

Empire Minerals Corporation Inc.

Management discussion and analysis

For year ended December 31, 2024

Report as of April 30, 2025

Management Discussion and Analysis contains certain forward-looking statements and information relating to Empire Minerals Corporation Inc. ("Empire" or the "Company") which is based on the beliefs of Management as well as assumptions made by and information currently available to the Company. These statements, which can be identified by the use of forward-looking terminology such as "anticipates," "believes," "estimates," "expects," "may," "will," "should" or the negative thereof or other variations thereon and similar expressions, as they relate to Empire or its management, are intended to identify forward-looking statements.

The forward-looking statements relate to, among other things, regulatory compliance and, the sufficiency of current working capital. Such statements reflect the current views of the Company's management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of Empire to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

The Company disclaims any obligation to update or revise any forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

The following discussion and analysis should be read in conjunction with the Company's audited financial statements ("**financial statements**") and related notes thereto for the year ended December 31, 2024. All comparisons of results for the year ended December 31, 2024 are against results for the audited year ended December 31, 2023. All dollar amounts refer to Canadian dollars except otherwise stated. Additional information relating to Empire Minerals Corporation Inc. is available on the SEDAR web site at www.sedar.com.

The financial statements of Empire Minerals Corporation Inc. were approved for issuance by the Board of Directors on April 30, 2025. The financial statements and comparable statements to the previous year were prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Description of the business and overview

The Company is a public company incorporated under the laws of the Province of Quebec. The registered office is 1255 Phillips Square, Suite 605, Montreal, Quebec H3B 3G5.

The Company was incorporated under the Mining Companies Act (Quebec) by Letters Patent granted on January 31, 1952 under the name of Decary Metals Inc. On April 26, 1952, Supplementary Letters Patent were issued changing the Company's name to Empire Oil and Minerals Inc. On November 25, 1965 Supplementary Letters Patent were issued to reorganize the Company's share capital by consolidating its issued share capital on a 1 for 3 basis and to change the Company's name to Empire Minerals Inc. The Company was then continued from the Mining Companies Act (Quebec) to the Business Corporations Act (Quebec) by Articles of Continuance issued on February 1, 2016 and named Empire Minerals Corporation Inc./Société Minière Empire Inc.

The Company is a reporting issuer under the securities legislation of Quebec. The Company is not a reporting issuer or the equivalent in any other jurisdiction in Canada or elsewhere. The Common Shares of the Company are not listed, quoted, or traded on any exchange, marketplace or other facility in Canada or elsewhere. The Company is in the business of exploiting mineral resources.

Outlook

The Company is actively working on the evaluation of mining properties.

Jarvis, Duncan and Riggs Townships

Started from 2021, the Company has been acquiring a 100% interest in some mining properties in the Jarvis, Duncan and Riggs Townships in the District of Algoma, Ontario.

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During the year ended December 31, 2024, the Company paid \$30,550 (2023 - \$48,483) of acquisition costs and incurred \$122,208 (2023 - \$nil) of exploration work on these properties.

Esqueda Township

On May 1st, 2022, the Company entered into an Exploration and Option to Purchase Agreement (the "Purchase Agreement") with a third party (the "Grantor") for a mining property located in Esqueda Township in the District of Algoma, Province of Ontario. The Purchase Agreement grants the Company an option to acquire a 100% undivided interest in the property as well as the right to carry out operations during the term of five years. In addition, the Company grants to the Grantor a royalty with respect to the property of 0.5% net smelter returns on all minerals and a 0.5% gross overriding royalty on diamonds. The Company is entitled to buy-out the royalty agreement at any time for \$7,000,000.

Under the Purchase Agreement, the Company is to pay the Grantor \$3 million in six annual installments of \$500,000, beginning May 1, 2022. As of December 31, 2024, \$1.5 million has been paid on schedule, with three installments of \$500,000 remaining, due annually on the agreement's anniversary.

During the year ended December 31, 2024, the Company paid \$500,000 (2023 - \$500,000) of acquisition costs and incurred \$nil (2023 - \$150,237) of exploration work on this property.

Results of operations

There were no revenues. Professional fees totaled \$11,334 (2023 - \$23,973). These amounts are for the audit of the financial statements and legal fees. Shareholder information totaled \$7,092 (2023 - \$8,303) and consists of filing fees and transfer agent. Audit fees are accrued in the fourth quarter. The Company accrues interest on loans at 12% resulting in an expense of \$201,093 (2022 - \$124,817). See *related party loans*.

