ARIZONA METALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR YEARS ENDED DECEMBER 31, 2023 AND 2022

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Arizona Metals Corp. ("AMC" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2023 and 2022. 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 consolidated financial statements of the Company for the years ended December 31, 2023 and 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Additional information, including the Company's news releases and annual information form for the year ended December 31, 2023, has been filed electronically through SEDAR+ at www.sedarplus.ca. Information contained herein is presented as of April 2, 2024, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), 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 the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Description of Business

The Company is a mineral exploration company based in Toronto, Ontario, focusing on the exploration and development of mineral resource properties in Arizona. The Company's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol "AMC" and on the OTCQX under the symbol "AZMCF". On October 13, 2022, the Company's common shares were delisted from the TSX Venture Exchange (the "TSX-V") upon graduation to the TSX.

AMC owns, through its wholly-owned subsidiaries, 100% of the Kay Mine Project (the "Kay Mine Project" or "Kay")), located in Yavapai County, Arizona, USA and 100% of the Sugarloaf Peak Gold Project (the "Sugarloaf Peak Project") located in La Paz County, Arizona, USA.

Mineral Exploration Properties

The technical information contained in this MD&A has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* ("NI 43-101") and reviewed and approved by David Smith, CPG, Vice-President of Exploration of the Company and a "Qualified Person" as defined under NI 43-101.

Kay Mine Project

The Company, through its wholly-owned subsidiary, owns 100% of approximately 1,330 acres of patented and unpatented claims covering and surrounding the past-producing Kay VMS deposit (the "Kay Deposit"), located in Yavapai County, Arizona, approximately 50 miles north of Phoenix.

As at December 31, 2023, the Company has completed a total of approximately 99,000 metres at the Kay Mine Project since inception of drilling, including a successful completion of its Phase 2 expansion drill program of 75,000 metres.

The Phase 3 drill program will test the numerous parallel targets heading west of the Kay Deposit, as well as the possible northern and southern extensions of the Kay Deposit. Drilling has commenced at the Central and Western targets.

Current Plans Related to the Kay Mine Project

The Company completed its Phase 2 expansion drill program in June 2023 and has drilled 16,000 metres of the 76,000-metre Phase 3 drill program at the Kay Mine Project. The following table summarizes the expenditures by the Company on the Phase 3 expansion drill program to December 31, 2023, and the total estimated costs to completion of the Phase 3 drill programs:

Kay Mine Project Work Plans	Planned Expenditures (1) (rounded) $	Incurred as at December 31, 2023 (rounded) $	Estimated Remaining Expenditures (rounded) $
Phase 2 expansion drill program (HQ core drilling, all-in cost)	35,638,000	35,638,000	Nil
Phase 3 expansion drill program (HQ core drilling, all-in cost)	32,300,000	10,257,000	22,043,000
Total other exploration expenditures (2)	6,100,000	2,993,000	3,107,000
TOTAL	**74,038,000**	**48,888,000**	**25,150,000**

Notes:
(1) Expenditures to the completion of the Phase 3 expansion drilling program based on management's best estimates as at the date of this MD&A. See below under the heading "*Liquidity and Capital Resources*" for a comparison between prior disclosure of estimated use of proceeds from the bought-deal private placement offering (the "April 2021 Offering") of 10,000,000 special warrants of the company at a price of $2.10 per special warrant and the bought-deal offering (the "November 2021 Offering") of 11,725,000 common shares at a price of $4.25 per common share by way of short form prospectus (the "November 2021 Short Form Prospectus") and current management estimates of costs and expenditures to completion of the Phase 2 and Phase 3 expansion drill programs and a discussion of the causes and impact of any variances.
(2) Includes resource and geological mapping, geochemical and geophysical work on additional targets, metallurgical test work, permitting, environmental costs, and concession, but does not include acquisition costs or general corporate and administrative expenses (including salaries, corporate consulting fees, insurance and professional fees).

In August 2023, the Company entered into a purchase and sale agreement with an arm's length party to acquire 100% of a private land parcel, located 950 metres northeast of its Kay Mine Project. The property includes the surface, mineral, and water rights, among other rights and benefits. The purchase price was $3,422,174 (US$2,500,000) and the purchase was completed in December 2023.

Sugarloaf Peak Project

The Company, its wholly-owned subsidiary, owns 100% of the Sugarloaf Peak Project, which is located on 4,412 acres of BLM claims in La Paz County, Arizona.

