Transition Metals Corp.
Management Discussion & Analysis
For the Year Ended August 31, 2024

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to Transition Metals Corp. ("we", "our", "us", "Transition Metals", "TMC", "Transition" or the "Company") as of August 31, 2024 unless otherwise noted. The MD&A provides a detailed analysis of the Company's operations for the year ended August 31, 2024 and should be read in conjunction with the audited financial statements for the years ended August 31, 2024 and 2023. This MD&A was prepared as of December 18, 2024.

The financial statements and related notes of Transition Metals have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's reporting currency is the Canadian dollar, and all monetary amounts in this MD&A are expressed in Canadian dollars unless otherwise stated.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Except for statements of historical fact relating to Transition Metals certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward- looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward- looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from current project properties. Please see Risk Factors section of this MD&A. In particular, the current state of the global securities markets may cause significant fluctuations and/or reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

DESCRIPTION OF THE BUSINESS & BUSINESS OVERVIEW

Transition Metals is a publicly traded mineral exploration company. The Company's projects and their history are disclosed in press releases, technical reports and other continuous disclosure filings which may be viewed on the internet on the System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca and on the Company's website at www.transitionmetalscorp.com.

Transition Metals Corp. is engaged in the acquisition and exploration of mineral exploration properties in Canada. The Company's registered office is 100 King Street West, 1 First Canadian Place, Suite 6200, Toronto, Ontario, M5X 1B8.

Transition Metals (XTM-TSX.V) is a multi-commodity exploration company in Canada. It focuses on key, high quality exploration projects while maintaining a pipeline of projects across the country to advance in the future, option or sell. This approach maximizes shareholder exposure to discoveries and capital gain while minimizing shareholder equity dilution by selling interest in the projects rather than ownership in the Company. The Company has established funding partnerships with other companies that are earning an interest in Transition Metals property by providing a blend of cash, shares and royalties, and committing exploration expenditures to advance the projects. The Company has developed a portfolio of base and precious metals projects in Ontario, British Columbia, Nova Scotia, Yukon, Newfoundland & Labrador, and Saskatchewan with direct property ownership interest in approximately 683 km^2 mining land and share ownership interests in partner companies.

Key projects for the Company include: the Pike Warden Au-Ag-Cu project near Whitehorse, Yukon, the Maude Lake Nickel project near Schreiber, Ontario, the Saturday Night PGM project near Thunder Bay, Ontario, and the Sunday Lake PGM discovery near Thunder Bay held through a Joint Venture with Impala Platinum Holdings Limited ("Implats") and Impala Canada Limited ("Impala Canada").

Key investments for the Company include the Company's shareholdings in: SPC Nickel Corp. (SPC), a public company which is focused on advancing the West Graham Ni-Cu-PGM project in Sudbury and Canadian Gold Miner Corp. (CGM) a private company which is focused on advancing the South Kirkland gold project. In addition, the Company holds shares of publicly traded companies including Forum Energy Metals Corp., Metalla Royalty and Streaming Ltd. (formerly Nova Royalty Corp.), Homerun Resources Inc., McFarlane Lake Mining Limited, Heritage Mining Limited and Class 1 Nickel and Technologies Limited. It also holds shares of two other private companies.

The business of exploration and mining involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable mining operations. The Company's business is dependent upon the discovery of economically recoverable mineral deposits, securing and maintaining title and beneficial interest in the properties, the ability to obtain the necessary financing to complete exploration, development and construction of a mine and processing facilities, obtaining certain government approvals to monetize its assets or generate profitable revenue from mining production. There can be no assurance that the Company will be able to raise sufficient funds as and when required.

The Company's financial statements are prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of the Company's business. The application of the Going Concern concept is dependent on the Company's ability to obtain financing to continue its operations.

The Company presently has no known quantifiable mineral deposits that justify exploitation, and activities completed by the Company constitute exploratory searches for economic mineral deposits.

OUTLOOK

The Company intends to continue to develop and advance its portfolio projects with the objective of attracting new funding partners to further leverage the Company's exposure while retaining the upside value that can come from the discovery of new mineral deposits.

Projects that the Company considers key to driving value into the next period include: the Pike Warden Au- Ag-Cu project in the Yukon, the Maude Lake Ni-Cu- Co- PGM project near Schreiber Ontario, the Saturday Night PGM-Ni- Cu and the Sunday Lake PGM-Cu-Ni joint venture with Impala Platinum Holdings Limited (Implats) and Impala Canada Ltd. ("Impala Canada") both near Thunder Bay. It is anticipated that CGM will complete a public transaction as soon as market conditions warrant.

INTERNAL QUALIFIED PERSON AND QUALITY CONTROL/QUALITY ASSURANCE

Greg Collins, P.Geo., Chief Operating Officer of the Company, is a Qualified Person as defined under National Instrument 43-101 and has reviewed and approved the technical information contained in this MD&A.

MINERAL PROPERTIES, ACTIVITY AND PLANS

CORPORATE ACTIVITIES

During the reporting period the Company was actively engaged in project generative research, property acquisitions and sourcing partners for its projects.

On January 17, 2024, the Company announced that it had engaged Bill Stormont as Manager of Business Development. With a rich background in capital markets and investor relations, Bill Stormont's addition is anticipated to enhance the Company's presence and collaborations within the mining industry.

On February 28, the Company announced the result of its February 21 AGM meeting welcoming Jordan Black P. Eng., as a new director to the Company.

On May 18, the Company announced the appointment of Ashley Kirwan, P.Geo., ICD.D as one of the independent members of the Board of Directors effective April 29, 2024.

In addition, the Company issued 2,090,000 stock options, 550,000 Restricted Shares Units (RSU), and 1,700,000 Deferred Share Units (DSU) to certain directors, officers, and employees of the Company in accordance with the Company's approved Omnibus Equity incentive Compensation Plan, approved during the Company's annual general meeting of shareholders held on February 21, 2024. The options can be converted to common stock at an exercise price of $0.06 per share for a 5-year period. RSUs vest within 3 years, and DSUs vest upon the loss of office for the holder.

Subsequent to the end of year, on November 25, 2024 the Company announced that that it has closed a non-brokered private placement consisting of 3,999,998 Critical Flow Through Shares (the "CFT Shares") at a price of $0.075 per CFT Share for proceeds of $299,999.85.

