SILVER SPRUCE RESOURCES INC.

Management Discussion and Analysis
For the three months ended January 31, 2025

This discussion and analysis (MD&A) of the financial position and results of operations of Silver Spruce Resources Inc. (the Company) is prepared and has been approved by the Board of Directors as at March 27, 2025 and is a review of the financial condition as at January 31, 2025, and results of operations for the quarter ended January 31, 2025. This MD&A should be read in conjunction with the Company's consolidated financial statements and notes for the year ended October 31, 2024.

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. Several important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made.

In particular, forward looking comments regarding both the Company's plans and operations included in the "Company Overview" with respect to management's planned exploration and other activities, and in "Liquidity", and "Commitments" regarding management's estimated ability to fund its projected costs of exploration work and general corporate costs of operations, and its ability to raise additional funding through placement of the Company's common shares, are plans and estimates of management only and actual results and outcomes could be materially different.

The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability; public health crises such as the COVID-19 pandemic and other uninsurable risks; actual results of current exploration activities; unanticipated reclamation expenses; fluctuations in prices of base and precious metals; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates, as well as other factors

Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available on the Company's website at www.silverspruceresources.com or through the SEDAR+ website at [www.sedarplus.ca.](http://www.sedarplus.ca)

Company Overview

Silver Spruce Resources Inc. (the "Company" or "Silver Spruce") is a junior exploration company headquartered in Bedford, Nova Scotia. The Company is focused on exploration for precious and base metals. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "SSE", the OTCQB under the symbol "SSEBF and the Frankfurt Stock Exchange under the symbol "S6Q".

The Company is focusing its business activities on exploring and advancing properties to maximize benefit to shareholders.

- The Company has an option to acquire a 100% interest in Pino de Plata, a 397-hectare property in the southwest corner of the state of Chihuahua, Mexico.

- In November 2022, the Company amended its definitive agreement with the vendor to acquire 100% interest in three additional properties contiguous to the Marilyn and Till Properties located in Newfoundland and Labrador, Canada comprising 242 claims and totaling 6,040 hectares.

- In January 2023, the Company filed its technical report with Minera Bimsa SA de CV, earned a 25% interest in Diamante 1 and 2 with Colibri Resource Corp. via Yaque Minerales and is in discussions to increase Silver Spruce ownership up to 50%.

- In February 2024, the Company completed its acquisition of a 100% interest in Melchett Lake Project, a precious and base metal project in Thunder Bay mining district, Northern Ontario, Canada.

As at January 31, 2025, cash reserves, totaled $1,236. The Company’s future performance is largely tied to the outcome of future exploration and its financial markets. The recoverability of minerals from the Company’s properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its properties and upon future profitable production.

Expenditures on Mineral Properties

The table below outlines project exploration expenditures for the three months ended January 31, 2025 and 2024.

	2025	**2024**
	$	$
Pino de Plata	**-**	1,000
Melchett Lake	**-**	8,000
Jackie	**-**	-
Diamante	**-**	500
Mystery, Marilyn & Till	**15,525**	146,409
Total	**15,525**	155,909

Selected Quarterly Information

The table below outlines selected financial information related to the Company’s most recent eight quarters, accompanied by the applicable comparative period information.

	January 31, 2025	**October 31, 2024**	**July 31, 2024**	**April 30, 2024**
	$	**$**	**$**	**$**
Net loss	**133,882**	**119,218**	**166,103**	**419,235**
Net loss per share -basic and diluted	**0.00**	**0.00**	**0.00**	**0.00**
	January 31, 2024	**October 31, 2023**	**July 31, 2023**	**April 30, 2023**
	$	$	$	$
Net loss	257,226	228,294	246,738	366,315
Net loss per share -basic and diluted	0.00	0.00	0.00	0.00

Results of operations can vary significantly by quarter as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by the level of working capital and the availability of external financing,

For the three months ended January 31, 2025, the Company had a net loss of $133,882 (2024 – $257,226) and a loss per share of $0.00 (2024 - $0.00).

The difference is the result of: exploration and evaluation expenditures decreased by $140,384, from $155,909 for the three months ended January 31, 2024 to $15,525 for the three months ended January 31, 2025.

Quarterly Expenditures on Mineral Properties

During the quarter ended April 30, 2024, and the quarters ended January 31, 2024, October 31, 2023 and July 31, 2023 and the comparative periods, the Company incurred the following expenditures on exploration:

	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024
	$	**$**	**$**	**$**
Melchett Lake	**-**	**-**	**10,535**	**143,089**
Jackie	**-**	**7,010**	**-**	**9,479**
Mystery, Marilyn & Till	**15,525**	**45**	**3,235**	**84,578**
Diamante	**-**	**5,000**	**-**	**18,473**
Pino de Plata	**-**	**7,323**	**7,044**	**6,620**

	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023
	$	$	$	$
Melchett Lake	8,000	8,900	6,700	26,600
Jackie	-	9,062	-	-
Mystery, Marilyn & Till	146,409	99,192	15,710	54,668
Diamante	500	4,812	170,250	-
Pino de Plata	1,000	17,922	-	833

PROJECTS – METALS

Scientific and technical information regarding the projects or mineral exploration properties presented in this section of the MD&A has been prepared, reviewed and/or approved by James Gregory Davison, MSc, PGeo (EGBC) Vice-President Exploration and Director, a qualified person who by reason of education, affiliation with a recognized professional association as defined in National Instrument 43-101 (NI 43-101) and specifically Engineers and Geologists British Columbia, and past relevant work experience, fulfills the requirement of a Qualified Person (QP) as defined in NI 43-101.