CAD \$	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Net Revenue	-	-	-
Operating Expenses	224,389	166,823	127,907
Net Income (loss) from continuing operations	(224,389)	(166,823)	(127,907)
Net income (loss) per share-basic and diluted	(0.01)	(0.00)	(0.00)
Total assets	2,213,713	1,545,812	1,394,548
Long-term debt	-	-	-

Summary of quarterly results

CAD \$	Dec 31 2024	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023
Revenue	-	-	-	-	-	-	-	-
Net income (loss)	(82,446)	(39,153)	(66,175)	(36,615)	(36,632)	(34,983)	(36,152)	(59,056)
Net income (loss) per share – basic and diluted	(0.01)	-	-	-	-	-	-	-
Total Assets	2,213,713	2,134,817	2,087,170	1,549,106	1,545,812	1,484,947	1,436,881	1,364,504

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Loan payable and related party

Related Party Loans	Mr. Parravano	Mr. Salna	Totals
Opening balance, December 31, 2022	\$ 472,990	\$ 473,797	\$ 946,787
Advances	97,705	97,796	195,501
Interest accrued and payable	61,980	62,837	124,817
Balance, December 31, 2023	632,675	634,430	1,267,105
Advances	328,060	328,060	656,120
Interest accrued and payable	100,642	100,452	201,094
Balance, December 31, 2024	\$ 1,061,377	\$1,062,942	\$ 2,124,319

Mr. Robert Salna is an individual that owns greater than 10% of the Company shares. Mr. Angelo Parravano is the CEO and CFO and greater than 10% shareholder. These advances are unsecured, 12% interest bearing, and due on demand. These funds were advanced in order to pay outstanding items as they came due.

Executive Compensation

For the year ended December 31, 2024, Executive Compensation and Share-based payments were Nil.

Liquidity, capital resources, risk and uncertainties

At December 31, 2024, the Company had working capital *deficiency* of \$2,128,185 (2023 - \$1,251,038). The Company's continued existence is dependent on the financial support of Robert Salna and Angelo Parravano until the Company can develop a viable business and generate cash from operations and/or debt or equity financings.

The Company manages its capital to ensure that the Company will be able to continue as a going concern. The strategy remains unchanged from the previous fiscal year. The Company raises capital, as necessary, to meet its needs and therefore, does not have a numeric target for its capital structure. Should the support of the Mr. Salna and Mr. Parravano cease, it is unlikely that the Company will be able to continue in business. The Company will have to pursue, either through acquisition or start-up, a new business. There is no guarantee that the Company will be successful in this regard.

Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Company would receive or pay to settle a financial asset or financial liability as at the reporting date. The fair values of cash, amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation. The fair values of the Company's financial instruments are estimated based on the amount at which these instruments could be exchanged in a transaction between knowledgeable and willing parties. As these estimates are subjective in nature, involving uncertainties and matter of judgment, they cannot be determined with precision. Changes in assumptions can affect estimated fair values.

Outstanding share data

The Company has authorized an unlimited number of common shares. Issued capital stock at December 31, 2024 and as of the date of this MD&A consists of the following: 34,032,701 common shares. No options were granted, outstanding or exercised.

On December 22nd, 2022, the Company completed a non-brokered private placement of flow through units ("FT Units") consisting of one (1) common share and one common share purchase warrant for gross proceeds of \$600,000 CDN. The Company intended to use the gross proceeds of the offering to incur "Canadian exploration

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expenses” that qualify as “flow-through mining expenditures” as both terms are defined in the Income Tax Act (Canada).

At year-end 2023 and 2024, none of the funds raised had been spent on Canadian Exploration Expenses and no amount had been renounced to investors. The investors agreed that as such, the Flow through share financing was redesignated as a working capital financing. On December 2, 2024, the warrants associated with FT Units expired unexercised.

Accounting standards and critical accounting estimates

Please refer to Note 2, 3, 4 of our annual financial statements.

Risk Factors

Risks associated with exploration and mining operations

The exploration and development of mineral properties involves a high degree of risk which cannot be avoided despite the experience, knowledge and careful evaluation of prospective properties by management. There can be no assurance commercial quantities of ore will be discovered on the Company’s mineral properties. Even if such commercial quantities are subsequently discovered by the Company’s exploration efforts, there can be no assurance such properties can be brought in to commercial production.

Operations may be subject to disruption due to weather conditions, labour unrest or other causes beyond the control of the Company. Hazards such as unexpected formations, pressures, flooding, or other conditions over which the Company does not have control may be encountered and may adversely affect the Company’s operations and financial results.

The properties may be subject to prior unregistered agreements or transfers or land claims, including First Nations land claims and title may be affected by undetected defects. There is no guarantee that title to the Company’s properties or its rights to earn an interest in its properties will not be challenged or impugned. Also, in many countries including Canada and the USA, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries in respect of resource properties.

