The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of EDM Resources Inc. (formerly ScoZinc Mining Ltd.) ("EDM" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance as at and for the year ended December 31, 2024. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2024, together with the notes thereto. Information contained herein is presented as at April 29, 2025, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of EDM's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

EDM is a Canadian based exploration and mining development company with mineral prospects, mineral deposits and mineral processing facilities in Nova Scotia, Canada.

OUTLOOK

As the Company progresses into 2025, EDM Resources is focused on advancing the Scotia Mine toward its targeted 2026 production restart. Building on the successful private placements in January and October–November 2024, which collectively raised over $3 million in gross proceeds, the Company is strategically allocating capital to final regulatory authorizations, technical, and pre-development activities of the Scotia Mine.

On the environmental front, EDM has taken considerable strides. Notably, the Company completed all seasons of aquatic environmental studies with no detection of Atlantic Salmon DNA—an important factor in the Department of Fisheries and Ocean's authorizations. In addition, EDM launched expanded ecological and habitat studies and continues to collaborate with regulators and local communities to align the project with best-in-class environmental practices. A Dense Media Separation (DMS) study for the mill is underway is also expected to support environmentally sustainable operations by improving processing efficiency and reducing tailings produced.

From a financial and operational standpoint, the expiration of the IXM Credit Agreement in December 2023 provided flexibility for the Company to pursue new financing terms and arrangements tailored to its evolving capital needs. EDM is actively engaged in sourcing project financing, including potential strategic royalty and offtaker partnerships.

With zinc, lead and gypsum markets supported by infrastructure investment and energy transition dynamics, and the CAD:USD exchange rate remaining favorable to the Company's revenue-cost structure, the macroeconomic environment remains broadly constructive. The Company believes that the robust fundamentals of the Scotia Mine, as highlighted in its 2021 PFS, combined with its disciplined execution strategy, position EDM to deliver long-term value.

Corporate Developments

In December 2024, the Company announced the appointment of Mr. Arnab Kumar De as Chief Financial Officer, succeeding Mr. Kevin Farrell. Mr. De brings over 20 years of experience in financial management, corporate strategy, and capital markets. His appointment strengthens the Company's executive leadership team as it prepares for the next phase of development at the Scotia Mine.

Current Global Financial Conditions and Trends

Securities of mining and mineral exploration companies, including the common shares of the Company, continue to experience considerable volatility, driven by global macroeconomic conditions rather than company-specific fundamentals. Factors such as fluctuating commodity prices, monetary tightening, and inflationary pressures across OECD countries have significantly influenced capital markets.

As of December 31, 2024, the global economy remains in a period of heightened uncertainty. Most Western economies face persistent inflation, aggressive interest rate policies, and weakened equity markets as valuations correct toward historical norms. Recession risks remain elevated over the next 12 to 24 months.

Positively, the global supply chains have renewed demand for industrial metals and minerals, including zinc, lead and gypsum, which the Scotia Mine expects to take advantage of with production expected to commence in 2026. In addition, the continued strength of the U.S. dollar relative to the Canadian dollar—attributable to the U.S. Federal Reserve's sustained monetary tightening—provides a natural economic hedge for the Company's operations. This is particularly beneficial as most of the Scotia Mine's revenues are expected in U.S. dollars, while costs are primarily incurred in Canadian dollars.

Zinc prices remained relatively stable throughout 2024, supported by recovering demand from infrastructure and construction sectors and constrained global inventories. With China's reopening and infrastructure stimulus policies, zinc demand is expected to remain robust. Lead prices have also shown resilience, bolstered by the continued energy transition that is driving demand for electrical applications, EV production, and renewable energy infrastructure. Supply chain limitations and investment gaps in new mines are expected to support sustained price strength over the medium to long term. Gypsum is also seeing increasing demand with prices of crude gypsum and off-spec gypsum increasing throughout 2024, and expected to continue to increase.

Overall market sentiment in the metals and mining sector has improved for critical mineral producers in Canada and the U.S. This broader optimism may indirectly support the Company's valuation and appeal to equity investors.

Moreover, the evolving policy stance of the U.S. Federal Reserve, which is increasingly signaling a pause or potential reversal in rate hikes, may lead to improved financing conditions for junior mining companies. While a moderation in the USD strength could modestly reduce the currency advantage enjoyed by the Company (revenues in USD, costs in CAD), it would likely facilitate capital raising efforts and reignite investor interest across the sector.

Taken together, the commodity market backdrop—characterized by strong fundamentals for zinc, lead and gypsum, supportive currency dynamics, and improving monetary sentiment—offers a constructive environment for the Company as it advances toward the targeted restart of production at the Scotia Mine in 2026.

Expressed in Canadian Dollars

SIGNIFICANT MILESTONES IN 2024

During October and November 2024, the Company made a private placement of 15,374,047 units ("Units") of the Company at a price of $0.11 per Unit for gross proceeds of $1,691,145, each Unit consisting of one common share of the Company and one share purchase warrant entitling the holder to purchase one common share of the Company at a price of $0.14 for each Warrant Share, until October 29, 2027. In connection with the same, the Company paid $32,255.30 in cash compensation and issued 293,230 broker warrants to eligible brokers. Each broker warrant is exercisable into a Common Share until October 29, 2027.

In April 2024, 114,505 RSUs with a fair value of $65,000 were exercised and converted to common shares of the Company by officers of the Company.

On February 20, 2024, the Company announced that it has appointed Mr. Eugene Chen as an independent director to the board effective February 16, 2024. The appointment of Mr. Chen is part of the Company's initiative to expand the skill set and broaden the experience, governance and independence to the Board of Directors.

On December 31, 2023, the IXM Credit Agreement with Scotia Mine Limited time expired and nothing was drawn down against the IXM Credit Agreement. The IXM Credit Agreement had conditions precedent that have not been fulfilled by the parties, consequently there are no unused line fees payable and the amount accrued since September 13, 2022 has been reversed. The Company is currently negotiating a credit agreement to replace the expired IXM Credit Agreement.

Highlights of the PFS (the "2021 PFS") are provided in the table below, with additional details of the NI 43-101 Technical Report filed on www.sedarplus.ca under EDM's profile, on December 30, 2021.