Current Plans Related to the Sugarloaf Peak Project

The Company completed metallurgical testing on the results from its Phase 1 drill program at the Sugarloaf Peak Project, which achieved gold bottle-roll recoveries averaging 76% with oxide material recoveries as high as 95%. Additional column testing of the oxide material achieved up to 90% recoveries. For the sulphide composites, two low-cost flow sheets were considered: 1) whole ore leach; and 2) bulk floatation followed by fine grinding. Both these tests yielded gold recoveries of up to 85%. A comprehensive Phase 2 drill program and budget is being formulated with the intention of commencing work when the gold resource capital markets improve.

Sugarloaf Work Plans	Planned Expenditures(1) (rounded) $	Incurred as at December 31, 2023 (rounded) $	Estimated Remaining expenditures (rounded) $
Care and maintenance (2)	150,000	143,000	7,000
Metallurgical testing	434,000	434,000	Nil
TOTALS	**584,000**	**577,000**	**7,000**

Notes:
(1) Based on management's best estimates as at the date of this MD&A. See below under the heading "*Liquidity and Capital Resources*" for a comparison between prior disclosure of estimated use of proceeds from the November 2021 Offering and current management estimates, and a discussion of the causes and impact of any variances.
(2) Includes concession fees paid to the Bureau of Land Management. Estimated cost through September 2024.

Operational Highlights

During the year ended December 31, 2023, 482,500 stock options were exercised for gross proceeds of $143,150.

On April 21, 2023, the Company granted 349,500 stock options to directors and consultants of the Company with exercise price of $4.25 per share, expiring in 5 years. The options vest 1/3 on grant date, 1/3 on the one year anniversary of the grant date, and 1/3 on the two year anniversary of the grant date.

On April 21, 2023, the Company granted 232,500 RSUs to directors and consultants of the Company under the terms of the Company's RSU Plan. The RSUs vest 1/3 on the one year anniversary of the grant date, 1/3 on the two year anniversary of the grant date, and 1/3 on the third year anniversary of the grant date.

On June 5, 2023, the Company announced the appointment of Morgan Knowles as Vice President of Investor Relations. The Company also granted her 25,000 stock options with exercise price of $3.39 per share, expiring in 5 years. The options vest 1/2 on 3 month anniversary of the grant date and 1/2 on the one year anniversary of the grant date.

On June 27, 2023, Katherine Arnold and Mike Pilmer were appointed as independent members of the Board of Directors of the Company. Mike Pilmer also serves as Chair of the Audit Committee and replaced Colin Sutherland, who has resigned. Rick Vernon was also appointed as the Lead Independent Director.

On July 6, 2023, the Company granted 40,000 stock options to directors of the Company with exercise price of $3.10 per share, expiring in 5 years. The options vest 1/3 on grant date, 1/3 on the one year anniversary of the grant date, and 1/3 on the two year anniversary of the grant date. The Company also granted 30,000 RSUs to the directors of the Company. The RSUs vest 1/3 on the one year anniversary of the grant date, 1/3 on the two year anniversary of the grant date, and 1/3 on the third year anniversary of the grant date.

Selected Annual Financial Information

The following is selected financial data derived from the audited consolidated financial statements of the Company as at December 31, 2023, 2022, and 2021 and for the years then ended.

Description	Year Ended December 31, 2023 $	Year Ended December 31, 2022 $	Year Ended December 31, 2021 $
Total revenues	Nil	Nil	Nil
Total loss (1)(2)	(24,348,031)	(24,514,748)	(19,617,091)
Net loss per common share – basic and diluted (3)(4)	(0.21)	(0.22)	(0.23)

Description	As at December 31, 2023 $	As at December 31, 2022 $	As at December 31, 2021 $
Total assets	31,559,520	53,282,520	57,277,503
Total non-current financial liabilities	Nil	Nil	Nil
Distribution or cash dividends (5)	Nil	Nil	Nil

Notes:
(1) Loss from continuing operations attributable to owners of the parent, in total;
(2) Loss attributable to owners of the parent, in total;
(3) Loss from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis;
(4) Loss attributable to owners of the parent, on a per-share and diluted per-share basis; and
(5) Declared per-share for each class of share.