EXPLORATION HIGHLIGHTS

On September 11, 2023 the Company announced that work at the Pike Warden property had identified 4 new showings with prospecting samples returning assays from grab samples up to 954 g/t Ag, 832 g/t Ag, and 347 g/t Ag and that the Company intended to complete additional sampling to follow up on these new areas.

On October 24, 2023, the Company updated that two new molybdenite occurrences in a previously unsurveyed portion of the Pike Warden property had been discovered and that an additional 376 ha was staked to secure favourable ground.

On November 20, 2023, the Company reported assays from the Pike Warden property in connection with the sampling reported in October from the newly found Nemean Lion, Minotaur and Hercules showing areas returning highlight assay values from grab samples include: 2.91 g/t Au, 6.57 g/t Ag, and >1% Mo.

On January 17, 2024, the Company provided an update regarding results from work completed on the Pike Warden and Maude Lake projects and presented plans for work in 2024.

During the Q3 of 2024 reporting period the Company was actively engaged with research and planning work in connection with the Pike Warden project, Yukon. On May 22, 2024, the Company acknowledged financial support from the 2023-24 Yukon Mineral Exploration Program (YMEP).

On May 29, 2024, the Company disclosed that trace element geochemistry work completed on data from Pike Warden had highlighted robust epithermal and porphyry style alteration signatures with petrography confirming the presence of high temperature potassic alteration associated with copper and moly mineralization on the property.

On July 22, 2024, the company announced it had engaged Geotech Ltd. (Geotech), a leading airborne geophysical survey provider to undertake a helicopter-borne Z-Axis Tipper Electromagnetic (ZTEM) geophysical survey over the property. Condor North Consulting ULC ("Condor") an expert in the field of geophysical data processing and interpretation was retained to perform a detailed interpretation of the results and their final report regarding the significance of the survey is pending.

In July, the Company completed a field program to further assess and constrain target areas highlighted as being prospectivity for hosting porphyry style copper-molybdenum mineralization.

TRANSITION PROPERTY HOLDINGS

The Company owns properties in several jurisdictions in Canada and is currently registered to conduct business in Ontario, Yukon, British Columbia, Saskatchewan, and Nova Scotia. As of August 31, 2024, the Company owned or held under option an ownership interest in mining properties totaling approximately 62,825 hectares (ha) (628 square kilometres) for purposes of conducting exploration and development activities. Individual projects expenditures for the period are summarized in the table at the end of this section.

Property Summary Table

Projects	Properties August 31, 2024	Hectares August 31, 2024	Properties May 31, 2024	Hectares May 31, 2024	Properties Feb 29, 2024	Hectares Feb 29, 2024	Properties Nov 30, 2023	Hectares Nov 30, 2023
Pike Warden - Yukon	203	4,166	203	4,166	203	4,166	203	4,166
Thunder Bay - Ni-Cu-PGM's	409	7,606	409	7,606	409	7,616	409	7,616
Saskatchewan Copper	9	5,375	9	5,375	9	5,375	9	5,375
Abitibi Gold - Ontario	764	12,126	764	12,126	762	12,115	762	12,115
Sudbury Cu-Gold - Ontario	50	1,110	50	1,110	121	3,183	121	3,183
Other	353	32,446	355	34,896	406	35,869	448	36,674
Totals	**1,788**	**62,829**	**1,790**	**65,279**	**1,910**	**68,324**	**1,952**	**69,129**

The number of properties listed in the tables above refers to the number of discrete mining titles that the Company holds an interest in and consists of a mix of individual mining claims, leases and patents. The Company's properties have been grouped into the following major project categories based on factors including geographic location, commodity focus and partnership agreements. An overview of the projects is presented below.

OVERVIEW OF PROJECTS

The Company has developed a portfolio of gold, copper, nickel and PGM projects with ownership interest in approximately 628 km² of property interest in several focus area as defined by region or commodity focus structure. These include: Pike Warden – Yukon (Au-Ag-Cu), Thunder Bay (Ni-Cu-PGM's); Saskatchewan (Cu); Abitibi (Au); and Sudbury Area (Cu-Au and W) and Other Updates during the reporting period for potentially material and/or projects that the Company is actively working are as follows.

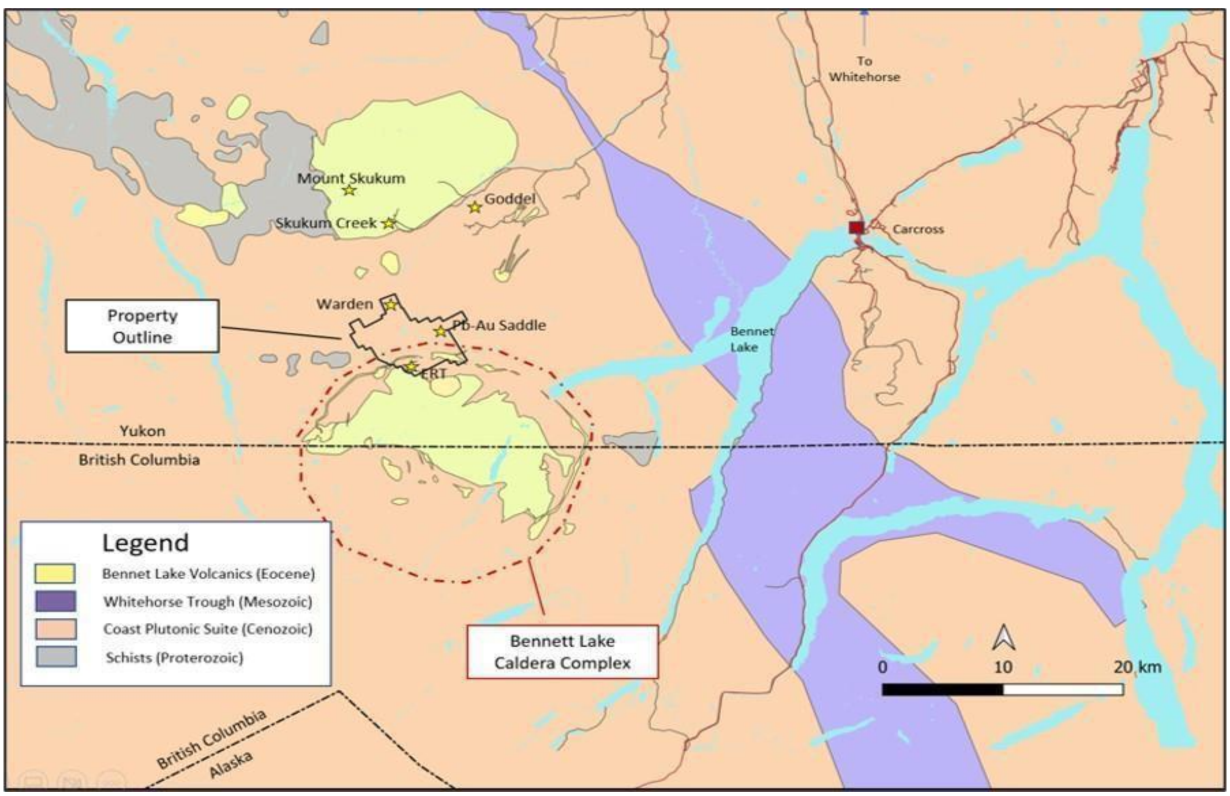
PIKE WARDEN (GOLD AND SILVER) – YUKON TERRITORY

In 2022 the Company entered into an option agreement to acquire a 100% interest in the Pike Warden Au-Ag-Cu Property located approximately 65 kilometres southwest of Whitehorse. Pursuant to the option agreement, Transition retains the option to earn a 100% interest in the property by issuing $150,000 in cash ($85,000 paid) and 1,000,000 shares (550,000 issued) to the Vendor and completing an aggregate of $1,000,000 (~$600,000 completed) in work over a 4-year period. If the Company vests its interest, the Vendor will retain a 1% Net Smelter Return royalty (NSR) and a $1,500,000 Milestone Payment to be paid within 6 months following Commercial Production being achieve from the Property.

The property covers more than 25 historic and recently discovered high-grade polymetallic gold (Au), copper (Cu), and silver (Ag) epithermal showings indicative of a large epithermal-porphyry system situated near the margin of the Bennett Lake caldera complex. Previous work by the Vendor outlined six undrilled, high-grade showings where grab sample returned assay results up to 48.10 g/t Au, 11,270 g/t Ag and 7.49% Cu.

Since optioning the property, the Company has completed three seasons of exploration work compiling a robust geoscience database consisting of property wide coverage with high resolution magnetic, radiometric and VLF geophysical data, Lidar and high resolution orthophotography, high resolution remote sensing based alteration mapping, and the collection of more than 1500 rock and 700 soil samples. This work has highlighted more than 25 new polymetallic mineralized occurrences hosting elevated values of gold, silver, copper, molybdenum and other base metals. Assay samples from these zones have returned values up to 48.1 g/t Au, 11,270 g/t Ag, 7.49% Cu and 2.37% Mo.

Figure 1: Geology and location of the Pike Warden Property and outline of the Bennett Lake Caldera Complex



In 2022, the Company undertook programs to better understand the geological context of showing areas identified on the property by the Optionor. This effort led to the identification of 3 new showing areas and confirmed a drill testable high sulphidation epithermal silver target at the ERT Zone. In the fall of 2022 the Company mobilized a RC drill to complete three holes to further evaluate the extent and vertical continuity of target mineralization identified at ERT. Assay results from this drilling returned:

- 16.76 metres grading 88.01 g/t Aq including 1.5 metres grading 468.00 g/t Ag in hole 22-PW-01
- 21.34 metres grading 91.43 g/t Aq including 1.5 metres grading 362.00 g/t Ag in hole 22-PW-02
- 12.19 metres grading 46.20 g/t Aq including 1.5 metres grading 211.00 g/t Ag in hole 22-PW-03

In 2023, the Company returned to evaluate other areas of the property towards assembling a more comprehensive geoscientific database to better understand and target other showing areas on the property and to further assess indications mineralization associated with both epithermal and porphyry copper style mineralizing systems. High resolution multispectral satellite data was tasked over the area to assist with alteration mapping and an airborne Lidar survey was completed along with orthophotography to obtain an accurate digital elevation model and to help map out structure. Approximately 300 rock and soil samples were collected confirming the discovery of two new molybdenite occurrence. In October of 2023 an additional 376 ha were staked to secure favourable ground peripheral to these discoveries. On November 20, 2023, the Company reported assays in connection with the sampling reported in October from the newly found Nemean Lion, Minotaur and Hercules showing areas returning highlight assay values from grab samples include: 2.91 g/t Au, 6.57 g/t Ag, and >1% Mo.

On May 29, 2024, the Company disclosed encouraging results from ongoing research further validating the potential for copper porphyry mineralization at Pike Warden. Rock sample trace element geochemistry studies highlighted robust epithermal and porphyry style alteration signatures with petrography confirming the presence of high temperature potassic alteration associated copper and moly mineralization on the property. In June, the Company completed a helicopter-borne Z-Axis Tipper Electromagnetic (ZTEM) geophysical survey over the property seeking to use the audio frequency magnetotelluric (AMT) data collected from this survey to establish a 3D model of subsurface resistivity. The intent behind the completion of this survey was to highlight subsurface structures and pathways for intrusions considered favourable for generating copper porphyry systems. Detailed field mapping was completed over a two week period in July towards better constraining alteration, fracture and vein type and density and to obtain material for additional geochemical and petrography analysis. This work has led has highlighted 3 areas on the property which exhibit prospective indication for hosting porphyry copper mineralization in addition to the epithermal Au/Ag potential previously highlighted at ERT and in other locations on the property.

As at the end of the reporting period the property consisted of 4,166 hectares of optioned and 100% owned claims. The Company plans to continue to explore the property with programs of additional mapping and sampling as well as drilling in 2025.