2021 Pre-Feasibility Study Highlights

Pre-Tax Net Present Value (Discount Rate 8%)	$174M
Pre-Tax Internal Rate of Return	69%
After-Tax Net Present Value (Discount Rate 8%)	$128M
After-Tax Internal Rate of Return	65%
EBITDA (Annual Average)	$18M
Payback Period (Years)	1.3
Pre-Production CAPEX (incl. $2.7M Contingency)	$30.6M
Metal Production Zinc (5 Year Annual Average)	35M lbs
Metal Production Lead (5 Year Annual Average)	15M lbs
Zinc Concentrate Grade (LOM Average)	57%
Lead Concentrate Grade (LOM Average)	71%
Processing Throughput Rate (Tonnes Per Day)	2,700
Life of Mine ("LOM") (Years)	14.3 Years
Ore Reserves Mined (LOM Total)	13.66Mt
Zinc Ore Grade (LOM Average)	2.03% Zn
Lead Ore Grade (LOM Average)	1.10% Pb
Gypsum Grade (LOM Average)	91.8%
Net Revenue After Royalty & Treatment Charges	$875M
Operating Cash Flow Before Taxes	$357M
C1 Costs Over LOM[1]	US$0.50/lb
Total Operating Cost (Per tonne Milled LOM)	$52.56/t

All-In-Sustaining-Cost (ZnEq.)[1, 2]	US$0.52/lb
Zinc Price (LOM Average)	US$1.22/lb
Lead Price (LOM Average)	US$1.04/lb
Gypsum Crude Price (LOM Average)	US$8.60/t
Foreign Exchange Rate (CAD: USD)	0.80

All dollar amounts are expressed in Canadian Dollars unless otherwise noted
1 After Lead credits deducted
2 All-In-Sustaining-Costs ("AISC") are C1 Costs plus Sustaining Capital and Financing Costs

On November 1, 2021, the Company announced a non-binding gypsum offtake agreement with a Nova Scotian end buyer, for the life of mine supply of Gypsum from the Scotia Mine.

On October 19, 2021, the Company appointed Mr. Mark Billings as an Independent Director.

On October 6, 2021, EDM and Fancamp Exploration Ltd. closed a private placement and shares for debt transaction.

On September 16, 2021, EDM and Fancamp agreed to terminate the February 12, 2021, Arrangement Agreement and enter into a new agreement in which Fancamp would invest in EDM by way of a subscription to a $1,300,000 non-brokered private placement as well as convert the Fancamp Loan and Termination Fee to equity in EDM.

On July 14, 2021, EDM and Fancamp agreed to extend the deadline for closing the business combination (the "Transaction") with Fancamp paying a $125,000 extension fee to EDM to extend the deadline of the Transaction to August 2, 2021, with a further extension fee payable by Fancamp prior to August 2, 2021, if Fancamp wished to extend the Transaction to September 2, 2021. On August 2, 2021, Fancamp paid EDM the second extension fee of $125,000 to extend the deadline for closing the Transaction to September 2, 2021.

On May 19, 2021, pursuant to the Arrangement, Fancamp and EDM executed a loan agreement of up to $250,000 required to implement the business combination (the "Transaction") which was associated with the delayed closing date. Fancamp and EDM have also agreed to amend the Arrangement Agreement to extend the outside date by which the Transaction must close to July 2, 2021 and scheduled the closing for that date. The Fancamp loan terms included a 12-month maturity of up to $250,000, bearing an interest charge of 5 percent per annum. An initial amount of $150,000 was provided to EDM, following which an additional $100,000 was provided to EDM on the basis of an expenditure justification.

On April 20, 2021, the Company announced that the British Columbia Supreme Court had granted a final order approving the plan of arrangement between EDM and Fancamp required to implement the business combination (the "Transaction"). Closing of the Transaction by Fancamp was subject to approval of the TSX Venture Exchange ("TSXV") which Fancamp advised that it anticipated obtaining shortly but which has not yet been received. Fancamp had additionally advised that a dissident shareholder of Fancamp, Mr. Peter H. Smith, had also made an application to the British Columbia Securities Commission ("BCSC") to stay or overturn any decision by the TSXV approving the Transaction, and to require that Fancamp obtain shareholder approval for the Transaction. Fancamp made an undertaking to the BCSC not to close the Transaction until after April 28, 2021 pending hearing of the application. The Company anticipated that Fancamp would be successful in proceedings before the BCSC and expected the Transaction to close shortly thereafter in accordance with the terms of the February 12, 2021 arrangement agreement between EDM and Fancamp.

Expressed in Canadian Dollars

Accordingly, EDM looked forward to closing the Transaction shortly after April 28, 2021. The Company also announced it had received conditional approval from the TSXV for the Transaction which remained subject to the final approval of the TSXV.

On April 12, 2021, the Company held an Extraordinary General Meeting ("EGM") at which its securityholders were asked to consider and, if thought advisable, pass a special resolution approving a plan of arrangement under Section 288 of the BC Business Corporations Act (the "Arrangement") which would result in EDM becoming a wholly owned subsidiary of Fancamp by amalgamating with an existing wholly owned subsidiary of Fancamp (the "Transaction"). At the meeting, the securityholders voted overwhelmingly in favour of the resolution approving the arrangement agreement pursuant to which, inter alia, Fancamp will indirectly acquire all of the issued and outstanding common shares of EDM on the basis of 6.0 Fancamp ordinary shares for each EDM common share (the "Arrangement"). The Arrangement required the approval of: (a) 662/3% of EDM's shareholders ("Shareholder Approval"); (b) 662/3% of EDM's shareholders, warrantholders, optionholders and RSUholders voting as a single class ("Securityholder Approval"); and (c) approval by a simple majority of 50% plus one vote of EDM's shareholders, excluding shares held or controlled by Messrs. Ashwath Mehra and Mark Haywood ("Majority of the Minority Approval").

On March 22, 2021, the Company announced results of its 2021 Mineral Resource Estimate which includes a significant Gypsum mineral resource for the Scotia Mine. The 2021 Mineral Resource Statement is provided below:

Mineral Resource Statement
Scotia Mine 2021 Mineral Resource Estimation, March 22, 2021 – MineTech International Limited

Classification	Zone	Tonnage (kt)	Zn (%)	Pb (%)	ZnEq. (%)	Gypsum Tonnage (kt)	Gypsum (%)
Measured	Getty	60	1.38	1.25	2.58	0	0
	Main	4,130	2.57	1.30	3.81	1,310	93.0
	North East	130	3.18	1.88	4.98	220	91.9
	Total	**4,320**	**2.57**	**1.32**	**3.83**	**1,530**	**92.8**
Indicated	Getty	8,090	1.24	0.81	2.02	0	0
	Getty South	840	1.58	0.25	1.82	0	0
	Main	9,870	1.92	1.01	2.89	2,500	92.7
	North East	2,330	2.88	1.15	3.98	1,150	88.7
	Total	**21,130**	**1.75**	**0.92**	**2.64**	**3,650**	**91.4**
Measured & Indicated	Getty	8,150	1.24	0.82	2.03	0	0
	Getty South	840	1.58	0.25	1.82	0	0
	Main	14,000	2.11	1.09	3.16	3,810	92.8
	North East	2,460	2.89	1.19	4.04	1,370	89.2
	Total	**25,450**	**1.89**	**0.99**	**2.84**	**5,180**	**91.8**
Inferred	Getty	950	1.35	0.54	1.87	0	0
	Getty South	770	1.53	0.25	1.77	0	0
	Main	2,980	1.49	0.79	2.25	250	92.2
	North East	310	2.01	0.74	2.72	540	90.7
	Total	**5,010**	**1.50**	**0.66**	**2.13**	**790**	**91.2**

Source: MineTech 2021

- *Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources estimated will be converted into Mineral Reserves;*
- *Determination of reasonable prospects of eventual economic extraction was based on assumed prices for Zinc of US$1.35/lb, and for Lead of US$1.14/lb, a Zinc recovery of 86% and a Lead recovery of 93%, mining and processing costs varying by zone, and pit slopes of 45 degrees in rock and 22 degrees in overburden;*
- *Near surface resources are reported based on a Zinc equivalent ("ZnEq") grade of 0.90% and a Gypsum grade of 80%. The ZnEq grade incorporates Zinc and Lead sales costs of US$0.19/lb and US$0.11/lb respectively, and a 2% royalty to the Government of Nova Scotia; and*
- *Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.*

On February 18, 2021, the Company announced that it had entered into a definitive arrangement agreement (the "Arrangement Agreement") with Fancamp, whereby Fancamp will indirectly acquire all of the issued and outstanding securities of EDM by way of a plan of arrangement (the "Arrangement") under the Business Corporations Act (British Columbia). Pursuant to the terms of the Arrangement Agreement, shareholders of EDM (the "EDM Shareholders") will receive 6.0 common shares of Fancamp (each whole share a "Fancamp Share") for every EDM Share held (the "Exchange Ratio"). Upon the closing of the Transaction, former shareholders of EDM will hold 33.7% of the Fancamp's common shares outstanding. The Exchange Ratio represented a premium of 5.9% based on the 30-day volume weighted average price of EDM and Fancamp's shares traded on the TSX Venture Exchange for the period ended February 12, 2021.

On December 23, 2020, the Company announced that it had confirmed the gypsum surface rights at the Scotia Mine and that it was proceeding toward a new NI 43-101 Mineral Resource Estimate Technical Report.

On December 2, 2020, Mr. Mark Billings resigned as a director of the Company and divested or relinquished all his securities in the Company.

On July 7, 2020, the Company announced the results of its first Preliminary Feasibility Study (the "Pre-Feasibility Study" or the "2020 PFS") which determined the capital requirements and robust economics for 100%-owned Scotia Mine in Nova Scotia, Canada. The results of the 2020 PFS were announced on 7th July 2020 and the NI 43-101 Technical Report was filed on SEDAR+ on July 29. 2020. Based on the positive 2020 PFS results, the Company is actively pursuing the necessary finance to begin commercial production as soon as possible.

Highlights of the 2020 PFS are provided in the table below, with additional details of the NI 43-101 Technical Report available on www.sedarplus.ca under EDM's profile.

2020 Pre-Feasibility Study Highlights

Pre-Tax Net Present Value (Discount Rate 8%)	$156M
Pre-Tax Internal Rate of Return	52%
After-Tax Net Present Value (Discount Rate 8%)	$115M
After-Tax Internal Rate of Return	49%
EBITDA (Annual Average)	$17.1M
Payback Period (Years)	2.4
Pre-Production CAPEX (incl. $2.7M Contingency & $1.2M Finance)	$30.8M
Metal Production Zinc (5 Year Annual Average)	35M lbs
Metal Production Lead (5 Year Annual Average)	15M lbs
Zinc Concentrate Grade (LOM Average)	57%
Lead Concentrate Grade (LOM Average)	71%
Processing Throughput Rate (Tonnes Per Day)	2,700
Life of Mine ("LOM") (Years)	14.25
Ore Reserves Mined (LOM Total)	13.66Mt
Zinc Ore Grade (LOM Average)	2.03% Zn
Lead Ore Grade (LOM Average)	1.10% Pb
Net Revenue After Royalty & Treatment Charges	$822M
Operating Cash Flow Before Taxes	$335M
Financing Costs	$4.6M
C1 Costs Over LOM[1]	US$0.59/lb
Total Operating Cost (Per tonne Milled LOM)	$53.72/t
All-In-Sustaining-Cost (ZnEq.)[1, 2]	US$0.60/lb
Zinc Price (LOM Average)	US$1.19/lb
Lead Price (LOM Average)	US$0.89/lb
Foreign Exchange Rate (CAD: USD)	0.71

All dollar amounts are expressed in Canadian Dollars unless otherwise noted
1 After Lead credits deducted
2 All-In-Sustaining-Costs ("AISC") are C1 Costs plus Sustaining Capital and Financing Costs

On June 3, 2020, the Company announced management costs savings to further strengthen the Company's financial position during the COVID-19 Pandemic and to ensure that the capital raised is extended as much as possible, by which all the management team have reduced their monthly salary or contract payments by 20 percent, for a period of 3 months, effective May 1, 2020.

On May 29, 2020, the Company announced the closing of a third and final oversubscribed tranche of its $1,150,000 non-brokered private placement. The first tranche (the "First Tranche") closed on 22nd April 2020 and consisted of the sale of 1,678,011 Units for gross proceeds of $503,403.30, and the second tranche (the "Second Tranche") closed on 22nd May 2020 and consisted of the sale of 1,645,368 Units for gross proceeds of $493,610.40. The third tranche (the "Third Tranche") consisted of the sale of 509,954 units for the gross proceeds of $152,986.20. The Third Tranche, the Second Tranche and the First Tranche comprise the Offering consisting of the sale of an aggregate of 3,833,333 Units for aggregate gross proceeds of $1,150,000.

On December 18, 2019, the Company announced a new mineral resource estimate (the "2019 MRE") which effectively doubled the total measured and indicated resources applied in all past PEAs on the Scotia Mine. Based upon the new 2019 MRE and a mill trade off study by Ausenco Engineering Canada Inc., the PFS will produce an independent NI 43-101 technical report, including new mineral reserve estimates.

During the third quarter of fiscal 2019, EDM's head office address was changed to Halifax (Nova Scotia) from Toronto (Ontario) to bolster the Company's Nova Scotian focus and demonstrate our commitment to advancing our operations in Nova Scotia.

On October 25, 2019, the Company appointed Mr. Mark Billings as an Independent Director. On September 20, 2019, the Company appointed Mr. Mark Haywood as a Director.

On August 21, 2019, Mr. Ashwath Mehra joined the Board of Directors and Mr. Mark Haywood was appointed the President and Chief Executive Officer of the Company, replacing Mr. Joseph Ringwald, both effective August 20, 2019.

PROPERTY INFORMATION, COMPLETED ACTIVITIES AND OUTLOOK

Scotia Mine

On May 21, 2011, the Company completed the $10 million acquisition of all shares and assets of Scotia Mine Limited (formerly ScoZinc Limited), including the Scotia Mine in Nova Scotia, an extensive mineral claims package that is subject to a mineral royalty to the Government of Nova Scotia and other royalties on certain other mineral interests. A portion of the gross sale proceeds was paid directly to the Government of Nova Scotia to increase bonding requirements for an amended reclamation and closure plan for the Scotia Mine and to pay all outstanding production royalties to the Government of Nova Scotia that were payable prior to the closure of the Scotia Mine in 2009. Since the mine's closure, the key permits, mineral claims, and other approvals necessary to proceed with a restart have been maintained or renewed.

In October 2011, the Company completed a 4,940-metre, 39-hole drill program at the Scotia Mine site to better define mineral resources adjacent to the Main Pit and improve confidence in the block model. The results of the drill program provided a basis to re-assess the block model used in an independent preliminary economic assessment ("PEA") report dated 7th October 2011. Subsequently, a new inventory

of mineral resources was published in a technical report to NI 43-101 standards on 9th October 2012.
In the first quarter of 2012, the Company completed an airborne geophysical survey of its exploration properties in Nova Scotia using the helicopter-borne Versatile Time Domain Electromagnetic system. The work area covered geological strata that contain former producing mines, such as Walton Mine, Smithfield Mine, and Mindamar (Stirling) Mine. Following the initial findings of the survey, the Company expanded the survey to include its mineral claim holdings in the Musquodoboit area along an interpreted northeast extension of the favourable carbonate reef structures that host the Gays River and Getty deposits. As a result of this survey, exploration targets were identified for future exploration fieldwork.

In the first, second, and fourth quarters of 2013, the Company's geologic personnel completed soil sampling programs on exploration licenses and claim blocks held within Nova Scotia and Cape Breton. The purpose of the soil sampling program was to follow up and evaluate certain high-priority geophysical targets identified from the 2012 airborne geophysical survey. In addition, expenditures incurred from the soil surveys were utilized to fulfill the annual assessment requirements needed to keep the claims and licenses in good standing. All work was conducted in areas underlain by favorable geologic lithologies known to host zinc-lead mineralization as exemplified by former producing mines.

On May 18 2012, the Company received approval from the Government of Nova Scotia for an amended Industrial Approval to develop the southwest side of the Main Pit (the "SW Expansion"). As a result, and as of that date, the Scotia Mine had all of the necessary permits and approvals to proceed with mining operations at the Main Pit and the SW Expansion. Additional reclamation and closure bonding would be required before the Company can develop the SW Expansion.

In the third quarter of 2013, the then Company's Board of Directors conducted an in-depth review of the Company's 100% owned Scotia Mine and the Company's exploration prospects (collectively, "EDM's Projects"), the outlook for commodity prices, and the current environment for financing mining operations. Based upon the findings of this review, the Board determined that the Scotia Mine is a valuable asset. However, in light of the uncertain prevailing environment for metal prices and mine development financing at that time, the Board decided to suspend the restart of the Scotia Mine and place the project on care and maintenance in order to preserve its value and reduce Company expenditures.

As part of the care and maintenance program, an ongoing objective of the Company is to maintain all of the key permits, mineral claims, and other approvals necessary to proceed with the restart of the Scotia Mine. In the fourth quarter of 2016, the Company initiated discussions with the Nova Scotia departments of the Environment and Natural Resources for the renewal of the industrial approval (the "IA") for Mineral Lease 10-1 that contains the Scotia Mine. The IA which expired in February 2017 was renewed in September 2017 for an additional 10 years. Similarly, the environmental assessment which expired in October 2017 was renewed.

In the fourth quarter of 2017 the Company initiated an independent update to the Preliminary Economic Assessment based on a more detailed mine plan, contract mining with bids from major Nova Scotia contractors, updated capital costs, and updated milling and other operating costs. Results of the study were disclosed in a news release dated 19th December 2017 and the NI 43-101 technical report with the final results was disclosed in February 2018. As the study showed robust economics for the restart of operations, necessary key permits were in place, and a favorable metal price and exchange rate environment was expected for the foreseeable future, the Company initiated efforts to raise funds for restarting operations.
On December 18, 2019, the Company announced a new mineral resource estimate (the "2019 MRE") which

effectively doubled the total measured and indicated resources applied in all past PEAs on the Scotia Mine.

Highlights of the 2019 MRE include:

- Total Measured & Indicated Resources of 25,450,000 tonnes at a Zinc equivalent grade of 2.84% (1.89% Zinc, 0.99% Lead), an increase in tonnage of 105% from previous resource estimates on the deposit.
- Total Inferred Resources of 5,010,000 tonnes at a Zinc equivalent grade of 2.13% (1.55% Zinc, 0.66% Lead), an increase in tonnage of 7% from the previous resource estimates on the deposit.

Additionally, on 5th February 2020, the Company announced the results of a mill optimization trade-off study completed by Ausenco Engineering Canada Inc. The trade-off study evaluated the mill and its processing bottlenecks and determined that a number of low-cost improvements could be made during a relatively short refurbishment period to significantly de-risk the processing operations.
Based upon the new 2019 MRE and the Ausenco optimization study, the Company then decided to complete a Preliminary Feasibility Study on the project, which would determine the Scotia Mine's first NI 43-101 mineral reserve estimate and a provide an independent NI 43-101 technical evaluation on the entire project.