Summary of Quarterly Information

Three Months Ended	Total Revenue $	Profit or Loss: Total $	Profit or Loss: Basic and Diluted Loss Per Share $ [(9)]
March 31, 2022	-	(8,135,336) [(1)]	(0.08)
June 30, 2022	-	(6,379,342) [(2)]	(0.06)
September 30, 2022	-	(4,931,049) [(3)]	(0.04)
December 31, 2022	-	(5,069,021) [(4)]	(0.04)
March 31, 2023	-	(3,964,121) [(5)]	(0.03)
June 30, 2023	-	(5,645,571) [(6)]	(0.05)
September 30, 2023	-	(5,063,948) [(7)]	(0.04)
December 31, 2023	-	(9,674,391) [(8)]	(0.08)

(1) Net loss of $8,135,336 includes salaries and benefits of $179,713, exploration and evaluation expenditures of $5,338,895, office and general of $112,430, professional fees of $60,574, business development of $77,287, share-based payments of $2,267,986, and filing fees of $94,090.

(2) Net loss of $6,379,342 includes salaries and benefits of $902,233, exploration and evaluation expenditures of $4,778,330, office and general of $181,743, professional fees of $138,533, business development of $73,899, share-based payments of $221,947, and filing fees of $77,339.

(3) Net loss of $4,931,049 includes salaries and benefits of $219,909, exploration and evaluation expenditures of $4,118,168, office and general of $141,009, professional fees of $33,356, business development of $125,425, share-based payments of $221,947, and filing fees of $65,917.

(4) Net loss of $5,069,021 includes salaries and benefits of $576,319, exploration and evaluation expenditures of $3,875,793, office and general of $120,337, professional fees of $95,282, business development of $181,416, share-based payments of $221,947, filing fees of $219,809, and interest income of $227,200.

(5) Net loss of $3,964,121 includes salaries and benefits of $240,302, exploration and evaluation expenditures of $3,740,076, office and general of $49,121, professional fees of $59,128, business development of $81,382, share-based payments of $123,304, filing fees of $79,417, and interest income of $419,929.

(6) Net loss of $5,645,571 includes salaries and benefits of $1,069,896, exploration and evaluation expenditures of $3,864,137, office and general of $127,467, professional fees of $103,537, business development of $88,948, share-based payments of $563,671, filing fees of $198,516, and interest income of $386,443.

(7) Net loss of $5,063,948 includes salaries and benefits of $265,770, exploration and evaluation expenditures of $4,286,545, office and general of $184,746, professional fees of $103,175, business development of $94,575, share-based payments of $487,289, filing fees of $39,915, and interest income of $413,909.

(8) Net loss of $9,674,391 includes salaries and benefits of $719,288, exploration and evaluation expenditures of $8,658,410 which includes $3,422,174 paid for the acquisition of private land parcel, office and general of $250,038, professional fees of $65,059, business development of $166,916, share-based payments of $380,645, filing fees of $13,906, and interest income of $599,441.

(9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing property drill programs and the timing and results of the Company's exploration activities on its current properties. There are no general trends regarding the Company's quarterly results, and the Company's business of mineral exploration is not seasonal. Quarterly results can vary significantly depending on whether the Company has granted any stock options or paid any employee bonuses, and these are factors that account for material variations in the Company's quarterly net losses. General operating costs other than the specific items noted above tend to be quite similar from period to period.

Discussion of Operations

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

For the three months ended December 31, 2023, the Company's net loss was $9,674,391 (2022 – net loss of $5,069,021). The increase in net loss is a result of the following:

- Salaries and benefits increased to $719,288 for the three months ended December 31, 2023 (2022 - $576,319) due to increased management bonuses accrued.
- Exploration and evaluation expenditures increased to $8,658,410 for the three months ended December 31, 2023 (2022 - $3,875,793) due to the acquisition of private land parcel and increased drilling work done at the Kay Mine Project.
- Office and general increased to $250,038 for the three months ended December 31, 2023 (2022 - $120,337) mainly due to increased travel.
- Share-based payments increased to $380,645 for the three months ended December 31, 2023 (2022 - $221,947). Share-based payments will vary based on the vesting of stock options and RSUs.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

For the year ended December 31, 2023, the Company's net loss was $24,348,031 (2022 – net loss of $24,514,748). The decrease in net loss is a result of the following:

- Share-based payments decreased to $1,554,909 for the year ended December 31, 2023 (2022 - $2,933,827). Share-based payments will vary based on the vesting of stock options and RSUs.
- Interest income increased to $1,819,722 for the year ended December 31, 2023 (2022 - $227,200) due to interest earned on the Company's investments.
- This was partially offset by:
    - Exploration and evaluation expenditures increased to $20,549,168 for the year ended December 31, 2023 (2022 - $18,111,186) due to the acquisition of private land parcel and increased drilling work done at the Kay Mine Project.
    - Salaries and benefits increased to $2,295,256 for the year ended December 31, 2023 (2022 - $1,878,174) due to increased management bonuses accrued.