THUNDER BAY NI-CU-PGM PROJECTS – MAUDE LAKE

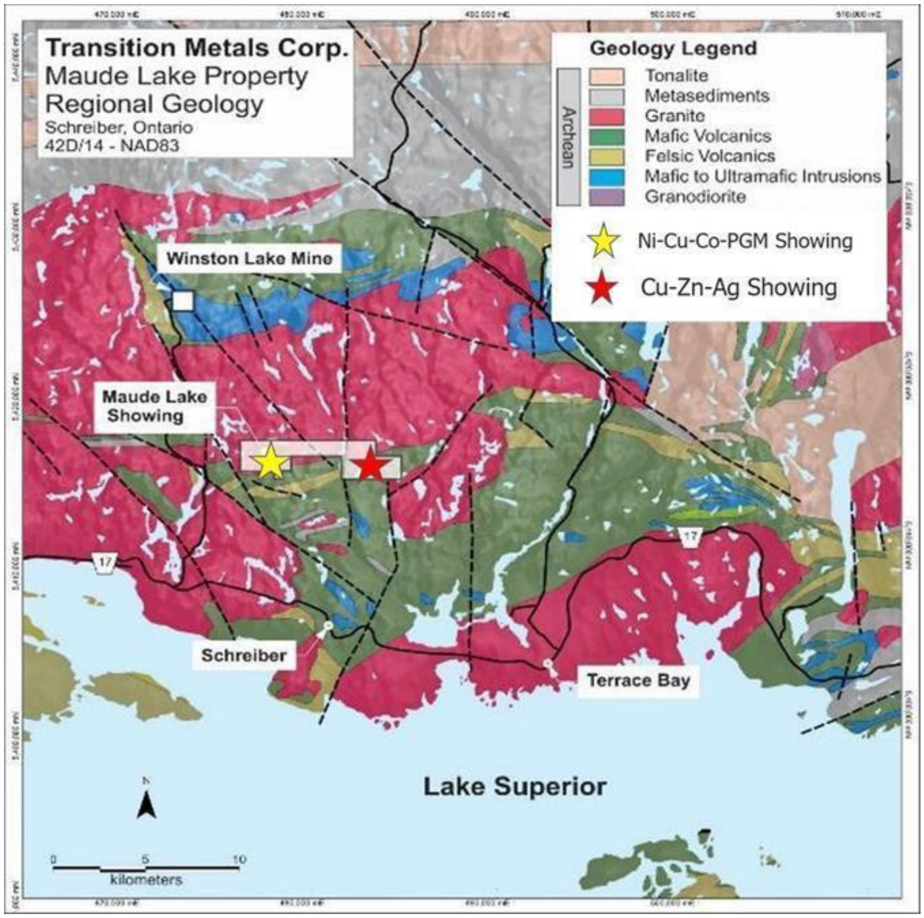
The Company acquired certain claims in the Maude Lake property located in Ontario through an option agreement. The vendor retained a 2% NSR. TMC reserves the right to buy back 1.5% of the NSR at any time for $2,000,000.

In October of 2020, the Company assigned a 1% NSR on the project to Metalla Royalty formerly Nova Royalties Corp subsequently acquired by Metalla royalty and streaming.

On March 9, 2022, the Company announced the completion of a 350-line kilometre airborne Mag-EM (VTEM) survey over the property, which was successful in highlighting large, untested conductive anomalies in close proximity to two known zones of mineralization. The Company followed up the survey by completing channel sampling which returned 17m averaging 0.46% Ni including 4.26m averaging 1.27% Ni, 0.84% Cu and 0.08% Co from channel 4, and 8.17m averaging 0.50 % Ni including 1.70m grading 1.61 % Ni from channel 7. Follow-up drilling intersected 20.01m averaging 0.33 % Ni and 0.28% Cu, including 4.00m averaging 0.61 % Ni and 0.53% Cu in hole ML-22-01, and 1.17m averaging 2.16% Ni and 0.51% Cu in Hole ML-22-02.

In December of 2023, two diamond drill holes for 579m were drilled to test conductive targets outlined by the EM survey work. Neither hole intersected notable mineralization but were followed up with a borehole EM survey in early 2024. The results from the borehole survey constrain the location of the targeted conductive anomaly to areas associated with mineralization intersected by previous drilling. Opportunity remains to expand mineralization updip and explore for larger accumulations of sulphide through larger downdip drilling stepouts.

Figure 2: Location of the Maude Lake Project



SATURDAY NIGHT

In 2015, the Company staked a magnetic target comparable to the magnetic signatures of other 'Early Rift' intrusions in this area located approximately 16 kilometres west of its Sunday Lake discovery near Thunder Bay, Ontario. This target, named "Saturday Night", was highlighted by an airborne survey flown by the Ontario Geological Survey (OGS).

In November 2016, the Company completed one drill hole to test targets defined by the summer geophysical program. On January 23, 2017, the Company announced that it had intersected a platinum group element enriched mid-continental rift intrusion. Assays returned 6.25 metres averaging 1.07 g/t PGM's including a higher-grade section of 4.0 g/t PGM and 0.56% Cu over a core length of 0.30 metres near the interpreted base of a greater than 200-metre-thick sequence of early-rift intrusive rocks.

The Company has covered the property with an AMT/MT ground geophysical survey, similar to the approach taken by Impala Canada (formerly North American Palladium) at the nearby Sunday Lake project, to better define the extent and morphology of the Saturday Night intrusion which indicates that the extent of the prospective intrusion is extensive. In October of 2020, the Company assigned 1% NSR on the project to Metalla Royalty. During the reporting period the Company applied for permits to resume drilling on the property and plans to complete an airborne AMT survey over the property as soon as possible.

In 2023, the Company completed a passive Audio frequency Magnetotelluric (AMT) airborne survey over the project area to more fully define the interpreted extent of the Saturday Night intrusion under cover. The results of the survey indicate that the Saturday Night intrusion may be larger than previously understood and have highlighted possible extensions to the intrusion that should be targeted for drilling.

At the end of the reporting period, the Saturday Night project consisted of 63 mining claims for an estimated 1,081 hectares.

The Company has a drill permit to continue to explore the property. Given that the intrusion has only one drill hole in it, the exploration potential is considered very prospective and looks forward to exploring this property in 2025.

PROJECT GENERATION

During the reporting period the Company remained active conducting exploration activities towards the identification and assessment of new opportunities with a focus on critical minerals in Ontario.

OTHER PROJECTS

Transition has a number of other exploration projects in the Canadian provinces of Ontario, Nova Scotia, British Columbia, and Newfoundland & Labrador. Targets are mainly gold and copper. A table of all projects, ownership interests and status is provided below:

Properties	Ownership	Commodities	Claims - Aug 31/24	Hectares - Aug 31/24	Status During Reporting Period
Pike Warden - Yukon			203	4,166	
Pike-Warden	Option to Earn 100%, Subject to 1% NSR	Cu, Au, Ag	185	3,790	Active
Pike-Warden	100% Owned Mining Claims	Cu, Au, Ag	18	376	Active
Thunder Bay - Ni-Cu-PGM's - Implats Alliance			406	7,469	
Maude Lake	100% Owned Mining Claims, 2% NSR to Optionor subject to 1% buydown, 1% NSR held by Metalla	Ni, Cu	74	1,484	Active
Saturday Night	100% Owned Mining Claims, 1% NSR assigned to Metalla	PGM's, Ni, Cu	63	1,081	Active
Sunday Lake	Sunday Lake JV - 25% Interest Carried to Feas	PGM's, Ni, Cu	95	1,674	Dormant
Sunday Lake	Sunday Lake JV - 25% Interest Carried to Feas	PGM's, Ni, Cu	79	1,220	Dormant
Owl Lake	100% Owned Mining Claims, 1% Impala	PGM's, Ni, Cu	95	2,010	Dormant
Gold - Ontario			976	16,875	
Gowganda Gold					
Haultain	100% Owned Mining Claims	Au, Ag, Co	231	3,897	Dormant
Haultain-Swain	100% Owned Mining Claims, 2% NSR to Vendor with 1% buy back	Au, Ag, Co	55	692	Dormant
Haultain	100% Owned Mining Claims, 1% NSR to BMR	Au, Ag, Co	233	4,066	Active
Pipestone	Participating JV - 60% Gowest, 40% XTM	Au	237	3,354	Dormant
Cryderman	100% Owned Mining Leases, 2% NSR to Vendor with 1% buy back	Au	6	106	Dormant
Cryderman	100% Owned Mining Claims, 2% NSR to Vendor with 1% buy back	Au	2	11	Dormant
Jolly	Option to Earn 100%, Subject to 1% NSR	Au, Cu, Zn	9	465	Dormant
Jolly	100% Staked Claims	Au, Cu, Zn	194	4,094	Dormant
Jolly	100% Owned Mining, 1% NSR to Vendor	Au, Cu, Zn	9	190	Dormant
Saskatchewan Copper			9	5,375	
Fannon	100% Owned Mining Claims, 1% NSR assigned to Metalla	Cu, Zn	4	2,564	Dormant
Porcupine	100% Owned Mining Claims, 1% NSR assigned to Metalla	Cu	5	2,811	Dormant
Sudbury Projects			121	3,183	
Aylmer	Optioned Claims - Returned to Vendor	Cu, Au, Co	43	1,455	Returned
Aylmer	100% Staked Claims - Returned to Vendor	Cu, Au, Co	28	618	Returned
Foster	Under Option to 1930153 ON Ltd.	W, Cu	34	754	Active
Foster	Under Option to 1930153 ON Ltd., 1% NSR to Vendor	W, Cu	16	356	Active
Other Projects			143	30,147	
Duntarra	Assigned to SSAF, XTM retains a 2% NSR	Cu	2	2,450	Sold
Highland Gold	Option to Earn 100%, Subject to 1% NSR to Vendor	Au	4	1,409	Dormant
	100% Owned Mining Claims	Au	17	9,844	Dormant
Raglan Hills	100% Owned Mining Claims, 1% NSR assigned to Metalla	Ni, Cu, PGM's	7	137	Dormant
Limerick	100% Owned Mining Claims, 1% NSR assigned to Metalla	Ni, Cu, PGM's	68	1,679	Dormant
Island Copper	100% Owned Mining Claims	Cu	5	81	Dormant
Homathko	Under Option to Aurum Mining Ltd, 1% NSR assigned to Metalla	Au, Sb, Cu	12	9,788	Active
Thompson	100% Owned Mining Claims	Au	22	4,306	Dormant
	Option to Earn 100%, Subject to 1% NSR to Vendor	Au	6	453	Dormant
Totals			**1,858**	**67,215**	

ROYALTIES AND MILESTONE PAYMENTS

Royalties Held				
Name	**Company**	**NSR royalty**	**Buyback**	**residual royalty**
Dundonald	Class One Nickel	1.25	0	1.25%
Janice	Forum Energy Metals	1.00	50%	0.50%
Elephant Head	Canadian Gold Miner	1.00	50%	0.50%
Jumping Moose	Canadian Gold Miner	1.00	50%	0.50%
Mongowin	McFarlane Lake	1.50	0%	1.50%
South Kirkland	Canadian Gold Miner	1.00	50%	0.50%
Nabish Lake	Heritage Mining	2.00	25%	1.50%
Duntarra	Stephen Stockley	2.00	50%	1.00%

Receivable Milestone Payments			
Project	**Agreement / Company**	**Payment(s)**	**Comment**
Golden Elk	Canadian Gold Miner	$1,000,000	Commercial Production Payment
Janice Lake	Forum Energy Metals	$7,000,000	Related to Feasibility Study and Commercial Production
Janice Lake	Metalla Royalty	$2,000,000	Related to producton from Janice Lake Project
West Matachewan	Canadian Gold Miner	$1,000,000	Commercial Production Payment
Mongowin	McFarlane Lake Mining	$2,500,000	Commercial Production Payment
Fostung	1930153 ON Ltd	$5,000,000	Buyout of Interest
Total		**$18,500,000**	

Cumulative exploration expenditures as at August 31, 2024

	Pike Warden	Maude Lake	Saturday Night	Project Generation	Other	Former projects	Total
	$	$	$	$	$	$	$
Opening balance, August 31, 2022	**97,009**	**251,793**	**98,259**	**3,995,099**	**5,250,266**	**6,857,625**	**16,550,051**
Acquisition costs	78,500	-	-	-	5,500	-	84,000
Camps, accomodations, meals, travel	76,086	210,739	1,160	10,873	93,915	-	392,773
Assay, core logging and sampling	50,523	13,158	-	2,403	21,540	-	87,624
Geophysical, geochemical and geological	121,382	26,845	4,268	47,662	15,265	-	215,422
Drilling and trenching	102,776	142,974	-	60	-	-	245,810
Recoveries	(50,000)	-	-	-	(179,141)	-	(229,141)
Balance, August 31, 2023	**476,276**	**645,509**	**103,687**	**4,056,097**	**5,207,345**	**6,857,625**	**17,346,539**
Acquisition costs	47,000	-	-	-	10,000	-	57,000
Camps, accomodations, meals, travel	122,610	53,226	14,896	25,386	60,219	-	276,337
Assay, core logging and sampling	5,889	2,638	-	6,745	3,843	-	19,115
Geophysical, geochemical and geological	266,477	54,586	67,370	33,207	28,708	-	450,348
Drilling and trenching	-	137,601	-	-	-	-	137,601
Recoveries	(50,000)	(182,388)	(42,500)	-	(200,000)	-	(474,888)
Balance, August 31, 2024	**868,252**	**711,172**	**143,453**	**4,121,435**	**5,110,115**	**6,857,625**	**17,812,052**

INVESTMENT IN ASSOCIATE COMPANIES

CANADIAN GOLD MINER CORP.

As at August 31, 2024, the Company owns 15,000,100 common shares in Canadian Gold Miner Corp. ("CGM") being approximately 19% of the issued and outstanding shares. CGM is a private corporation exploring for gold in the Larder Lake Mining District near Kirkland Lake. The Company has assembled an exceptional land position totaling approximately 320 km^2 around the Cadillac Larder, Lincoln-Nipissing and Ridout structures in the southwestern part of the prolific Abitibi Greenstone belt in Ontario and is planning to go public. However, the Company is currently monitoring the market to determine the best timing. See the below table for the share of CGM's loss recognized under TMC. Additional information regarding CGM can be obtained at www.canadiangoldminer.com.

SPC NICKEL CORP.

SPC Nickel Corp ("SPC") is a company spun out by Transition that is focused on discovering Class 1 Nickel in the prolific Sudbury mining camp to discover new sources of metals in support of clean energy initiatives. As at January 1, 2024, the Company has assessed that it no longer holds significant influence over SPC.

INVESTMENT

A continuity of investment balances, and the resultant income statement impact, for the year ended August 31, 2024, is as follows:

Continuity:

For the Year Ended August 31, 2024	Equity Investment in SPC	Equity Investment in CGM	Marketable securities	Total
Balance as at August 31, 2023	**$357,579**	**$582,858**	**$904,532**	**$1,844,969**
Share of loss for the period	(38,138)	(37,132)	-	(75,270)
Gain on dilution	19,641	110,554	-	130,195
Mark to market adjustments	-	-	76,077	76,077
Realized gain on investments	-	-	57,601	57,601
Proceeds on sale of investments	-	-	(331,540)	(331,540)
Reclassified to marketable securities	(339,082)	-	339,082	-
Balance as at August 31, 2024	**$nil**	**$656,280**	**$1,045,752**	**$1,702,032**

Income statement impact:

For the year ended August 31, 2024	Realized gain on disposition	Equity accounting pick up	Unrealized gain	Total
Equity (loss) pick up	-	(75,270)	-	(75,270)
Gain on dilution		130,195		130,195
Mark to market adjustments	-	-	76,077	76,077
Original cost on securities sold	(273,939)	-	-	(273,939)
Adjusted for:				
Proceeds on sales	331,540	-	-	331,540
Total	**$57,601**	**$54,925**	**$76,077**	**$188,603**

Discussion of Operations

THREE MONTHS ENDED AUGUST 31, 2024, COMPARED TO THREE MONTHS ENDED AUGUST 31, 2023

During the three months ended August 31, 2024, the Company had a net loss of $327,927 compared to net loss of $392,395 in the comparative period. The change is mainly due to the following:

- Operating expenditures for the three months ended August 31, 2024, were $418,580 compared to $579,152 for the three months ended August 31, 2023. The changes are due to:
  i. Total exploration expenditures for the period was $196,493 (2023 - $327,723). See below exploration expenditure table for details.
  ii. Share-based payment for the period was of $75,886 (2023 - $129). Share-based payments vary depending on the stock options, RSUs and DSUs granted and vesting during the period.

- The share of gain of equity investment was $23,942 (2023 – loss of $135,472) and gain on dilution from equity investments was $103,141 (2023 - $62,748) for the period.

- Unrealized loss on marketable securities for the period were $152,783 (2023 – gain of $150,341). The change in the realized and unrealized gain (loss) on marketable securities is due to changes in the underlying market price of the common shares.

YEAR ENDED AUGUST 31, 2024, COMPARED TO YEAR ENDED AUGUST 31, 2023

During the year ended August 31, 2024, the Company had a net loss of $863,412 compared to net loss of $2,281,481 for the year ended August 31, 2023. The change is mainly due to the following:

- Operating expenditures for the year ended August 31, 2024, were $1,204,741 compared to $1,767,042 for the year ended August 31, 2023. The changes are due to:
  i. Total exploration expenditures for the period was $465,513 (2023 - $796,488). See below exploration expenditure table for details.

- The share of loss of equity investment was $75,270 (2023 –$408,160) and gain on dilution from equity investments was $130,195 (2023 - $62,748) for the year.

- Unrealized gain on marketable securities for the period were $76,077 (2023 – unrealized loss of $342,408). The change in the realized and unrealized gain (loss) on marketable securities is due to changes in the underlying market price of the common shares.

Project Expenditures

	Three Months Ended August 31, 2024 $	Three Months Ended August 31, 2023 $	Year Ended August 31, 2024 $	Year Ended August 31, 2023 $
Pike Warden	250,905	161,873	391,976	379,267
Maude Lake	6,795	126,166	65,662	393,716
Saturday Night	1,396	4,421	39,766	5,428
Project generation	6,317	18,266	65,339	60,998
Other	(68,920)	16,997	(97,230)	(42,921)
Total	**269,020**	**327,723**	**465,513**	**796,488**

QUARTERLY INFORMATION

A summary of selected financial information for the past eight quarters is presented below:

For the three months ended and as at:	August 31, 2024 (1)	May 31, 2024 (2)	February 29, 2024 (3)	November 30, 2023(4)
Operating (expenses) recoveries	$(418,580)	$(261,200)	$(168,400)	$(356,561)
Net (loss) income for the period	(327,927)	(196,682)	(171,551)	(167,252)
(Loss) income per share – basic and fully diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	2,584,723	2,780,511	2,937,124	3,109,258
Total Liabilities	284,681	228,428	231,014	231,597

For the three months ended and as at:	August 31, 2023 (5)	May 31, 2023 (6)	February 28, 2023 (7)	November 30, 2022 (8)
Operating recoveries (expenses)	$(579,152)	$(202,826)	$(422,822)	$(562,242)
Net income (loss) for the period	(392,394)	(291,153)	(455,404)	(1,142,529)
Income (Loss) per share – basic and fully diluted	(0.00)	(0.01)	(0.01)	(0.02)
Total Assets	3,429,814	2,844,393	3,163,597	3,662,096
Total Liabilities	384,930	160,000	188,323	246,918

1) Net loss of $327,927 consisted mainly of: (i) operating expenses of $418,580, which included exploration and evaluation expense of $196,493; (ii) professional fees of $51,744; (iii) office and general expenses of $26,487 (iv) equity gain of $23,942 and gain on dilution from associates of $103,141; (iii) gain on sale of marketable securities of $21,850; (iv) unrealized loss on investments of $152,783; (vi) recovery of flow- through of $87,028.