Environmental Risks

Environmental legislation is continuing to evolve such as will require strict standards and enforcement, increased fines and penalties for non-compliance, more stringent assessment of proposed projects and a greater degree of corporate responsibility. There can be no assurance that future changes to environmental legislation may not adversely affect the Company’s operations.

Mineral Market

The market for minerals is subject to factors beyond the Company’s control, such as market price fluctuation, currency fluctuation and government regulation. The effect of such factors cannot be accurately calculated. The existence of any or all such factors may restrict the access to a market, if same exists, for the sale of commercial ore which may be discovered.

Funding Requirements

In order to move forward with its exploration and development activities, the Company will likely require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

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Reliance on Management

The Company anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Company could materially adversely affect the Company.

Approval

The Board of Directors and the Audit Committee of the Company have approved the disclosure contained in this MD & A. A copy of this MD & A will be provided to anyone who requests it.

CORPORATE GOVERNANCE DISCLOSURE

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices ("**NI 58-101**") and National Policy 58-201 Corporate Governance Guidelines ("**NP 58-201**") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose annually the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "**CSA**") have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented Form 58-101F2 under NP 58-101 which prescribes the disclosure required to be made by the Company relating to its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Board

The Board of Directors ("the Board") is responsible for managing and supervising the management of the business and affairs of the Company. The Board does not have a chairperson since the size of the Board enables all directors to participate and provide leadership to the Company.

A director is considered to be "independent" if the director is free from any direct or indirect material relationship with the issuer that could, or could reasonably be perceived to materially interfere with that director's ability to act with a view to the best interests of the Company. As such, a director who is an officer of a corporation and a member of day-to-day management is considered to be non-independent. NP 58-201 suggests that the Board of directors of a public corporation should be constituted with a majority of individuals who qualify as "independent" directors. The Board is satisfied that it is not constrained in its access to information, in its deliberations or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

As at year end December 31, 2024 and at the date of this disclosure statement, the Board consisted of Edward Murphy, Inga Izikson, and Angelo Parravano.

Angelo Parravano is considered by the board of directors to be "non-Independent" within the meaning of NI 58-101 since he is the Chief Executive Officer. Mr. Parravano has served as a director of the Company since April 30, 1998. Mr. Parravano is in the roofing business and has been President of Donpar Roofing Ltd. since 1990.

Edward Murphy is considered by the Board to be "Independent" within the meaning of NI 58-101 and has served as a director of the Company since April 2, 2018. Mr. Murphy also serves on the boards of Essex Oil Ltd. and Credo Resources Inc. Mr. Murphy has served on various boards of directors for the last 30 years advising on the business of mining, and oil and gas including Dover Investment Limited. (September 2000 – Present). He acted as a liaison with JV partners during exploration activities and the construction of an 18 mile pipeline to put natural gas field on production in Colorado & Wyoming. In addition, Mr. Murphy is on the board of directors of Darkhorse Technology Inc. and was on the board of this Company at the time of a failure to file cease trade order issued by the Autorité des Marchés Financiers on February 4th, 2022.

Inga Izikson is considered by the Board to be "Independent" within the meaning of NI 58-101 and has served as a director of the Company since April 23, 2018. Ms. Izikson has been an accounting CPA since 2007 and also serves on the board of Credo Resources Inc.

None of the directors receive compensation for serving on the Board of directors.

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Orientation and Continuing Education

The Company is in the process of creating formal policies with respect to the orientation and education for new members of the Board. The Company does provide continuing education for its directors as such need arises. Management takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers, and committee members.

Ethical Business Conduct

The Board relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board has found that these policies, combined with the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient.

Nominations

The Board does not have a nominating committee as the Board feels that the size and nature of the Company's operations do not necessitate such a committee.

The independent members of the Board are responsible for making a recommendation to the full Board concerning the director candidates for nomination. The Board does not engage a third-party search firm to assist in identifying appropriate candidates for consideration. When the Board is seeking to fill an open director position, it will also consider nominations received from our shareholders, provided that proposed candidates meet the requisite director qualification standards. We only consider director candidates who embody the highest standards of personal and professional integrity and ethics and are committed to a culture of transparency and open communication at the Board level and throughout the Company. In evaluating candidates for nomination as a director, the Board considers the candidate's history of achievement and experience. Directors must also be committed to actively engaging in his or her Board roles, with sufficient time to carry out the duties of Board and Board committee membership.

Committees of the Board of Directors

The audit committee (the "Audit Committee") of the Board is composed of: Messrs. Angelo Parravano, Mr. Edward Murphy and Ms. Inga Izikson, all of whom are financially literate.

Name of Audit Committee Member	Independence ⁽¹⁾	Financial Literacy ⁽²⁾	Relevant Experience
Inga Izikson	Independent	Financially Literate	(4)
Edward Murphy ⁽³⁾	Independent	Financially Literate	(4)
Angelo Parravano	Not Independent	Financially Literate	(4)

(1) as such term is defined in Multi-Lateral Instrument 52-110 – Audit Committee ("MI 52-110").