Capital Management

The Company manages its capital with the objective of ensuring sufficient financial flexibility to achieve the ongoing business objectives, including primarily the completion of its mineral exploration programs, and also maintain flexibility insofar as funding of future growth opportunities and the pursuit of accretive acquisitions, if identified and deemed appropriate.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company includes equity, comprising issued share capital, reserves and deficit, in the definition of capital, which as at December 31, 2023, totaled $30,024,791 (December 31, 2022 - $52,674,763).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors.

As the Company does not have a credit facility, the Company is not currently subject to any capital requirements imposed by a lending institution or regulatory body. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

There were no changes in the Company's process, policies and approach to capital management during the period ended December 31, 2023.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than TSX which requires at least $350,000 of exploration and/or development work that is acceptable to the TSX, and adequate working capital and an appropriate capital structure to carry on its business. As of December 31, 2023, the Company believes it is compliant with the policies of the TSX.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Commitments and Contingencies

Environmental Contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management Contracts

The Company is party to certain employment contracts. These contracts require that additional payments of approximately $3,200,000 be made upon the occurrence of a change of control or $1,600,000 upon termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in the Company's consolidated financial statements. The minimum amount due in one year pursuant to these contracts is $800,000.

Liquidity and Capital Resources

At December 31, 2023, the Company had $550,399 in cash and $29,546,734 in investments (December 31, 2022 - $6,958,183 in cash and $45,227,200 in investments). Investments can be liquidated if the Company deems it prudent to do so.

At December 31, 2023, accounts payable and accrued liabilities were $1,534,729 (December 31, 2022 - $607,757). The Company's working capital as at December 31, 2023 is sufficient to pay these liabilities.

The Company has no operating revenues and therefore must utilize its funds from financing transactions to maintain its capacity to meet ongoing operating activities.

As of December 31, 2023 and to the date of this MD&A, the cash resources of the Company are held with one Canadian chartered bank. The Company has no variable interest rate debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

Cash used in operating activities was $22,418,714 for the year ended December 31, 2023. Operating activities were affected by a net loss of $24,348,031 offset partially by share-based payments of $1,554,909, depreciation of $62,574, accrued interest of $397,652, and the net change in non-cash working capital balances of $709,486 due to the changes in sales tax recoverable, prepaid expenses and deposits, and accounts payable and accrued liabilities.

Cash provided by investing activities was $15,867,780 for the year ended December 31, 2023. Investing activities included redemption of investments of $101,305,375, partially offset by purchase of property and equipment of $210,338 and purchase of investments of $85,227,257.

Cash provided by financing activities was $143,150 for the year ended December 31, 2023 from proceeds from exercise of stock options.

As of December 31, 2023, based on current projections, the Company's working capital of $28,986,455 is sufficient to meet its planned business objectives. The table below outlines the Company's previously disclosed planned use of net proceeds of financings (other than working capital) in the short form prospectus related to the April 2021 Offering (the "April 2021 Short Form Prospectus") and the November 2021 Short Form Prospectus, the actual expenditures as at December 31, 2023, the current estimate of expected remaining expenditures to the completion of the Phase 3 expansion drill program at the Kay Mine Project, and the Company's estimate of expected expenditures through December 31, 2024.

Use of Capital	Prior (2021) Estimated Expenditures $	Current Estimated Expenditures [1] $	Spent as at December 31, 2023 $	Estimated Remaining Expenditures $	Estimated Remaining Expenditures until December 31, 2024 $
Exploration Expenditures – Kay Mine Project					
Phase 2 expansion drilling (all-in cost)	25,560,000 [2]	35,638,000	35,638,000	Nil	Nil
Phase 3 expansion drilling (all-in cost)	26,707,000 [3]	32,300,000	10,257,000	22,043,000	12,080,000
Other Exploration Expenditures [4]	6,100,000	6,100,000	2,993,000	3,107,000	1,760,000
– Sugarloaf Peak Project					
Care and maintenance [3][5]	150,000	150,000	143,000	7,000	7,000
Metallurgical testing [3]	250,000	434,000	434,000	Nil	Nil
TOTALS	**58,767,000**	**74,622,000**	**49,465,000**	**25,157,000**	**13,847,000**