2) Net loss of $196,682 consisted mainly of: (i) operating expenses of $261,200, which included exploration and evaluation expense of $96,828; (ii) professional fees of $15,323; (iii) office and general expenses of $45,293 (iv) equity loss of $22,148 and gain on dilution from associates of $27,054; (iii) gain on sale of marketable securities of $33,851; (iv) unrealized loss on investments of $99,988; (vi) recovery of flow- through of $75,491.

3) Net loss of $171,551 consisted mainly of: (i) operating expenses of $168,400, which included exploration and evaluation recoveries of $50,823; (ii) professional fees of $46,725; (iii) office and general expenses of $88,681 (iv) equity loss from associates of $62,731; (iii) gain on sale of marketable securities of $300; (iv) unrealized loss on investments of $38,729; (vi) recovery of flow- through of $63,337.

4) Net loss of $167,252 consisted mainly of: (i) operating expenses of $356,561, which included share based compensation of $29 and exploration and evaluation expenditures of $223,015; (ii) equity loss from associates of $48,634; (iii) gain on sale of marketable securities of $1,600; (iv) unrealized gain on investments of $167,601; (vi) recovery of flow-through of $68,021.

5) Net loss of $392,394 consisted mainly of: (i) operating expenses of $579,152, which included share based compensation of $129 and exploration and evaluation expenditures of $327,723; (ii) equity loss from associates of $135,472; (iii) gain on sale of marketable securities of $53,972; (iv) unrealized loss on investments of $150,341; (vi) recovery of flow-through of $52,358.

6) Net loss of $291,153 consisted mainly of: (i) operating expenses of $202,826, which included share based compensation of $269 and exploration and evaluation expenditures of $18,771; (ii) equity loss from associates of $112,373; (iii) gain on sale of marketable securities of $72,949; (iv) unrealized loss on investments of $49,255.

7) Net loss of $455,404 consisted mainly of: (i) operating expenses of $422,822, which included share

based compensation of $500 and exploration and evaluation expenditures of $144,540; (ii) equity loss from associates of $56,801; (iii) loss on sale of marketable securities of $24,524; (iv) unrealized loss on investments of $48,282.

8) Net loss of $1,142,529 consisted mainly of: (i) operating expenses of $562,242, which included share based compensation of $85,286 and exploration and evaluation expenditures of $305,454; (ii) equity loss from associates of $103,514; (iii) loss on sale of marketable securities of $11,381; (iv) unrealized loss on investments of $491,776.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

Operating activities were affected by net loss of $863,412, non-cash adjustments of $209,965 and non-cash working capital items of $106,006.

Non-cash adjustments consisted of: shares issued for property acquisitions of $17,000, depreciation of $9,596, gain on sale of marketable securities of $57,601, unrealized gain on marketable securities of $76,077, share-based compensation of $101,570, recovery of flow-through premium of $142,895, gain on dilution from equity investments of $130,195, share of loss of equity investment of $75,270, accrued interest income of $4,775, and gain on sale of equipment of $1,858.

Non-cash working capital balances consisted of: an increase in restricted cash of $5,525, a decrease in sales tax recoverable of $18,441, a decrease in prepaid expenses of $50,475, and an increase in accounts payable and other liabilities of $42,645.

Cash flows used in from investing activities of $166,601, which consisted of purchase of short-term investments of $515,000, partially offset by proceeds on sale of marketable securities of $331,541, proceeds from sale of short-term investments of $15,000 and proceeds on sale of equipment of $1,858.

On August 31, 2024, the Company had cash of $189,777 (August 31, 2023 - $1,323,719). In addition, it had investments with a fair market value of $1,045,752 (August 31, 2023 - $904,532). The Company's working capital (based on current assets minus current liabilities) was $1,563,439 on August 31, 2024 (August 31, 2023- $2,014,528). TMC will continue to focus on optioning numerous projects in 2025 and anticipate new revenues from option payments. Currently, TMC has two properties farm out option agreements in place which is estimated to generate gross option payments of $170,000 in fiscal 2025. These payments are subject to the optionee having sufficient funds available to meet the obligations and option terms of potential new options being approved. Transition monitors the outstanding amounts on an ongoing basis. The Company continues to negotiate option agreements and the potential sale of properties. The Company believes that based on the current cash and working capital position and its access to liquidity sources, it has sufficient resources readily available to meet its current exploration and corporate and administrative requirements for the next twelve months. See "Cautionary Note Regarding Forward- Looking Statements".

In addition, the Company's estimated exploration budget is between $1 to $2 million, which will be spent or deferred. Further financing will be required from related party loans or an equity issue to continue corporate and exploration activities. There can be no assurance that additional funding from related parties or others will be available on terms acceptable to the Company. For these reasons, management considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed, or for other purposes, as needs arise.

The Company does not have any long-term debt or similar contractual commitments. See "Risk Factors" in this MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT DECEMBER 18, 2024)

The capital structure of Transition Metals is as follows:

Common Shares Issued	71,527,137
Options	5,340,000
Warrants	5,370,125
RSUs	550,000
DSUs	1,700,000
Fully diluted	84,487,262

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Cash and Cash Equivalents

The Company considers all highly liquid short-term investments with a maturity of three months or less to be cash equivalents. As of August 31, 2024, the Company had $189,777 in cash and $56,276 in restricted cash (August 31, 2023 - $1,323,719 in cash and $50,751 in cash equivalents).

Financial Instruments

		August 31, 2024		**August 31, 2023**
Entity	**Number of common shares**	**Fair Value**	**Number of common shares**	**Fair Value**
Class 1 Nickel and Technologies Ltd.	653,100	91,392	823,100	16,462
Forum Energy Metals Corp.	4,750,000	363,375	5,025,000	502,500
Metalla Royalty & Streaming	-	-	25,000	37,250
Homerun Resources Inc	-	-	243,000	179,820
McFarlane Lake Mining Inc.	900,000	22,500	900,000	63,000
Heritage Mining Ltd	100,000	5,000	100,000	5,500
West Kitikmeot Gold	1,000,000	140,610	1,000,000	50,000
Rich Copper	500,000	50,000	500,000	50,000
SPC Nickel Corp	9,321,868	372,875	-	-
Total		**1,045,752**		**904,532**

In connection with the disposition of securities of the above-noted companies, the Company realized gain on sale of marketable securities during the current fiscal period of $57,601 (2023 – realized loss of $91,016).

The Company has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in level one.
- Level Three - includes inputs that are not based on observable market data.

The financial instruments that are not measured at fair value on the statement of financial position include cash, other receivables and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their short-term nature. The following table illustrates the classification of the Company's financial instruments, measured at fair value in the statements of financial position as of August 31, 2024 and 2023 categorized into the levels of the fair value hierarchy.

August 31, 2023	Level 1	Level 2	Level 3	Aggregate Fair Value
Marketable securities	$804,532	$ -	$ -	$804,532
Private investments, included in marketable securities			100,000	100,000
Total	**$804,532**	**$ -**	**$100,000**	**$904,532**
August 31, 2024				
Marketable securities	$855,142	$ -	$ -	$855,142
Private investments, included in marketable securities			190,610	190,610
Total	**$855,142**	**$ -**	**$190,610**	**$1,045,752**

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company for the period ended August 31, 2024 and 2023 was as follows:

	Year Ended August 31, 2024	Year Ended August 31, 2023
Short term benefits (i)	$ 264,260	$ 424,076
Share based payments	80,678	63,222
Accounting fees	39,546	39,677
	$ 421,650	$ 526,975

(i) Short term benefits are included in consultant fees and exploration and evaluation expenditures.

Included in accounts payable and accrued liabilities as of August 31, 2024 is $65,146 (August 31, 2023 - $49,820) owing to the Company's officers, who have management consulting contracts with the Company. The amounts are unsecured, non-interest bearing, and are due on demand.

During the year ended August 31, 2024, the Company paid professional fees of $39,546 (August 31, 2023 - $39,677), to Marrelli Support Services, a Company controlled by the Chief Financial Officer of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at August 31, 2024, Marrelli Support was owed $7,500 (August 31, 2023 - $7,500) with respect to services provided. The amounts are unsecured, non-interest bearing, and are due on demand.

During the year ended August 31, 2024 the Company paid $13,980 in rent expenses to SPC (August 31, 2023 - $37,100).

COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's exploration activities are subject to various federal, state, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through Expenditures

From time-to time, the Company and its associates enter into flow-through financings and indemnify the subscribers of flow-through shares for any tax related amounts that become payable by the subscriber. In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. There are many transactions and calculations for which the ultimate tax determination is uncertain. While the Company believes that its tax filing positions are appropriate and supportable, from time to time, certain matters are reviewed and challenged by the tax authorities. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities.

RISK FACTORS

The operations of the Company are speculative due to the high-risk nature of its business, which involves the acquisition, financing, exploration, and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all its properties or reduce or terminate some or all of its activities.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are require to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operation costs are estimated to be greater than projected prices of product. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues from Project Generation Activities

To date the Company has recorded no revenues from exploration operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development, and commercial production of the Company's properties. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that Transition Metals will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Mineral Commodity Prices

The value of the Company's properties will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Investment price risk

Investment price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Company is subject to price risk due to changes in the fair value of the common shares it holds in various companies as well as SPC and CGM.

Environmental

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the value of its properties. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase costs of projects.

Competition

Transition Metals competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

Transition Metals has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on Transition Metals.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of Transition Metals may have a conflict of interest in negotiating and concluding terms respecting such participation.

Litigation

Transition Metals has entered into legally binding agreements with various third parties on a consulting and partnership basis. The interpretation of the rights and obligations that arise from such agreements is open to interpretation and Transition Metals may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause Transition Metals to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any such disputes could have a material adverse effect on Transition Metals.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of shares upon the exercise of stock options and warrants will dilute the ownership interest of the Company’s current shareholders. The Company may also issue additional options and warrants or additional shares from time to time in the future. If it does so, the ownership interest of the Company’s then current shareholders could also be diluted.

Extreme volatility

The extreme volatility occurring in the financial markets is a significant risk for the Company. As a result of the market turmoil, investors have been moving away from assets they perceive as risky to those they perceive as less so. Companies like Transition Metals are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Transition Metals to access the capital markets to raise the capital it will need to fund its current level of expenditures.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

RECENT ACCOUNTING PRONOUNCEMENTS

New standard adopted

The Company adopted the following new IFRS standards, interpretations, amendments and improvements of existing standards. The new standards and changes did not have any material impact on the Company's financial statements ae described as follows:

IAS 8 – In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The company adopted these amendments on September 1, 2023. The amendment had no impact on the financial statement.

IAS 12 – In May 2021, the IASB issued ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’ that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The company adopted these amendments on September 1, 2023. The amendment had no impact on the financial statement.

The amendments to IAS 1 and IFRS Practice statement 2, Presentation of Financial Statements were adopted with respect to disclosure of the Company’s accounting policies. The adoption of the amendments did not result in any changes to the Company's accounting policies, the only impact was to the accounting policy information disclosed in the financial statements. As a result of the adoption of the amendments, the title of this note 2 was changed from “significant accounting policies” which had been used in all previous periods. Where management determined necessary, clarifying language was applied in order to enhance focus on the materiality of a policy, and immaterial policy language was deleted.

Future policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after September 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to asses the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including information from the related audited financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to decide of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

As part of the oversight role of the Board of Directors to ensure the Company's disclosures contain no misrepresentations, the Audit Committee reviews the interim and annual financial statements and MD&A prepared by management, and the preparation process. The Audit Committee, once satisfied, recommends the statements and MD&A to the Board of Directors for approval. The Board considers the financial statements and MD&A before approving them for filing in the prescribed manner.

INTERNAL CONTROLS

Management has established processes to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (a) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements and (b) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.