On July 7, 2020, the Company announced the results of its first Preliminary Feasibility Study (the "2020 PFS") including its first NI 43-101 Mineral Reserve Estimate. The 2020 PFS was prepared in collaboration with the independent engineering firms of Ausenco Engineering Canada Inc., MineTech International Limited, SRK Consulting (U.S.), Inc., and Terrane Geoscience Inc. The 2020 PFS NI 43-101 Technical Report was filed on www.sedarplus.ca under EDM's profile on July 29, 2020.

On March 22, 2021, the Company announced the results of its 2021 Mineral Resource Estimate which included a significant Gypsum mineral resource for the Scotia Mine.

The 2021 Mineral Resource Statement is provided below, and the NI 43-101 Technical Report was filed on www.sedarplus.ca under EDM's profile on May 6, 2021:

Expressed in Canadian Dollars

2021 Mineral Resource Statement

Scotia Mine 2021 Mineral Resource Estimation, March 22, 2021 – MineTech International Limited

Classification	Zone	Tonnage (kt)	Zn (%)	Pb (%)	ZnEq. (%)	Gypsum Tonnage (kt)	Gypsum (%)
Measured	Getty	60	1.38	1.25	2.58	0	0
	Main	4,130	2.57	1.30	3.81	1,310	93.0
	North East	130	3.18	1.88	4.98	220	91.9
	Total	**4,320**	**2.57**	**1.32**	**3.83**	**1,530**	**92.8**
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	Main	9,870	1.92	1.01	2.89	2,500	92.7
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	Total	**21,130**	**1.75**	**0.92**	**2.64**	**3,650**	**91.4**
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	Main	14,000	2.11	1.09	3.16	3,810	92.8
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	Total	**25,450**	**1.89**	**0.99**	**2.84**	**5,180**	**91.8**
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	Getty South	770	1.53	0.25	1.77	0	0
	Main	2,980	1.49	0.79	2.25	250	92.2
	North East	310	2.01	0.74	2.72	540	90.7
	Total	**5,010**	**1.50**	**0.66**	**2.13**	**790**	**91.2**

Source: MineTech 2021

- *Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources estimated will be converted into Mineral Reserves;*
- *Determination of reasonable prospects of eventual economic extraction was based on assumed prices for Zinc of US$1.35/lb, and for Lead of US$1.14/lb, a Zinc recovery of 86% and a Lead recovery of 93%, mining and processing costs varying by zone, and pit slopes of 45 degrees in rock and 22 degrees in overburden;*
- *Near surface resources are reported based on a Zinc equivalent ("ZnEq") grade of 0.90% and a Gypsum grade of 80%. The ZnEq grade incorporates Zinc and Lead sales costs of US$0.19/lb and US$0.11/lb respectively, and a 2% royalty to the Government of Nova Scotia; and*
- *Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.*

On November 16. 2021, the Company announced the results of an updated Preliminary Feasibility Study (the "2021 PFS") including its first NI 43-101 Mineral Reserve Estimate on its gypsum mineral resources. The 2021 PFS was prepared by MineTech International Limited. The 2021 PFS NI 43-101 Technical Report was filed on www.sedarplus.ca under EDM's profile on December 30, 2021.

Expressed in Canadian Dollars

On June 29, 2022, the Company announced that it had entered into a definitive credit agreement with IXM S.A. ("IXM") to provide US$24 million in debt finance to the Company (the "Credit Agreement"), which will finance the Scotia Mine to commercial production. IXM has also entered into offtake agreements with the Company to buy 100% of the zinc and lead concentrates produced at the Scotia Mine, for the first 10 years of production (the "Offtake Agreements"). The Credit Agreement required TSX Venture Exchange (the "TSXV") final approval, with the TSXV granting conditional approval on June 22, 2022. Final TSXV approval was subsequently obtained on September 12, 2022, following the approval of the Credit Agreement by the Company's shareholders at EDM's annual general meeting held on August 30, 2022.

SELECTED ANNUAL INFORMATION

The following selected annual financial data derived from the audited consolidated financial statements of the Company as at December 31, 2024 and 2023:

	Year Ended December 31, 2024	**Year Ended December 31, 2023**
Net Loss	($1,920,078)	($2,351,037)
Net Loss per Share	(0.05)	(0.10)
	As at December 31, 2024	As at December 31, 2023
Total Assets	$26,975,433	$24,979,797

Results of Operations for the Year Ended December 31, 2024 vs. Year Ended December 31, 2023

The loss from operating activities for the year ended December 31, 2024, decreased compared to the prior year. This improvement was primarily driven by a significant reduction in stock-based compensation and salary expenses, partially offset by a rise in consulting, legal, and office-related overheads.

Consulting expenses increased to $646,167 for the year ended December 31, 2024 (2023: $444,531), reflecting expanded reliance on third-party consultants for permitting activities, feasibility studies, and the preparation for future listing requirements. This increase also included advisory services related to regulatory filings and market-readiness initiatives.

Stock-based payments decreased substantially to $126,143 in 2024 (2023: $472,044), as the Company scaled back equity incentive issuances following a transition to a more cash-conservative compensation structure. This reduction contributed significantly to the overall improvement in operating results.

Salaries and benefits declined to $543,319 in 2024 (2023: $629,202), reflecting optimized staffing levels and a disciplined focus on maintaining fixed overheads ahead of capital-intensive project execution phases.

Legal and accounting fees increased to $214,048 in 2024 (2023: $191,173), primarily due to enhanced regulatory and corporate compliance efforts associated with the Company's project advancement and financing activities.

Office and general expenses rose to $237,716 in 2024 (2023: $213,298), driven by inflationary cost pressures, a shift in administrative focus toward organizational readiness, and a $15,000 payment made toward the Impact Benefit Agreement.

Other income was nil in 2024, compared to $17,972 in 2023. The prior year figure related to a reversal of finance costs previously charged under an expired credit agreement.

Accretion of decommissioning liability increased modestly to $448,932 (2023: $421,818), consistent with the passage of time and the scheduled recognition of environmental rehabilitation obligations under IFRS.

Overall, the Company experienced a favorable shift in its cost structure during 2024, with a more targeted deployment of capital into consulting and compliance initiatives, while materially reducing equity-based compensation and personnel costs. These efforts resulted in a narrowing of the operating loss, positioning the Company to more efficiently deploy future capital in support of its development, regulatory roadmap, and listing initiatives.

SUMMARY OF QUARTERLY RESULTS

The selected financial information is derived from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Amounts are expressed in thousands of Canadian dollars, except for loss per share, which is rounded to the nearest cent.

	31-Dec 2024	30-Sep 2024	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023	31-Dec 2022
Interest income	305	9	10	29	22	9	9	9	1
Loss for the period	(485)	(488)	(515)	(432)	(242)	(691)	(939)	(480)	(434)
Loss per share	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.03)	(0.04)	(0.02)	(0.02)

RESULTS OF OPERATIONS

Results of Operations for the Three Months Ended December 31, 2024 vs. Three Months Ended December 31, 2023

The overall net and comprehensive loss decreased to $677,917 (Q4 2023: $782,694), primarily due to the elimination of financing costs and a sharp reduction in stock-based compensation, partially offset by higher consulting, legal, and administrative expenses aligned with advancing the Company's development and compliance objectives.

Consulting
Consulting expenses increased to $304,355 (Q4 2023: $154,875), reflecting expanded engagement of external consultants supporting operational readiness, permitting efforts, and strategic project development. The increase also included fees for advisory services related to regulatory submissions and planning activities.

Salaries and Benefits
Salaries and benefits rose moderately to $114,975 (Q4 2023: $105,002), driven by steady workforce retention and selective hiring of specialized technical and administrative personnel aligned with project execution needs.

Office and General
Office and general expenses expanded to $97,763 (Q4 2023: $52,984), largely due to one-time payments,

including $45,702 toward property taxes and a $15,000 contribution under the Company's Impact Benefit Agreement obligations. Excluding these one-time items, core office costs remained stable year-over-year.

Legal and Accounting Fees
Legal and accounting fees increased to $132,537 (Q4 2023: $98,434), reflecting greater regulatory compliance efforts, preparation for potential listing activities, and increased legal costs associated with project advancement and corporate governance enhancements.

Investor Relations
Investor relations expenses reflected a reversal of previously accrued costs, showing a credit balance of ($86,587) (Q4 2023: $7,448). This variance was primarily due to the reversal of previously accrued charges no longer payable under updated advisory agreements.

Amortization
Amortization expense declined slightly to $3,484 (Q4 2023: $3,950), reflecting minor reductions in depreciable asset balances.

Stock-Based Payments
Stock-based payments decreased sharply to $97,559 (Q4 2023: $350,731), as the Company curtailed new equity-based compensation grants in favor of preserving cash resources for operational activities.

Regulatory Fees
Regulatory fees rose to $13,831 (Q4 2023: $9,270), reflecting increased filing activity associated with regulatory compliance and reporting obligations as the Company progressed its corporate development initiatives.

Interest Income
Interest income increased significantly to $304,697 (Q4 2023: $21,623), driven by adjustment of interest on reclamation bond cash balances in Q4 2024.

Financing Costs
Financing costs were nil in Q4 2024 (Q4 2023: $582,051), reflecting the expiry of the IXM Commercial Offtake Credit Agreement and the associated elimination of interest and facility fees.

Other Income
Other income was nil in Q4 2024 (Q4 2023: $17,972), as no similar reversals of prior-period charges or settlements occurred during the quarter.

Accretion of Decommissioning Liability
Accretion of decommissioning liability increased modestly to $112,233 (Q4 2023: $105,455), consistent with the passage of time and the scheduled unwinding of asset retirement obligations under IFRS accounting standards.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2024, the Company reported a working capital deficit of $(169,342) (December 31, 2023: $(366,991)). Working capital is defined as current assets minus current liabilities. While this calculation is not a standardized measure under IFRS, management believes it provides valuable insight into the Company's short-term financial position and capital resources at the end of the reporting period.

The Company's key assets consist of cash, property, plant and equipment, and exploration and evaluation assets related to its wholly owned Scotia Mine. To support its business strategy, the Company will require additional capital in the form of equity or debt financing. The timing and availability of such capital will depend on prevailing market conditions and investor sentiment towards junior resource issuers.

For the year ended December 31, 2024, the Company reported a net increase in cash of $478,893, compared to a net decrease of $324,270 during the year ended December 31, 2023.

Operating Activities:
Cash used in operating activities totaled $1,442,002 in 2024 (2023: $1,373,507). The increase in cash usage reflects a higher net loss before non-cash adjustments, along with a larger increase in receivables and a higher net decrease in payables to related parties. These changes were partially offset by the elimination of financing cost outflows that had been present in the prior year.

Investing Activities:
Cash used in investing activities was $1,063,151 in 2024 (2023: $891,486), primarily related to capital expenditures for exploration and evaluation assets ($1,026,020) and additions to property, plant, and equipment ($37,131). The increase compared to the prior year reflects intensified pre-development activities at the Scotia Mine.

Financing Activities:
Net cash provided by financing activities was $2,984,046 in 2024 (2023: $1,940,723), mainly from equity financings conducted in January and October–November 2024. Gross proceeds of $3,024,046 were raised from two private placements, partially offset by $40,000 in loan repayments.

The Company began the year with a cash balance of $8,665 and ended with $487,558, demonstrating a strengthened liquidity position heading into 2025. Management continues to evaluate financing options while maintaining a focus on regulatory compliance and project advancement. The Company's ability to continue as a going concern depends on its capacity to secure additional funding or generate sufficient cash flows from operations. If adequate funding is not obtained, the Company may need to curtail its development activities or scale back operations. These conditions cast material uncertainty over the Company's ability to continue as a going concern, as further disclosed in Note 1 of the consolidated financial statements.

Financings Completed in 2024
In January 2024, the Company successfully completed a non-brokered private placement for gross proceeds of $1,400,000, amended from its initial December 2023 announcement. Under the amended terms, the Company sold 12,727,272 units at a price of $0.11 per unit, with each unit consisting of one common share and one share purchase warrant exercisable at $0.14 for a period of three years. Net proceeds of $1,378,956 were received after deducting $21,044 in offering-related costs. The Company intends to use the proceeds to advance environmental work at the Scotia Mine and for general working capital.

In October and November 2024, the Company completed a second private placement, issuing 15,374,047 units at a price of $0.11 per unit for gross proceeds of $1,691,145. Each unit consisted of one common share and one share purchase warrant exercisable at $0.14 until October 29, 2027. In connection with this financing, the Company paid $32,255 in cash compensation and issued 293,230 broker warrants, each exercisable into one common share until October 29, 2027.

In April 2024, 114,505 restricted share units (RSUs) with a fair value of $65,000 were exercised and converted into common shares by officers of the Company.

RISK FACTORS

The operations of the Company may require licenses and permits from various local, provincial, and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out mineral exploration, development, or mining operations at its project.

Even if the Company's exploration and development programs are successful, factors beyond the control of the Company may affect the marketability of any minerals discovered. The prices of mineral have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, geopolitical conflicts, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities, and worldwide production levels. The effect of these factors cannot accurately be predicted.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and while retaining ultimate responsibility for them, it has delegated the authority for designing policies and systems that ensure the effective execution of the objectives and policies to the Company's finance function.

(a) Market Risk

Market risk is the risk that changes in market prices will affect the fair value of future cash flows of a financial instrument. Market prices are comprised of three types of risk for the Company: currency risk, interest rate risk, and commodity price risk.

Currency Risk

Currency risk is the risk that fluctuation in exchange rates between the Canadian dollar or other foreign currencies will affect the Company's financial results. The Company's operations and financing activities are conducted primarily in Canadian dollars and as a result, it is not currently exposed to significant foreign currency risk. However, the Company may be exposed to currency risk in the future as the prices for the metals produced by the Company's Scotia Mine, which is currently in care-and-maintenance, are sold throughout the world based principally upon the United States dollar price. The appreciation of the Canadian dollar against the United States dollar may reduce the Company's future revenues relative to the costs at the Company's operations, making such operations less profitable. As a result, currency fluctuations may affect its future operations, operating results, and cash flows when the Scotia Mine is restarted.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest risk arising primarily from its cash held mainly in short-term interest-bearing accounts with Canadian chartered banks. The impact of a change in interest rates is not significant.

Commodity Price Risk

The success of the Company's Scotia Mine and its other prospects will be primarily dependent on the future price of zinc and lead. Metal prices have historically been subject to significant price fluctuation. No assurance may be given that metal prices will remain stable and significant reductions or volatility in metal prices may have an adverse effect on the Company's business, including the economic attractiveness of the Company's projects, the Company's ability to obtain financing and the amount of the Company's revenue or profit or loss. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities, and increases or decreases in production due to improved mining and production methods. The Company does not currently have an operating mine and does not have any derivative commodity contracts or other commodity-based risks in respect of operations.

(b) Credit Risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. To minimize credit risk, cash is deposited in a Canadian chartered bank and may be redeemed on demand and cash held for reclamation is held by government authorities where credit risk is minimal. Amounts receivable primarily consists of GST/HST refunds amounting to $174,540 from the Canadian government. The Company monitors the collectability of its amounts receivable and has not had difficulty collecting amounts receivable. Consequently, management considers credit risk to be minimal.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. The Company reviews its expenditure budgets against actual expenditures routinely to ensure there is sufficient working capital to discharge all financial obligations.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as of the date of this document.

Expressed in Canadian Dollars

DECOMMISSIONING LIABILITY

The Company has estimated the present value of future rehabilitation costs required to remediate the Scotia Mine facility based on its current state. Although the ultimate amount of the rehabilitation liability is uncertain, the best estimate of these obligations is based on information currently available. Significant closure and rehabilitation activities include dismantling and removing facilities, equipment removal, and site remediation.

The total estimated undiscounted cash flow required to settle the Company's rehabilitation obligation as at December 31, 2024, was $14,610,788 (December 31, 2023: $14,161,857). The calculation of the present value of estimated future cash flows assumes a discount rate of 3.17% (2023: 3.17%) and an inflation rate of 2.90% (2023: 2.90%). Rehabilitation expenditures are estimated to be incurred between 2029 and 2032.

The Company is required to post reclamation deposits with various government agencies in respect of its expected rehabilitation obligations.

As at December 31, 2024, a $3,328,393 (2023: $3,007,611) cash bond, including accrued interest, was posted with the Province of Nova Scotia (Department of Natural Resources) in relation to the Scotia Mine rehabilitation requirements.

In addition, the Company has posted a reclamation bond with the Nova Scotia Department of Environment totaling $186,014 (2023: $197,878), including accrued interest. This bond is intended to cover potential replacement costs for domestic water supplies that may be adversely affected by mining operations.

In addition, the Company has a reclamation bond with the Nova Scotia Department of Environment for $23,142 (2023 – $Nil), including accrued interest, which is required to address the potential replacement of domestic water supplies that could potentially be downgraded by mining operations.

Nova Scotia Business Inc. ("NSBI") holds a reclamation bond in the amount of $100,000 (2023: $100,000) related to land previously leased by the Company in Sheet Harbour. Although the lease was terminated during the year ended December 31, 2020, NSBI has withheld the bond pending resolution of any additional remediation costs that may be assessed. The Company is currently disputing the withholding of the bond, maintaining that it has met or exceeded its remediation obligations.

SHARE CAPITAL

As at the date of this MD&A, the Company had the following securities issued and outstanding:

Common Shares	53,390,579	
Stock Options	1,280,000	Exercisable at a price between $0.45 and $0.60
Warrants	32,626,923	Exercisable at a price between $0.14 and $0.75
Share price	$0.06	

There are no restricted stock units ("RSUs") outstanding as of the date of this document.

DISCLOSURE CONTROLS AND PROCEDURES

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that:

(i) the consolidated 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 consolidated financial statements; and

(ii) the consolidated 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 consolidated financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

(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 the issuer's GAAP.

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.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's consolidated financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The consolidated financial statements were prepared by the Company's management in accordance with International Financial Reporting Standards. The consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the consolidated financial statements are presented fairly in all material respects.

CURRENT GLOBAL FINANCIAL CONDITIONS AND TRENDS

Securities of mining and mineral exploration companies, including the common shares of the Company, continue to experience considerable volatility, driven by global macroeconomic conditions rather than company-specific fundamentals. Factors such as fluctuating commodity prices, monetary tightening, and inflationary pressures across OECD countries have significantly influenced capital markets.

As of December 31, 2024, the global economy remains in a period of heightened uncertainty. Most Western economies face persistent inflation, aggressive interest rate policies, and weakened equity markets as valuations correct toward historical norms. Recession risks remain elevated over the next 12 to 24 months.