Melchett Lake, Ontario

In September 2019, the Company signed a binding letter of intent with three parties to acquire 100% of the Melchett Lake zinc-gold-silver volcanogenic massive sulphide (VMS) project, an advanced precious and base metal project in the Thunder Bay mining district, Northern Ontario, Canada.

After completing due diligence, the Company entered into a purchase Agreement on November 20, 2019 to acquire 100% of the property. As consideration, the Company agreed to incur $1,000,000 in work expenditures, pay the vendors $150,000 in cash and issue 5,000,000 common shares of the Company to the vendors, spread over a three year period.

On February 15, 2024, the Company announced that it has negotiated an amendment to the Melchett Lake option agreement. The amendment allowed the Company to acquire 100% interest in the Melchett Lake property in exchange for a final cash payment of $20,000 and a final issuance of 10,000,000 common shares of the Company to the vendors, both of which have been completed in March 2024. Additionally, the vendors agreed to waive the requirement for the Company to incur all remaining exploration expenditures under the original agreement.

In March 2024, the Company purchased additional claims contiguous with the Melchett Lake property. The Company paid $1,100 in cash and issued 350,000 common shares of the Company to the vendor.

The vendors have retained a 2% net smelter return royalty, of which 1% can be purchased by the Company for $1,000,000 and the remaining 1% at market price.

The property, located within the Melchett Lake greenstone belt of the English River sub province of the Archean-age Superior province, is underlain by a bimodal mafic-felsic sequence of pyroclastic, tuffs and flows with cherts and iron-lean (Fe) to Fe-rich iron formation. The Melchett Lake belt contains several occurrences of polymetallic zinc-lead-copper-silver-gold (Zn-Pb-Cu-Ag-Au) VMS mineralization similar to ore deposits exploited at Mattabi, Winston Lake, Geco, Brunswick and Rouyn-Noranda. Base metal mineralization consisting of pyrite, sphalerite, chalcopyrite and galena occurs within the intermediate to felsic metavolcanic sequences of the property. There are locally high-grade lenses of Zn and Ag, with variable Cu, Au and Pb and historical gold grades to 28.8 g/t Au, silver grades to 560 g/t Ag and zinc grades to 19.1 per cent.

Highlights of the prospective geology, alteration and mineralization include multiple folded or stacked horizons of coincident alteration and metal mineralization, high Zn/Cu, Zn/Pb and Ag/Au ratios, extensive remobilization of major and trace elements with defined enrichment ((Fe), magnesium (Mg), cobalt (Co), chromium (Cr) and cadmium (Cd)) and depletion (sodium (Na), strontium (Sr) and calcium (Ca)) zones and continuity, increased alteration, and anomalous metal values over large intervals with a strong electromagnetic off-hole response. The mineralization is interpreted to occur as paleo-topographic accumulations related to fumarolic activity, forming polymetallic deposits overprinted by a later-stage gold-rich event.

Work permit applications for the peripheral claims were received from the Ministry of Mines in Q3 2023. Application for the next three-year core claim permit will be initiated in the next quarter. No new field exploration work was conducted during the current quarter.

Plans for the 2023 and 2024 seasons were deferred into 2025; cut grid preparation and completion of the Quantec ground geophysics, and initiation of mapping, sampling and targeted drilling are proposed. Mapping, prospecting and sampling also are planned for gold targets and structural geology compilation.

Jackie, Mexico

On November 17, 2020, the Company signed a Definitive Agreement with Colibri Resource Corp. to acquire 50% interest in the Jackie Gold Project in Sonora, Mexico.

As consideration, the Company issued a total of 1,000,000 common shares and paid US$50,000.

There was a minimum work expenditure total of US$100,000 over two years, with a minimum of US$50,000 within 12 months of the TSX approval. During this period, the Company was responsible for 100% payment of the surface rights Agreements when exploration is active and 50% of the property taxes.

The Company met the work expenditure target during fiscal 2022 and earned its 50% interest in Jackie. The Company is responsible for its pro rata portion of the biannual semester tax payments.

The 1,130-hectare Property is easily accessible from Hermosillo and heading south from Mexican Highway #16, and from Ciudad Obregón travelling north on Hwy. #17 with vehicles and pack teams along unpaved roads and trails.

The Property is situated approximately six kilometres northwest of the Nicho deposit currently under mine development by Minera Alamos. