GALORE RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2024

Date of Report: September 27, 2024

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Galore Resources Inc. (the "Company"), as at March 31, 2024, and the related notes which were prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee. In the opinion of management, all adjustments, which consist only of normal recurring adjustments, considered necessary for a fair presentation have been included. The results for the year ended March 31, 2024 presented are not necessarily indicative of the results that may be expected for any future period. All dollar amounts in this MD&A are reported in Canadian dollars, unless otherwise stated.

Management is responsible for the preparation and integrity of the financial statements including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the financial statements and MD&A, is complete and accurate.

The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Additional information relating to the Company is available at www.sedar.com.

Caution Regarding Forward Looking Information:

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward looking statements are usually identified by our use of certain terminology, including "will", "believes", "may", "expects", "should", "seeks", "anticipates" , or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts, and include but not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model; future operations, products and services; the impact of regulatory initiatives on the Company's operations; the size of and opportunities related to the market for the Company's products; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures and statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. Forward-looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements.

All statements in this discussion that address the Company's expectations about future exploration and/or development are forward-looking statements.

Overview

The Company was incorporated in British Columbia on November 12, 2004 and began trading on the TSX-V under the symbol “GRI” on March 19, 2007 and on the OTCQB under the symbol “GALOF” on March 23, 2023. The Company is in the process of exploring its exploration and evaluation assets and has not as yet determined whether these properties contain reserves that are economically recoverable.

The Company’s exploration property is the Dos Santos gold property in Zacatecas State, Mexico.

Highlights for the year ended March 31, 2024 and to date (and the year ended March 31, 2023):

- On May 10, 2024, the Company announced that it had arranged for the settlement of $226,205 owed to the Chief Executive Officer (“CEO”) of the Company as at April 30, 2024 (the “Debt”). The Debt is in relation to a personal loan made by the CEO in April 2019, plus all interest accrued to date. The Company received TSX Venture Exchange acceptance to the debt settlement and a total of 11,310,250 common shares were issued at a deemed price of $0.02 per Share.

- On April 23, 2024, the Company announced it has entered into loan agreements with two dedicated arm’s length shareholders of Galore (the “Lenders”). The Lenders have provided the Company with an aggregate cash loan of USD $47,000 (the “Loans”). The Loans shall bear an interest rate of 10% per annum, due for repayment on April 12, 2025. The funds will be used to advance exploration efforts at the Company’s Duraznillo Project and for operating expenses. As consideration for providing the Loans, the Company has issued to the Lenders a bonus of an aggregate 258,989 common shares as a bonus, with a deemed value of $0.05 per share.

- The Company further announced that in order to conserve funds and reduce Company debt, the interest rate payable on all personal loans from the Company’s CEO and loans from arm’s length lenders will be reduced from 10% to 8% per annum, except for the Loans received April 23, 2024.

- On February 28, 2024, the Company entered into a second loan agreement with Lender2. Under the terms of the agreement, the Lender2 provided the Company with a loan of USD $20,000 for one year, bearing interest at 8% per annum

- Galore also announced an update to its July 14, 2023 news release, wherein Galore through its wholly owned subsidiary, Minerales Galore S.A. De CV. (“Minerales Galore”) and Oztoc Metal Corporation S. de R.L. de C.V. (“Oztoc”), had been in discussions regarding termination of the Exploitation Agreement on the Duraznillo project due to Oztoc’s inability to live up to its responsibilities set out under the Agreement. Galore sent a Termination Notice to Oztoc and immediately proceeded with the abandonment of the Exploitation Agreement’s registration procedure with the Public Registry of Mines in Mexico. Galore will manage all mining activities going forward at the Duraznillo project.

- On August 11, 2023, the Company announced that it has entered into a loan agreement with a dedicated arm’s length shareholder of Galore (the “Lender2”). The (the “Lender2”) provided the Company with a cash loan of USD $20,000 (the “2023 Loan”). The 2023 Loan bears an interest rate of 9% per annum compounded quarterly, due for repayment on August 3, 2024. The funds were used for obtaining assay results from the Company’s most recent drill program at its Los Gemelos property in Mexico. As additional consideration for providing the Loan, the Company issued to the lender a bonus of 106,680 common shares. On January 1, 2024, the agreement was amended to reduce interest to 8% per annum, no longer compounded quarterly.

- On July 14, 2023, the Company announced it had provided notice to Oztoc to rescind the Exploitation Agreement entered into between the parties in April, 2022 as a result of Oztoc not living up to its responsibilities set out under the Exploitation Agreement. These deficiencies were attributable to various delays and issues resulting in the Duraznillo Project becoming an on again and off again enterprise.

- On June 19, 2023, an Amparo lawsuit was filed on behalf of Minerales Galore with the Federal Court, in order to challenge the Decree reforming several provisions of the Mining Law this past May 8, 2023. Galore employed the services of Marquez & Castelazo Law firm in Mexico to file an Amparo (injunction). An Amparo is a constitutional remedy that protects individuals and entities against violations of their constitutional rights, in which this Amparo is the only legal remedy to challenge the constitutionality of the new mining laws. On May 24, 2024, the Company received an email informing us that a Resolution Granting the Amparo to Minerales Galore, has been issued. Under this resolution the Decree amending the Mining (and other laws) is not applicable to the Company. This means that so far and at this stage, Minerales Galore may continue with its operations under the Original Mining Law.

DOS SANTOS, MEXICO

The Dos Santos project in Zacatecas State, Mexico is the Company's primary exploration focus. The property mineral tenures cover a gold exploration project located within the historic Concepcion del Oro mining district in northern Zacatecas State, Mexico. It is located in a sparsely populated, mining friendly area of Mexico with a 500-year long mining history and in one of the most prospective areas in Mexico for large mineral deposits. The property is located 35 kilometres southeast of Newmont Mining's world-class Peñasquito gold-silver-lead-zinc mine and lies adjacent to the northern property boundary of Orla Mining's Camino Rojo gold deposit.

Dos Santos was assembled over a number of years, starting in 2007 with an option agreement on 658 hectares covering artisanal mining activity dating back to the mid-19th century. A 100% interest in these claims was earned in 2011. Additional claims were acquired by staking and through the Mexican mineral title lottery system from 2007 to 2010.

In 2012, the Company entered into a purchase agreement for the Duraznillo Ranch to acquire the surface rights to certain privately-owned lands (known as Rancho Duraznillo) that cover a portion of the Dos Santos project and consist of 111 hectares of raw land. The terms of the agreement required payments of $350,000 Pesos on signing and further monthly payments over 18 months totalled approximately $1,050,000 Pesos. The purchase of Rancho Duraznillo was completed in full in October 2018.

La Palma target

Prior to 2009, Galore explored known gold showings at San Jose and Los Gemelos in the northern area of the property. In 2009 and 2010 the Company began exploring for a Camino Rojo-style silver-gold deposit in areas underlain by the same host rocks. Exposure is limited in these areas, so a soil pH survey was used to outline initial targets, which were then explored by Induced Polarization (IP) and magnetometer surveys.

The best results were obtained on the North Grid at La Palma, where a 160-hectare area, coincident chargeability and magnetic anomalies were defined on seven lines. The chargeability anomaly is up to 1,400 metres wide, delineated over a 1,200-metre length and appears to be open to the west.

The North Grid anomaly was tested in October to December 2010 with twelve diamond drill holes, totalling 4,973 metres. The drill holes were spaced from 280 to 860 metres apart and tested targets within and outside the anomalies.

The La Palma area is underlain by a calcareous and carbonaceous clastic sedimentary rock unit, which grades into an impure limestone at depth. The clastic unit is an argillite having interbeds of siltstone-sized fragments at higher levels. Centimetre-scale pyritic beds to millimeter-scale very fine-grained pyrite laminations occur in this unit in all holes and increase in frequency with depth. These pyritic layers do not carry significant metal values. Deposition of the pyrite bands in the clastic unit is interpreted as syn-sedimentary, caused by an influx of iron into a starved basin environment. However, drilling also encountered a three to four-metre-thick marker horizon in all holes, with a unique geochemical signature, suggesting a short pulse of metals associated with hydrothermal fluids were discharged on the sea floor during sedimentation. Much younger, polymictic breccias (mixed angular rock types) were also encountered in all drill holes. These breccias occur in thicknesses from centimetres to several metres, parallel to and crosscutting bedding. More importantly, breccias contain altered felsic intrusive and feldspar porphyry fragments, common to diatreme related deposits. These breccias are evidence of a high-energy explosive intrusion-related event.