Notes:

(1) Expenditures to the completion of the Phase 3 expansion drill program based on the best estimate of management as at the date of this MD&A.
(2) As originally estimated and disclosed in the April 2021 Short Form Prospectus.
(3) As originally estimated and disclosed in the November 2021 Short Form Prospectus.
(4) Includes resource and geological mapping, geochemical and geophysical work on additional targets, metallurgical test work, permitting, and environmental costs, but does not include acquisition costs or general corporate and administrative expenses (including salaries, corporate consulting fees, insurance and professional fees). The amount includes estimated use of proceeds for other exploration expenditures in connection with the completion of the Phase 2 expansion drill program as disclosed in the April 2021 Short Form Prospectus ($750,000) and estimated use of proceeds for other exploration expenditures in connection with the completion of the Phase 3 expansion drill program as disclosed in the November 2021 Short Form Prospectus ($5,350,000).
(5) Care and maintenance includes primarily payment of concession fees to the Bureau of Land Management through September 2024.

Increased estimated costs are as a result of industry-wide cost inflation in both material and labour, fluctuations in exchange rates, and a variety of other factors. In particular, exploration success at depth in the Phase 2 expansion drill program resulted in drilling of more holes at depth than originally planned (deeper holes are higher cost) as well as more directional drilling from branch holes. Inflation in fuel prices also increased logistical costs associated with drilling. However, the Company does not expect that the variances will impact the ability of the Company to achieve its stated business objectives and milestones.

Use of Capital	Current Total Estimated Expenditures $[1]	Expenditures as at December, 2023 $[2]	Current Estimated Remaining Expenditures until December 31, 2024 $[3]
General corporate expenses [1]	11,485,000	7,845,000	1,820,000

Notes:

(1) Estimate of total general, corporate and administrative expenses to be incurred from January 2021 to December 31, 2025.

(2) The amount spent on general, corporate and administrative expenses for the period beginning on January 1, 2021 up to December 31, 2023.
(3) Estimate of general, corporate and administrative expenses from the date of this MD&A to December 31, 2024.

Trends and Economic Conditions

Management regularly monitors economic financial market conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Until recently, equity markets in the junior resource exploration sector have been difficult. To date, the Company has been able to raise sufficient capital to fund exploration programs on both properties. The global economy is currently characterized by increased volatility and uncertainty.

Apart from these factors and the risk factors noted under the headings "Risk Factors" and "Commitments and Contingencies", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Transactions with Related Parties

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Remuneration of directors and key management personnel of the Company was as follows:

	Year Ended December 31, 2023 $	Year Ended December 31, 2022 $
Salaries and benefits	2,142,292	1,549,846
Share-based payments	1,001,679	1,484,966
Professional fees (i)	50,711	51,329
Legal fees (ii)	165,891	166,139
	3,360,573	**3,252,280**

As at December 31, 2023, $350,000 (December 31, 2022 - $nil) was owed to officers and directors of the Company and this amount was included in accounts payable and accrued liabilities.

(i) Included in professional fees is $50,711 (2022 - $51,329) paid to Marrelli Support Services Inc. ("MSSI") for an employee of MSSI to act as the Chief Financial Officer ("CFO") of the Company and provide bookkeeping services.

(ii) A director of the Company is a partner in a law firm that provides services on a recurrent basis to the Company. During the year ended December 31, 2023, the Company incurred legal fees of $165,891 (2022 - $166,139) included in professional fees to this law firm.

Subsequent Events

On January 22, 2024, the Company announced that it intends to create two new companies through the spin-out of the Sugarloaf Peak Gold Project and two newly-created royalties on its Kay Mine Project. The first company, expected to be named "Sugarloaf Gold Corp.", will be transferred shares of the Company's wholly-owned subsidiary, Croesus Gold USA Corp. The second company, expected to be named "Arizona Royalties Corp.", will hold a newly-created 2% net smelter royalty ("NSR") on any potential future mineral production at the Company's Kay Mine Deposit, as well as a newly-created 2% NSR royalty on all future potential mineral production from any new deposits discovered through the Company's ongoing exploration activities at the Kay Mine Project. It is expected that the Company will retain a 19.9% ownership in shares of Sugarloaf Gold Corp. and Arizona Royalties Corp. with the remaining shares being distributed to the Company's shareholders on a pro rata basis.