(2) as such term is defined in MI 52-110.

(3) chairman of the audit committee

(4) See a description of relevant experience under the heading Board

Compensation

The independent members of the Board are responsible for recommending all forms of compensation. The board takes their recommendations into consideration and votes on them according to their duty of care. The Board does not engage a third-party firm to assist with compensation research or decision-making. The Board sets compensation at levels that are competitive with other corporations and are commensurate with the position and level of performance.

Assessments

The Board annually reviews its own performance and effectiveness and recommends revisions, if necessary. The Board monitors the adequacy of information given to the directors and communication between the Board and management. The Board believes that its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances, that control and monitor management and corporate functions without excessive administrative burden.

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The Board has not appointed any other committees of the Board. The Company's audit committee is governed by an audit committee charter, the text of which is below.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Company's external auditors not been adopted by the Board of Directors.

Reliance of Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on exemptions in relation to "De Minimus Non-Audit Services" or any exemption provided by Part 8 of MI 52-110.

As the Company is a "Venture Issuer" pursuant to relevant securities legislation, it is relying on the exemption in Section 6.1 of National Instrument 52-110-Audit Committees ("NI 52-110") from the reporting requirements of Parts 3 and Part 5 of NI 52-110.

External Auditors Service Fees

The fees charged to the Company by its external auditors for audit fees in each of the last three financial years were as follows:

	Financial Year Ended December 31, 2024 (\$)	Financial Year Ended December 31, 2023 (\$)	Financial Year Ended December 31, 2022 (\$)
Audit Fees	11,000	15,000	10,000
Audit Related Fees	Nil	Nil	Nil
Tax Advice Fees	Nil	Nil	Nil
All Other Fees	Nil	Nil	Nil

AUDIT COMMITTEE MANDATE

Purpose of the Committee

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of the Company is to provide an open avenue of communication between management, the external auditor, and the Board and to assist the Board in its oversight of the: integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices; processes for identifying the principal financial risks of the Company and reviewing the Company's internal control systems to ensure that they are adequate to ensure fair, complete and accurate financial reporting; Company's compliance with legal and regulatory requirements related to financial reporting; accounting principles, policies and procedures used by management in determining significant estimates; engagement, independence and performance of the Company's external auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company's bylaws and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee and the Chairman shall be appointed by the Board and may be removed by the Board in its discretion. A majority of members of the Committee shall be sufficiently financially literate to enable them to discharge their responsibilities in accordance with applicable laws and/or requirements of the various stock exchanges on which the Company's securities trade and in accordance with Multilateral Instrument 52-110. Financial literacy means the ability to read and understand a balance sheet, income statement, cash flow statement and associated notes which represent a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Company.

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards. Management is also responsible for establishing, documenting, maintaining and reviewing systems of internal control and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

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The external auditors' responsibility is to audit the Company's financial statements and provide an opinion, based on their audit conducted in accordance with Canadian generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with International Financial Reporting Standards.

The Committee is directly responsible for the appointment, compensation, evaluation, termination and oversight of the work of the external auditor and oversees the resolution of any disagreements between management and the external auditor regarding financial reporting.

Authority and Responsibilities

In performing its oversight responsibilities, the Committee shall:

Review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval at least once per year.

Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.

Review with management and the external auditor the adequacy and effectiveness of the Company's systems of accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

Prior to their approval by the Board, review with management and the external auditor the annual audited financial statements and related documents, and review with management the unaudited quarterly financial statements, the management discussion and analysis reports prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

Where appropriate and prior to release, review with management and approve any other news releases that contain significant financial information that has not previously been released to the public.

Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

Review with management and the external auditor significant related party transactions and potential conflicts of interest.

Recommend to the Board to assist them in recommending to the shareholders (a) the external auditor to be nominated to examine the Company's accounts and financial statements and prepare and issue an auditor's report on them or perform other audit, review or attest services for the Company and (b) the compensation of the external auditor. The Committee has the responsibility to approve all audit engagement terms and fees.

Monitor the independence of the external auditors by reviewing all relationships between the independent auditor and the Company and all audit, non-audit and assurance work performed for the Company by the independent auditor.

Conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities. The Committee has the authority to (a) retain independent counsel, accountants or other advisors to assist it in the conduct of its investigation, at the expense of the Company, (b) set and pay the compensation of any advisors retained by it and (c) communicate directly with external auditors.

The Committee shall report its recommendations and findings to the Board after each meeting and shall conduct and present to the Board an annual performance evaluation of the effectiveness of the committee.

Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting Company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators.