 31, 2024. As of the date of this MD&A, the Company's current liabilities exceed its current assets by approximately $2,600,000.

On December 27, 2023, the Company completed a non-brokered private placement 6,000,000 units for proceeds of $600,000. Each Unit consists of one common share of the Company, and one warrant of the Company. The Company also paid finders' fees of $26,280 and issued 252,000 finders' warrants. Each Warrant will be exercisable to acquire one additional common share for two years from the closing date at a price of $0.12 per share.

On August 29, 2023, the Company completed a non-brokered private placement 2,000,000 units for proceeds of $200,000. Each Unit consists of one common share of the Company, and one warrant of the Company. The Company also paid finders' fees of $11,000 and issued 110,000 finders' warrants. Each Warrant will be exercisable to acquire one additional common share for two years from the closing date at a price of $0.12 per share.

On May 18, 2023, the Company completed a private placement of 3,810,000 units for gross proceeds of $381,000. Each unit consists of one common share of the Company, and one warrant of the Company. The Company also paid finders' fees of $15,060 and issued 141,600 finders warrants. Each warrant is exercisable to acquire one additional common share at $0.12 per share until two years from issuance.

On October 19, 2022, the Company completed the first tranche of a private placement of 4,620,000 units for gross proceeds of $924,000. Each unit consists of one common share and one-half warrant. The Company also paid finders' fees of $12,216 and issued 23,950 agent warrants to certain arm's length finders. Each warrant is exercisable to acquire one additional common share at $0.30 per share until two years from issuance.

Outstanding Share Data

The following table summarizes the Company's outstanding share capital:

	October 4, 2024
Common shares outstanding:	130,333,721
Stock options (weighted average exercise price of \$0.19)	6,550,000
Warrants (weighted average exercise price of \$0.13)	13,147,050
Fully diluted common shares outstanding	**150,030,771**

Mineral Properties

Farellon

Farellon - Overview

The Farellon copper-gold project is located ~ 40 km south of La Serena, Chile. The project lies within the coastal Iron Oxide Copper Gold (IOCG) belt, which runs for hundreds of kilometres and hosts important IOCG and/or porphyry-type copper-gold deposits such as Andacollo, Mantos Blancos, Candelaria, and Mantos Verde. These deposits, including Farellon, are spatially associated with the Atacama fault system. The Atacama Fault System (AFS) is the most important regional structure of the Coastal Cordillera and likely controlled the emplacement of IOCG and porphyry-type ore deposits and associated magmatic rocks. An independent Technical Report by APEX Geoscience Ltd. (APEX) of Edmonton, Alberta, Canada summarizing the project geology and copper-gold potential was filed on SEDAR in March 2017.

The Farellon project consists of a system of multiple Fe-Cu-Au-veins that strike northeast and dip ~72° to the southeast. The main veins (Farellon, Laura, and Rosario) have been traced in outcrop and underground workings for more than 1.2 km, range in width from 1 to 10 m (~2 m average) and are well mineralized over much of their strike lengths. Historic underground mining has yielded grades on the order of 2.5% copper and 0.5 parts per million (ppm) gold. Currently, there is no National Instrument (NI) 43-101 compliant resources on the property. However, a maiden mineral resource estimate centered only on the Farellon vein reports an inferred mineral resource of 278,360 tonnes at an average grade of 1.92% Cu and 0.12 ppm Au. Based on historic underground mining and recent underground and surface mapping, the Company anticipates similar resources can be expected to be contained in the Laura and Rosario veins.

The Farellon project has further potential to host copper/gold bearing magnetite veins that have seen historical production at shallow levels. The February 2017 Technical Report on Altiplano's Chilean projects (Dufresne, 2017) recommended a significant work program at the Farellon project that includes drilling, underground sampling, surface surveying (including a UAV survey), underground surveying, geophysical surveying, underground development and bulk sampling, all of which was incorporated into a maiden mineral resource estimation technical report in 2018.

Farellon January to June 30th, 2024 Operations

For the period ending June 30th, 2024, Copper-gold material produced totalled 6,392 tonnes and processed/sold material totalled 4,970 tonnes at a grade of 2.19% These figures compare with 8,600 tonnes produced and 7,822 processed in the previous quarter representing a decrease of 26% and 36% respectively from the Q5 2024 results. The higher grade represents a 26% increase from the 1.74% copper reported in the previous period. Sales of 233,690 pounds of copper in Q1 2025 generated approximately US$665,258 in revenue (after processing costs), a decrease of 7% over the US$716,200 revenue figure received in Q5 2024.

During the period January to March 31st, 2024 the copper grade produced at Farellon was recorded at 1.74%, a reduction from 1.87% observed in October to December 31, 2024 period. Production recorded in the first three months of 2024 totalled 8,600 tonnes of mineralized Cu-Au material and processed material totalled 7,822 tonnes. These figures represent a decrease of 5.6% and 3.7% respectively from the previous quarter ending December 31st, 2023. Sales of 292,862 pounds of copper recorded between January and March 31st, 2024, generated approximately US$716,200 in revenue (after processing costs), a decrease of 10% over the US$798,919 revenue figure in the previous quarter.

Farellon 2023 Operations

Between October 1st and December 31st, the Company extracted a total of 9,114 tonnes of mineralized Cu-Au material and processed 8,125 tonnes during Q4 2024 at Farellon. This represents a 12% and 13.6% increase respectively from the Q3 production and processing figures. Mine production in Q4 represented the highest quarterly production over the 2024-year period. Copper grade improved in Q4 to 1.87% representing an 8.7% increase from the 1.72% Cu recovered in Q3. Sales of 325,328 pounds of copper in 2024 Q4 generated approximately US$798,919 in revenue (after processing costs), an increase of 25% over the $639,458 revenue figure received in Q3 - an increase related mainly to processing higher Cu grade material.

Between July 1st and September 30th, the Company extracted a total 8,116 tonnes of mineralized Cu-Au material at Farellon and processed 7,152 tonnes at an average copper grade of approximately 1.72%. Sales of 263,232 pounds of copper generated approximately US$639,458 in revenue (after processing costs) a decrease of 14% over 2023 Q2. Total tonnes extracted total tonnes processed and overall grade in Q3 decreased by 2%, 9% and 2% respectively from the previous quarter.

Between April 1st and June 30th, the Company extracted a total 8,315 tonnes of mineralized Cu-Au material at Farellon and processed 7,883 tonnes at an average copper grade of approximately 1.75%. Sales of 294,162 pounds of copper generated approximately US$422,815 in revenue (after processing costs) a decrease of 22% over 2024 Q1. Total tonnes extracted in Q2 increased and overall grade in Q2 decreased by 8% and 13% respectively from the previous quarter; however total tonnes processed of 7,883, represented a 4% increase from the first quarter 2023.

Between January 1st and March 31st, the Company extracted a total 7,675 tonnes of mineralized Cu-Au material at Farellon and processed 7,584 tonnes at an average copper grade of approximately 1.90%. Sales of 307,104 pounds of copper generated approximately US$822,765 in revenue (after processing costs) an improvement of 19% over 2022 Q4. Total tonnes extracted and overall grade in Q1 decreased by 32% and 7.3% respectively from the previous quarter; however total tonnes processed of 7,584, represented a 11.5% increase from the fourth quarter. Mined tonnes were lower in Q1 2023 as the Company transitioned from scoop trams to haulage trucks to transport material to surface. This new transportation system will begin to show improvements over the coming months.

Farellon Quarterly

Table 2: *Comparative Quarterly Review of Farellon Output*

	Mined	Sold/ Processed	Cu Contained	Cu grade	Gross Income
Quarters	**tonnes**	**tonnes**	**pounds**	**%**	**USD**
Q1 2018	2,520	2,395	94,909	1.85%	$148,200
Q2 2018	10,269	4,732	118,287	1.25%	$210,492
Q3 2018	6,298	3,231	109,283	1.58%	$274,499
Q4 2018	11,365	7,988	272,381	1.60%	$695,386
Q1 2019	8,075	6,795	233,425	1.61%	$589,098
Q2 2019	6,935	5,775	229,986	1.87%	$578,282
Q3 2019	5,643	6,411	318,832	2.33%	$460,273
Q4 2019	5,968	5,964	238,371	1.86%	$381,427
Q1 2020	5,557	4,489	188,671	1.97%	$320,960
Q2 2020	9,075	6,962	310,256	2.09%	$431,906
Q3 2020	9,660	10,795	460,384	2.00%	$831,241
Q4 2020	11,685	9,149	322,130	1.68%	$576,386
Q1 2021	9,770	8,055	257,522	1.53%	$540,713
Q2 2021	10,090	7,047	220,660	1.49%	$599,711
Q3 2021	11,624	7,635	221,518	1.38%	$561,345
Q4 2021	11,189	7,254	267,927	1.75%	$779,054
Q1 2022	9,843	6,751	295,199	2.06%	$908,419
Q2 2022	10,742	7,488	310,062	1.96%	$967,685
Q3 2022	13,440	7,570	297,403	1.87%	$691,323
Q4 2022	11,340	6,804	295,397	2.05%	$691,103
Q1 2024	7,675	7,584	307,104	1.90%	$822,765
Q2 2024	8,315	7,883	294,162	1.75%	$745,162
Q3 2024	8,116	7,152	263,232	1.72%	$639,458
Q4 2024	9,114	8,125	325,328	1.87%	$798,919
Q5 2024	8,600	7,822	292,884	1.74%	$716,200
Q1 2025	6,392	4,970	233,690	2.19%	$665,258
	229,300	**176,826**	**6,706,003**	**1.81%**	**$15,625,265**

Risks and Uncertainties

Mining Risks

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, rock bursts, particularly as mining moves into deeper levels, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Metal prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, sale of gold by central banks, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Financial risks include commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.

Regulatory risks include possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings as well as the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive exploration and evaluation properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop is present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

No Operating History and Financial Resources

The Company is in an advanced stage of exploration, which generated proceeds from the sale of mineralized material, partially offsetting exploration expenditures. The Company has also reported a maiden inferred resource.

Inferred mineral resources are not mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future.

Should a production decision be made without completing a feasibility study demonstrating economic and technical viability, there would be increased uncertainty as well as economic and technical risks associated with such production. No production decision has been made at this time.

The Company anticipates that its cash resources will be sufficient to cover its projected funding requirements for the ensuing year. If its exploration program is successful, additional funds will be required for further exploration to prove economic deposits and to bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly.

Key Executives

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives.

Potential Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Change in Accounting Policy

During the fifth quarter of fiscal 2024, the Company elected to change its accounting policy for exploration and property option costs, to expense these as incurred rather than to defer them as assets. In the view of management, this provides a fairer and more conservative approach to the reporting and presentation of these expenditures. The option to initially defer or expense such costs incurred at a pre-feasibility stage of development remains, under IFRS, fundamentally a judgement of management. In the opinion of management, recognizing such costs in operations as incurred therefore provides a more steady and predictable method of reporting these amounts. For presentation purposes, the change has been applied on a retrospective basis at an effective date of August 1, 2020. The specific impacts on financial statement line items are more fully described in note 4 of the consolidated financial statements for the fifteen-month period ended March 31, 2024.

Qualified Person

The disclosures contained in this MD&A regarding the Company's exploration & evaluation properties have been prepared by, or under the supervision of, Mr. John Williamson, P.Geol., and Chairman of the Company and a Qualified Person for the purposes of National Instrument 43-101.

Approval

The Audit Committee on behalf of the Board of Directors of the Company approved the disclosures contained in this MD&A.

Other Information

Additional information related to the Company is available for viewing on SEDAR at www.sedarplus.ca and on the Company's website at www.apnmetals.com.