Positively, the reopening of China's economy and stabilized global supply chains have renewed demand for industrial metals, including zinc and lead. In addition, the continued strength of the U.S. dollar relative to the Canadian dollar—attributable to the U.S. Federal Reserve's sustained monetary tightening—provides a natural economic hedge for the Company's operations. This is particularly beneficial as most of the Scotia Mine's revenues are expected in USD, while costs are incurred in CAD.

Zinc prices remained relatively stable throughout 2024, supported by recovering demand from infrastructure and construction sectors and constrained global inventories. With China's reopening and infrastructure stimulus policies, zinc demand is expected to remain robust. Copper prices have also shown resilience, bolstered by the continued energy transition that is driving demand for electrical applications, EV production, and renewable energy infrastructure. Supply chain limitations and investment gaps in new mines are expected to support sustained copper price strength over the medium to long term.

Although the Company is not a gold producer, the notable rise in gold prices in 2024—driven by investor demand for safe-haven assets—has helped boost overall market sentiment in the metals and mining sector. This broader optimism may indirectly support the Company's valuation and appeal to equity investors.

Moreover, the evolving policy stance of the U.S. Federal Reserve, which is increasingly signaling a pause or potential reversal in rate hikes, may lead to improved financing conditions for junior mining companies. While a moderation in the USD strength could modestly reduce the currency advantage enjoyed by the Company (revenues in USD, costs in CAD), it would likely facilitate capital raising efforts and reignite investor interest across the sector.

Taken together, the commodity market backdrop—characterized by strong fundamentals for zinc and copper, supportive currency dynamics, and improving monetary sentiment—offers a constructive environment for the Company as it advances toward the targeted restart of production at the Scotia Mine in late 2025 / early 2026.

POTENTIAL DILUTION

The issue of common shares of the Company upon the exercise of stock options and/or the warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common 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.

Expressed in Canadian Dollars

DEPENDENCE ON KEY PERSONNEL

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

TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Except as noted, amounts with related parties are non-interest bearing, unsecured, payable on demand and have arisen from the provision of services and expense reimbursements described.

Key Management Personnel Compensation

Management and key personnel compensation is as follows:

Current Board of Directors, Officers and Key Management Personnel	2024	2023
Rajesh Sharma – Director	$12,874	$45,000
Mark Billings – Director	$17,499	$45,990
Ashwath Mehra – Director	-	-
Mark Haywood – Chief Executive Officer	$180,000	$165,934
Kevin Farrell – Former Interim Chief Financial Officer	$70,500	$80,583
Simion Candrea – VP, Investor Relations	-	$44,070
Arnab De – Chief Financial Officer	$13,750	-
Share-based Compensation	$132,435	$325,983
Totals	**$427,058**	**$707,560**

As at December 31, 2024, amounts due to related parties totaled $140,677 (2023 – $178,485) pertaining to amounts payable for key management remuneration, director's fees, and reimbursement of expenses paid on behalf of the Company. During the year ended December 31, 2024, the directors, officers and other related parties subscribed for 6,386,637 shares in the Company.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

PROPOSED TRANSACTIONS

There are no proposed other transactions as of the date of this document.

EVENTS OCCURING AFTER THE REPORTING DATE

The Company issued 1,045,455 Restricted Stock Units in March 2025 that were fully exercised.

The Company granted 1,000,000 stock options to the CEO on February 12, 2025.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Financial statements in conformity with IFRS require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates. A full description of the Company's significant accounting policies may be found in Note 3 of the Company's December 31, 2024, audited consolidated financial statements. A summary of the Company's critical accounting estimates is set out below.

Exploration and Evaluation Assets and Property, Plant and Equipment

The Company reviews capitalized costs on its property interests on a periodic, or annual, basis and will determine whether any persuasive evidence exists that indicates impairment. In assessing impairment of exploration and evaluation properties, and associated property, plant and equipment, management makes certain assumptions about whether the capitalized costs are unlikely to be recovered in full from successful development or by sale.

Decommissioning Liability

The Company conducts its operations in compliance with applicable laws and regulations governing protection of the environment. Reclamation and remediation obligations arise throughout the life of the Scotia Mine. The Company estimates future reclamation costs based on the level of current activity and estimates of costs required to fulfill its future obligations.

Share-based payments and Warrant Values

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and employees and to estimate the fair value of warrants issued in connection with private placements. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based payment calculation value.

FINANCIAL AND OTHER INSTRUMENTS

The carrying values of cash, amounts receivable, cash held for reclamation, accounts payable and accrued liabilities, and amounts due to related parties approximate their fair value due to the short-term nature of these instruments, or in the case of reclamation deposits, the rate of interest being applied on the funds

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Office and General expenses for the years ended December 31, 2024 and 2023 are comprised of the following:

Expressed in Canadian Dollars

	2024	**2023**
	$	**($)**
Bank Charges	628	1,683
Computer and Information Technology	6,953	13,887
Insurance	40,723	57,133
Travel	47,577	14,045
Property Tax	0	42,128
Utilities	20,165	14,050
Repairs and Maintenance	7,328	18,129
General and Other	114,342	52,243
	237,716	**213,298**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ (www.sedarplus.ca).

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements within the meaning of Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the closing of the Transaction, the future price of metals, the estimation of Mineral Reserves and Resources, the realization of Mineral Reserve and Resource estimates, the timing and amount of estimated future production, costs of production and capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the possibility of title disputes or claims, limitations on insurance coverage, and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words 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 and other information contained in this MD&A concerning the mining industry and our general expectations concerning the mining industry are based on estimates prepared by us using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which we believe to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While we are not aware of any misstatements regarding any industry data presented in this MD&A, the mining industry involves risks and uncertainties and is subject to change based on various factors. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its 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, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things, our ability to carry on exploration and development activities, the timely receipt of required approvals, the price of zinc, lead and other metals, our ability to operate in a safe, efficient and effective manner and our ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may have been used.*

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to operations; risks associated with current exploration and development activities; uncertainties associated with conclusions of economic evaluations; changes in project parameters as plans continue to be refined; assumptions related to the future prices of metals; possible variations in Mineral Reserves or Mineral Resources, the grade of contained metals or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; and risks related to joint venture operations. Although we have attempted to identify important factors that could affect us and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking 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 forward-looking statements in this MD&A speak only as of the date of this MD&A. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this MD&A to reflect the occurrence of unanticipated events save and except as required by applicable securities laws.