All anomalous concentrations of silver-lead-zinc mineralization in drill core are associated with these breccias. Geochemical evidence suggests the brecciation and mineralization are intrusion-related, although not all breccia intercepts contain igneous fragments. These features may be associated with diatreme intrusions similar to the geology of Goldcorp's Peñasquito mine. Our exploration model is based on this relationship. Diatreme intrusions at Peñasquito have been shown to have a lower density than their host rocks and are associated with intrusion-related magnetic anomalies. A combined airborne gravity and magnetic survey was chosen in 2012 to explore the favourable geology on the property. A fixed wing airborne survey was initially selected but system availability and various delays resulted in choosing a helicopter-borne gravity survey system, which was working near the Dos Santos property in February 2014.

In April 2014, the Company received the survey results. A total of 1,233 line-kilometres (770 line-miles) Helicopter Airborne Gravity Gradiometer and High Sensitivity Magnetic Survey were flown over approximately 14,400 hectares (35,600 acres) of the Dos Santos Property and the adjacent, optioned, San Onesimo property. An assessment of the survey data by an independent geophysicist revealed encouraging anomalies in three areas of the property, including the La Palma area, which fit Galore's exploration model. Secondary geophysical anomalies, which may indicate other styles of mineralization, were also outlined by the survey.

El Álamo target

The El Álamo claim was acquired by Galore through a Mexico government claim lottery and is 100% owned by Galore. In September 2010 the Company began a systematic trenching and mapping program. The main trenches ranged in length from 34 to 80 metres. The program included 512 continuous chip and channel rock samples taken from 10 trenches totalling 1,020 in length. Samples were taken in a north-south direction, across steeply dipping, east-west trending, altered limestone beds. Six of the trenches, which ended in gold-bearing mineralization, were extended by 212 metres. The best results include 12 meters of 0.96 g/t gold, adding to more significant intervals in the main trenches. It is now interpreted that the main area of gold mineralization at El Álamo measures over 500 metres long and up to 110 metres wide. The mineralization remains open at depth and in at least two directions.

From December 2011 to January 2012, the Company carried out a shallow percussion drill-sampling program on the claim. Drilling was done at 30-metre spacing using a conventional track-mounted percussion drill to minimize construction of road access in steep terrain. The results demonstrate that mineralization exposed in the trenches extends to depth.

In July 2017, Galore employed the services of an independent geologist, Tony Adkins. Mr. Adkins provided a Property Evaluation Report in August 2017 and deemed the El Alamo claim to be a "high quality target". Mr. Adkins report provided further sampling with assay results ranging from 0.822 ppm to 18.6067 ppm and confirmed the widespread occurrence of anomalous gold values.

Galore began a diamond drill core program in May of 2019 that consisted of inclined and vertical drill holes (EA 01, EA 02, EA03, EA04 and, EA05). These drill holes intercepted mineralized ore bodies that could be a continuation of the surface evidence detected with the trenches program, which present local gold and silver enrichment, as well as enrichment of chemical elements considered as pathfinder (i.e. arsenic, antimony, barium, cadmium, lead, zinc, thallium, potassium, aluminum, magnesium, etc). Some of the mineralized ore bodies present economic values of gold and notorious local silver enrichment, corresponding to quartz structures hosted in the Cuesta del Cura Formation (sequence of limestone, shale and black chert from Early Cretaceous age). On the other hand, vertical exploratory drill holes (EA02, EA05) intercepted ore bodies with economically valuable of gold and local silver. For example, drill hole EA02 intercepted 30 meters of mineralized ore body with an average of 0.9 gr/t Au. In the meantime, the drill hole EA05 intercepted two-ore bodies, the first was 15 meters with 0.57 gr/t Au and the second was 20 meters with 0.7 gr/t Au, this latter section is apparently related to a local extraordinary gold-silver enrichment (i.e. 1.7 meters with 1.35 gr/t Au and 565 gr/t Ag). More field work has been accomplished and our continued drill program is ready for financing.

S***an Jose target***

Previous work in the San Jose area included rock sampling of hand-trenches, numerous artisanal pits and several abandoned underground workings. Gold assays range from trace to 208 gm/tonne over 0.5 metres. Gold values are associated with anomalous arsenic, mercury, antimony and thallium concentrations, which are known pathfinder elements associated with high-level epithermal gold mineralization. All samples lie within a one-kilometre diameter circular carbonate and silica-alteration anomaly, which is evident on an ASTER satellite image of the area.

In July 2009, the Company completed a thirteen-hole, 3,500 metre reverse-circulation drilling program. Anomalous gold and gold pathfinder elements occur throughout all holes. The best intercepts were returned from three holes. Holes 2S-07, 2S-08 and 2S-10 returned 1,880 ppb gold (1.88 gm/tonne) over 2 metres, 1,019 ppb gold (1.02 gm/tonne) over 2 metres and 962 ppb gold (0.96 gm/tonne) over 2 metres respectively. Intercept depths range from 40 to 149 metres. Results indicate that the San Jose epithermal target is underlain by an extensive mineralized system that is gold bearing. Trace elements, associated with gold mineralization and alteration at San Jose, show a west to east trend, suggesting the San Jose mineralization system extends to the west on the El Álamo claim.

In April 2014, this area was covered by the Helicopter Airborne Gravity Gradiometer and Magnetic Survey.

Drilling commenced on February 3, 2022 at San Jose with three holes having been completed for a total of 664.2 meters. Fortunately, we have had great success with these three diamond holes, with intersections that confirm the prolongation of NS and NE-SW structures previously cut in the last drilling campaign of 2009. Hole SJ20 has two intersections with economic gold. Drill hole SJ21 begins with an intense alteration that includes normalization and silicification having Hornfels textures in isolated parts containing fresh sulfides such as pyrite, to later enter a zone of moderate oxidation with quartz calcite and the first Gold values of 0.4 and 0.2 ppm Au. Drill SJ22, the lithological sequence is the same, different degrees of oxidation and some small sections of apparently tectonic breccia in a north-south strike that coincides with the brecciated and oxidized zone in the central part of San Jose. This zone may represent the immediate future, great tonnage potential, in the first 20 meters oxidation is pervasive and breccia structures are frequent, minerals such as Barite with calcite and occasional quartz are visible. The section from 50 to 65 meters presents the most interesting zone with an anomaly of gold and very good values of silver, we have a sample with almost three ounces and 1.21% of Pb, which indicates a different geochemistry in this section. From 65 to 66 meters is the highest value of gold (1,385 ppm of Au) in a structure that rather seems very local with Barite, quartz and calcite, cemented by Hematite and Jarosite.

Los Gemelos target

At Los Gemelos, two small hills crop out above the surrounding pediment; dozens of surficial mines and prospects have been worked by artisanal miners for the production of free gold associated with abundant calcite veins which cut calc-silicate altered carbonate rocks. Galore's 2008 program tested the bulk mining potential of the area by excavating a number of hand trenches in bedrock, which typically measured 20 metres in length and were sampled with continuous two-metre-long-chip samples.

Gold assays from the Los Gemelos samples range from trace to 33.70 gm/tonne over 1.7 metres. The lack of outcrop surrounding this area merits geophysical methods to confirm the extent of skarn mineralization immediately beneath the shallow alluvium. In April 2014 the Helicopter Airborne Gravity Gradiometer and Magnetic Survey outlined a higher density area associated with a strong magnetic response, which may have implications for skarn-related gold mineralization. The airborne survey also identified an 800m circular gravity low west of the two Los Gemelos hills which was interpreted to be similar to the gravity low associated with the Azul breccia pipe at Peñasquito (Lajoie, 2015) and a priority drill target.

On January 12, 2018, the Company entered into a 5-year contract with Urbanizaciones Y Acabados S.A de C.V. (“Urbyasa”), to extract available gold at the Company’s 100% owned Duraznillo Ranch, which includes the Los Gemelos and Duende 7 claims. This decision to proceed with Urbyasa was not based on a feasibility study of mineral reserves demonstrating the economic or technical feasibility of the project. March 31, 2019, the Company formally requested that Urbyasa terminate the small-scale mining operation at Los Gemelos due to the blatant lack of adherence to the agreement. On June 5, 2019, Minerales Galore filed in the proper courts to have Urbyasa removed from the project. On December 8, 2021, the Mexican Courts officially granted Minerales Galore the judicial resolution ordering Urbyasa to return the possession of the Duraznillo Ranch and Mining Properties. On March 8, 2022, in conjunction with Minerales Galore’s attorneys and a representative team, using the judicial resolution and joined by the Zacatecas State´s Public Force, the Duraznillo Ranch and the Mineral Claims were legally repossessed.

On March 21, 2022, the Company began its first diamond core drilling at Los Gemelos, to understand the tectonic and economic environment of the area. “This partial exploration has confirmed that the Gemelos area presents a favorable geotectonic environment for the concentration of metallic mineralization, which is open at depth and on the sides of cut targets. The mineralization is repetitive that is concentrated as: a) thin mineralized structures composed of quartz and sulfides that represent the top-intermedia levels of this type mineralization; b) mantos composed of hydroxides, quartz, and calcite, suggesting lithological control for mineralization; and c) disseminations of sulfides (i.e., pyrrhotite, pyrite, chalcopyrite, and galena, see figure 1), all those hosted between the carbonated marine sedimentary sequence and the cupula of a pluton, like the world class polymetallic ore deposits in the region. Hydrothermal alteration consists of halos of metasomatism, phyllic alteration and carbonatation, as well as argilización and weathering, suggesting magmatic-hydrothermal source.

On April 11, 2022, the Company announced that it had entered into an Exploitation Agreement between Oztoc Metal Corporation S. de R.L. de C.V. (“Oztoc”) and Galore’s wholly owned subsidiary Minerales Galore S.A. De CV. (“Minerales Galore”). This Exploitation Agreement is an agreement for mining operation services to “reengage” the mining activities that the previous tenant, Urbyasa, was conducting. The Company has entered into a 5-year contract with Oztoc to extract available gold at Galore’s 100% owned Duraznillo Project. Immediately following the execution of the Exploitation Agreement and the successful removal of the former Urbyasa, Oztoc’s team began evaluating and remediating the Duraznillo Project site. Oztoc inspected every piece of mechanical equipment that remained on location and invested significant capital in repairs.

In July, 2023 Galore’s management requested the Company’s attorneys draft an agreement to rescind the Exploitation Agreement with Oztoc due to lack of performance and as a result of Oztoc not living up to its responsibilities set out under the Exploitation Agreement. These deficiencies were attributable to various delays and issues resulting in the Duraznillo Project becoming an on again and off again enterprise. In April, 2024 Galore sent a Termination Notice to Oztoc and immediately proceeded with the abandonment of the Exploitation Agreement’s registration procedure with the Public Registry of Mines in Mexico. Galore will manage all mining activities going forward at the Duraznillo project.

EXPLORATION EXPENDITURES

	Dos Santos, Mexico
	$
Balance, March 31, 2022	8,582,099
Assay & analysis	58,171
Camp, geological, geophysical and geochemical	134,060
Drilling	37,373
Field office, travel and accommodation	9,490
Other exploration costs	30,465
Payment of rights	1,042,469
Balance, March 31, 2023	**9,894,127**
Assay & analysis	32,025
Camp, Geological, geophysical, and geochemical	59,332
Other exploration costs	29,099
Payment of rights	1,428,806
Balance, March 31, 2024	**11,443,389**

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table sets out selected unaudited quarterly financial information and is derived from the Company's unaudited quarterly financial statements prepared by management.

Quarter ended	**Loss before income taxes**	**Total assets**	**Exploration and evaluation assets**	**Weighted average shares outstanding**	**Basic & diluted loss per share**
March 31, 2024	($222,535)	$10,830,637	$10,813,389	165,679,256	($0.00)
December 31, 2023	($155,380)	$10,597,128	$10,593,101	165,731,430	($0.00)
September 30, 2023	($332,465)	$10,089,193	$10,080,024	165,629,338	($0.00)
June 30, 2023	($146,366)	$10,061,043	$10,054,343	165,624,750	($0.00)
March 31, 2023	($209,716)	$9,897,262	$9,894,127	165,624,750	($0.00)
December 31, 2022	($182,187)	$9,016,409	$9,011,506	165,624,750	($0.00)
September 30, 2022	($526,975)	$8,913,188	$8,903,194	165,624,750	($0.00)
June 30, 2022	($267,406)	$8,704,573	$8,635,246	165,624,750	($0.00)

Quarterly results will vary in accordance with the Company's exploration, financing and non-cash expenses such as stock compensation benefits and writing off of previously incurred exploration costs. The income (loss) before income taxes varies mostly due to the accrual of stock-based compensation which is dependent upon the size, timing and estimated fair value of the stock option granted. The Company's professional fees will vary in each quarter depending on financing and property acquisitions.

RESULTS OF OPERATIONS

The Company's principal business activity is the acquisition and exploration of mineral properties. The Company currently has mineral property interests in Mexico.

The Company's net loss before taxes for the year ended March 31, 2024 was $856,746 or $0.01 per share, compared to a loss of $1,196,571 or $0.01 per share for the year ended March 31, 2023. The most significant contributions to the loss in the year ended March 31, 2024 were management fees and interest expenses.

LIQUIDITY AND CAPITAL RESOURCES

The Company is a mineral-exploration company with no producing resource properties, and consequently, does not generate operating income or cash flow. To date, the Company has relied primarily upon the sale of its common shares to provide working capital for exploration activities and to fund the administration of the Company. There can be no assurances that additional financing will be available to the Company when required.

A detailed summary of the Company’s share capital transactions is included in Note 7 of the Company's March 31, 2024 audited consolidated financial statements.

As of March 31, 2024, the Company had cash of $2,066 compared to $2,758 as of March 31, 2023. There was a working capital deficiency as of March 31, 2024 of $9,279,333 (March 31, 2023 - $6,874,541).

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

A detailed summary of all the Company’s related party transactions is included in Note 4 of the Company's March 31, 2024 audited consolidated financial statements.

RELATED PARTY LOANS

In January 2017, the Company entered into a loan agreement with the CEO of the Company (the “CEO”), whereby the Company borrowed USD $150,000. Under the terms of the agreement, the loan was due January 12, 2019, bore interest of 8% per annum, compounded monthly. On January 12, 2019, the loan matured and currently remains outstanding. On January 1, 2024, the agreement was amended such that the interest is no longer compounded monthly. No formal loan extension has been reached, and the loan continues to accrue interest at the stated terms. No formal loan extension has been reached, and the loan continues to accrue interest at the stated terms.

In May 2019, the CEO of the Company loaned the Company a further USD $100,000, bearing interest at 10% per annum compounded monthly. The Company issued 2,000,000 bonus warrants to the lender in consideration of the loan. These warrants were ascribed a fair value $63,600 and expired unexercised on July 4, 2020. On January 1, 2024, the agreement was amended such that the interest is reduced to 8% per annum and no longer compounded monthly. No formal loan extension has been reached, and the loan continues to accrue interest at the stated terms.
The CEO of the Company has advanced additional funds to the Company. The advances are unsecured, non-interest bearing and due on demand. During the year ended March 31, 2024, $53,637 (USD $40,300) (March 31, 2023 - $76,686 (USD $59,400)) was advanced. As at March 31, 2024, a total of $375,754 (USD $288,800) was advanced and $107,729 (USD $83,485) has been repaid. On May 10, 2024, the Company announced that it had arranged for the settlement of CDN$226,205.00 owed to the CEO in relation to his personal loans, plus all interest accrued to April 30, 2024. Subsequent to the year ended March 31, 2024, the Company received TSX Venture Exchange acceptance to the debt settlement and a total of 11,310,250 common shares were issued at a deemed price of $0.02 per Share.

LOANS PAYABLE

On December 17, 2020, the Company entered into a Loan Agreement with an arm’s length shareholder of the Company (the “Lender”). Under the terms of the agreement, the Lender provided the Company with a loan of USD $29,000, bearing interest at 6% per annum, compounded monthly. As additional consideration, the Company issued to the Lender a bonus of 140,000 common shares for a fair value of $2,800. On January 1, 2024, the agreement was amended such that the interest is no longer compounded monthly. No formal loan extension has been reached, and the loan continues to accrue interest at the stated terms.

On August 3, 2023, the Company entered into a loan agreement with another arm's length shareholder of the Company (the "Lender2"). Under the terms of the agreement, the Lender provided the Company with a loan of USD $20,000 for one year, bearing interest at 9% per annum, compounded quarterly. As additional consideration, the Company issued to the Lender2 a bonus of 106,680 common shares for a fair value of $1,216. On January 1, 2024, the agreement was amended to reduce interest to 8% per annum, no longer compounded quarterly.

On February 28, 2024, the Company entered into a second loan agreement with Lender2. Under the terms of the agreement, the Lender2 provided the Company with a loan of USD $20,000 for one year, bearing interest at 8% per annum.

During year ended March 31, 2024, the Company accrued interest of $4,343 (USD $3,217) (March 31, 2023 - $2,557 (USD $1,932)). As at March 31, 2024, the total amount owing is $103,612 (USD $76,467) (March 31, 2023 - $44,997 (USD $33,250)).

On April 23, 2024, the Company entered into loan agreements with two dedicated arm's length shareholders (the "Lenders"). The Lenders have provided the Company with an aggregate cash loan of USD $47,000 (the "Loans"). The Loans bear an interest rate of 10% per annum, due for repayment on April 12, 2025. The funds will be used to advance exploration efforts at the Company's Duraznillo Project and for operating expenses. As consideration for providing the Loans, the Company issued to the Lenders a bonus of an aggregate 258,989 common shares as a bonus, with a deemed value of $0.05 per share.

In order to conserve funds and reduce Company debt, effective January 1, 2024 the interest rate payable on all personal loans from the Company's CEO and loans from arm's length lenders were reduced from 10% to 8% per annum, except for the Loans received April 23, 2024.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions.

CRITICAL ACCOUNTING ESTIMATES

A detailed summary of all the Company's significant accounting policies is included in Note 2 of the March 31, 2024 audited consolidated financial statements.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments, at March 31, 2024, consist of cash, amounts receivable, accounts payable and accrued liabilities, due to related party and loans payable. Cash and amounts receivable have been classified as subsequently measured at amortized cost, the carrying values of which approximate their fair values due to their short-term nature. Accounts payable and accrued liabilities, due to related party and loans payable are measured at subsequently measured at amortized cost using the effective interest rate method, however due to their short-term nature, their carrying amounts approximate fair value.

OUTSTANDING SHARE DATA

The Company has one class of common share. As at the current date, there were 177,300,669 common shares outstanding.

The Company has a 20% fixed stock option plan. As at the current date, there were 16,725,000 stock options outstanding, all of which have vested.

The Company has 4,374,313 warrants outstanding at the current date.

CAPITAL MANAGEMENT

The capital of the Company consists of the items included in shareholder's equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company's objective for capital management is to plan for the capital required to support the Company's ongoing acquisition and exploration of its exploration and evaluation assets and to provide sufficient funds for its corporate activities.

The Company's exploration and evaluation assets are in the exploration stage. As such, the Company is unable to self-finance its operations. Further, the Company expects its current capital resources will not be sufficient to complete its exploration and development plans and operations through its current operating period and will be required to raise additional funds through future equity issuances. The Company's ability to continue as a going concern is therefore dependent on its ability to raise additional funds through equity issuances.

There has been no change to the Company's capital management policy during the year ended March 31, 2024.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Information about critical judgments and estimates in applying accounting policies that have most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- Determination of functional currency;
- Asset carrying values and impairment charges;
- Impairment of exploration and evaluation assets;
- Capitalization of exploration and evaluation assets;
- Mineral reserve estimates;
- Estimation of decommissioning and restoration costs and the timing of expenditure;
- Income taxes and recoverability of potential deferred tax assets; and
- Share based payments.

NEW ACCOUNTING STANDARDS

For information on the Company's accounting policies and new accounting pronouncements, please refer to Note 2 of the March 31, 2024 audited consolidated financial statements.

CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

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

The properties to which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund on-going activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties where sufficient geologic or economic potential are noted and if financial resources exist to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

Details of the Company's financial instruments, management's assessment of their related risks and details of management of those risks are as follows:

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, GST receivable, and accounts payable and accrued liabilities.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The Company does not have any asset backed commercial paper.

Credit risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash, amounting to $2,066 at March 31, 2024 (2023 - $2,758). As the Company's policy is to limit cash holdings to instruments issued by major Canadian and Mexican banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating accounts payable and accrued liabilities, due to related party and loan payable requirements. The Company did not maintain sufficient cash balances to meet these needs at March 31, 2024.

Exploration Risk

The Company is seeking mineral deposits, on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons, or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Foreign Exchange Risk

The Company has foreign exchange risk due to its activities carried out in Mexico. At March 31, 2024, the Company had $56 (2023 - $1,632) in current assets and $5,178,633 (2023 - $3,719,480) in current liabilities originating in Mexico.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount due to the short-term nature of the instruments. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

During the years ended March 31, 2024 and 2023, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

The Company does not have any financial instruments classified at fair value as at March 31, 2024.

OTHER RISK FACTORS

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities and properties, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in Mexico where the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, is available but cannot always be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site to supplement the constantly changing conditions.

Mexico has been subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations or their application affecting mineral exploration and mining activities. The Company's operations and properties are subject to a variety of governmental regulations including, among others: regulations promulgated by the Mexican Department of Economy – Dirección General de Minas, Mexico's Secretary of Environment and Natural Resources ("SEMARNAT"); the Mexican Mining Law; and the regulations of the Comisión Nacional del Aqua with respect to water rights, the Mexican Department of labour and the Mexican Department of the Interior. Mexican regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards. The Company's mineral exploration and mining activities in Mexico may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Company's activities or maintenance of its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. Mexico's status as a developing country may make it more difficult than it was in the past for the Company to obtain any required financing for its projects. The Mexican Government has conducted a highly publicized crackdown on the drug cartels, resulting in a loss of lives. There is no assurance that our operations will not be adversely impacted by such organizations

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity. The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company's exploration and development activities require permits and approvals from various government authorities, and are subject to extensive federal, 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 the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

The Company's activities are subject to extensive federal, 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 profitability of operations. 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.

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 and concessions. 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.

The market price of securities of many companies, particularly exploration and development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

A number of the Company's directors and officers 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 The Company may have a conflict of interest in negotiating and concluding terms respecting such participation. If conflicts of interest may arise and officers and directors cannot devote 100% of their time to the Company, formal notice to The Company will be given. At this time, there are no conflicts of interest.

The Company has invested resources to document and analyze its system of internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com, as well as on the OTC Markets Group at www.otcmarkets.com.

APPROVAL

The board of directors has approved the disclosure contained in this MD&A.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy, exploration plans, and environmental protection requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the mining industry and the exploration and development of mineral projects, such as the uncertainty of exploration results, the volatility of commodity prices, potential changes in government regulation, the uncertainty of potential title claims against the Company's projects, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as international political or economic developments, changes in interest rates and the condition of financial markets, and changes in exchange rates.

Forward-looking information is based on assumptions and expectations which the Company considers to be reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. Galore Resources does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

MANAGEMENT

Officers and directors as at September 27, 2024

The following comprise key management:

Michael McMillan – Chief Executive Officer and Director
Andrew McMillan – Chief Financial Officer
Kenneth Coe - Director
Charles Troup – Director
Pamela White – Corporate Secretary

Contact

Galore Resources Inc.
2701 Little Elm Parkway, Suite 100 #512
Little Elm, Texas, USA 75068
Tel: (210) 860-9212
Fax: (604) 648-8894
www.galoreresources.com