On January 25, 2024, the Company granted the following:

- 1,000,000 stock options to directors, consultants and employees of the Company with an exercise price of $2.10 per share, expiring in 5 years. The options vest 1/2 immediately, 1/4 on January 25, 2025, and 1/4 on January 25, 2026;
- 522,000 RSUs to officers and consultants of the Company. The RSUs vest 1/3 on the one year anniversary of the grant date, 1/3 on the two year anniversary of the grant date, and 1/3 on the third year anniversary of the grant date; and
- 152,000 DSUs to directors of the Company. The DSUs vest 1/3 on the one year anniversary of the grant date, 1/3 on the two year anniversary of the grant date, and 1/3 on the third year anniversary of the grant date.

Subsequent to December 31, 2023, a total of 2,349,500 stock options with exercise prices ranging from $0.20 to $0.30 were exercised for aggregate gross proceeds of $604,850.

Share Capital

As at the date of this MD&A, 118,841,804 common shares, 5,239,500 stock options, 784,500 RSUs, and 152,000 DSUs were issued and outstanding.

Cumulative Exploration and Evaluation Expenditures

The Company has incurred cumulative exploration and evaluation expenditures to December 31, 2023 as follows:

	Kay $	Sugarloaf Peak $	Total $
Acquisition	7,327,476	2,575,075	9,902,551
Concession fees	100,617	369,048	469,665
Legal fees	529,181	8,668	537,849
Consulting	2,764,379	591,506	3,355,885
Camp costs	609,995	Nil	609,995
Drilling	47,763,143	557,263	48,320,406
Assays	1,989,193	92,213	2,081,406
Storage	34,238	5,928	40,166
Total	**61,118,222**	**4,199,701**	**65,317,923**

Risk Factors

The following are certain risk factors relating to the business of the Company. The following information is a summary only of certain risk factors. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

Exploration, Development and Operating Risks

Mining and exploration operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

The exploration for and development of mineral deposits involves significant risks which may not be eliminated even with a combination of careful evaluation, experience and knowledge. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations on prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted but their combination may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company on the search and evaluation of precious metals and other minerals will result in discoveries of commercial quantities of ore or other minerals.

Exploration Properties Title

Although the title to the properties in which the Company holds an interest was reviewed by or on behalf of the Company, no formal title opinions were delivered to the Company and, consequently, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects.

Competition May Hinder Corporate Growth

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies for the acquisition of properties producing, or capable of producing, precious and base metals, as well as for the recruitment and retention of qualified employees and contractors Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties or skilled resources on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital

The development and exploration of the Company's properties may require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices

The price of the common shares, the Company's financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of commodities. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major commodity-producing countries throughout the world. The price of commodities has fluctuated widely in recent years, and future serious price declines could cause continued development of the Company's properties to be impracticable. Future production from the Company's properties is dependent on commodity prices that are adequate to make these properties economic.

In addition to adversely affecting the Company's reserve and/or resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets,

environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities on present and future properties in the manner contemplated, and its ability to continue to explore, develop and operate those properties in which it has an interest or for which it has obtained exploration and development rights to date.
Although the Company believes that its exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Political Risks

All of the Company's current operations are conducted in Arizona and Ontario, and as such, are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, renegotiation or nullification of existing concessions, licenses, permits and contracts, and changes in taxation policies.

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the state of Arizona or province of Ontario may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Labour and Employment Matters

While the Company has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Adverse changes in such legislation may have a material adverse effect on the Company's business, results of operations and financial condition.

Market Price of Common Shares

Securities of micro- and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in commodity prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not continue to follow the Company; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously completed private placements at prices per share which are from time to time lower than the market price of the common shares. Accordingly, a significant number of shareholders of the Company have an investment profit in the common shares of the Company that they may seek to liquidate.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Ontario) and other applicable laws.

Management

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisers in supervising and providing for the effective management of the business of the Company. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.

Additionally, directors and officers of the Company may also serve as directors and/or officers of other public companies from time to time.

Consequently, such directors and officers will be dividing their time between their duties to the Company and their duties to their other reporting issuers.

The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

Permitting Matters

The Company's operations are subject to receiving and maintaining permits and licenses from appropriate governmental authorities from time to time. Although the Company currently has all required permits and licenses for its operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits and licenses for the existing operations or additional permits or licenses for all future new operations. Prior to any development on any of its properties, the Company must receive permits and licenses from appropriate governmental authorities. There can be no assurance that the Company will receive and/or continue to hold all permits and licenses necessary to develop or continue operating at any particular property, or that any such licenses or permits awarded will not be cancelled pursuant to applicable legislation.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in exploration, development, monetary losses and possible legal liability.

The Company currently maintains directors' and officers' liability insurance and general liability insurance in such amounts as it considers to be reasonable. Accordingly, the insurance of the Company does not cover the potential risks associated with a mineral exploration company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production may not be generally available to the Company or to other companies in the mineral exploration industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and/or mineral exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new mineral exploration properties.

Infrastructure

Mineral exploration, processing, development and related activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

No History of Mineral Production

There is no assurance that commercial quantities of minerals will be discovered at any of the Company's current or future properties, nor is there any assurance that the exploration programs thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any of the Company's properties will ever be brought to a stage where mineral resources can profitably be produced thereon. Factors which may limit the ability of the Company to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources for which the Company is exploring, availability of additional capital and financing and the nature of any mineral deposits.

Cybersecurity Risks

The information systems of the Company and any third-party service providers and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The operations of the Company and its service providers depend, in part, on how well networks, equipment, information technology ("IT") systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Company or its service providers are unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity event such as cable cuts, power loss, hacking, computer viruses and theft could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the reputation and results of operations of the Company. While the Company implements protective measures to reduce the risk of and detect cyber incidents, cyber-attacks are becoming more sophisticated and frequent, and the techniques used in such attacks change rapidly.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets and liabilities. The Company is not exposed to significant interest rate risk as the Company has no variable interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in commodity and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Foreign Currency Risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than the functional currency of the entity party to the transaction. The Company holds most of its currency in Canadian dollars and incurs a significant amount of its exploration costs in United States dollar. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations. As at December 31, 2023, the Company is not subject to any significant impact as a result of changes in foreign exchange rates.

Interest Rate Risk

The Company has no interest-bearing debt, and no short-term investments as at December 31, 2023 and is not subject to any significant impact on the cash balance as a result of changes in interest rates.

Credit Risk

The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentrating with respect to cash, amounts receivable and related party balances is remote.

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, evaluated the design and operating effectiveness of the Company's disclosure controls and procedures as at December 31, 2023. Based on that evaluation, the CEO and the CFO concluded that the design and operation of these disclosure controls and procedures were effective as at December 31, 2023 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities and that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation was recorded, processed, summarized and reported within the periods specified in securities legislation.

Internal Controls over Financial Reporting

The CEO and the CFO, with the assistance of management, conducted an evaluation of the effectiveness of the Company's internal controls over financial reporting as at December 31, 2023. Based on the evaluation, the CEO and the CFO have concluded that as at December 31, 2023, the Company's internal control over financial reporting is effective, based on the criteria set forth in the *Internal Control – Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control.

The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected. Therefore, no matter how well-designed, ICFR has limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

The Company assesses internal controls over financial reporting on an ongoing basis and, where determined appropriate, proactively implements enhancements to the design of controls required to support anticipated changes to and growth of the business. Due to operational, financial and administrative changes which may occur as the Company evolves beyond an early-stage exploration company, changes will be required to the Company's internal controls over financial reporting in order to maintain reasonable assurance regarding the reliability of the Company's financial reporting and preparation of financial statements.

As at the end of the period covered by this MD&A and accompanying Financial Statements, the Company's management evaluated the effectiveness of its disclosure controls. Based on that evaluation, the CEO and the CFO have concluded that the Company's disclosure controls and procedures and internal controls over financial reporting, provide reasonable assurance that they were effective for the covered period. There have been no changes in our internal control over financial reporting during the period ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Critical Accounting Estimates

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Significant accounting estimates and assumptions as well as significant judgements in applying the Company's accounting policies are detailed in the notes to the audited consolidated financial statements for the years ended December 31, 2023 and 2022, filed on SEDAR+ at www.sedarplus.ca.

Forward-Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-

looking statements include statements regarding the future price of commodities, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- *general business and economic conditions;*
- *the supply and demand for, deliveries of, and the level and volatility of prices of commodity, base metals, as well as petroleum products;*
- *the availability of financing for the Company's development of their projects on reasonable terms;*
- *the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;*
- *the ability to attract and retain skilled staff;*

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.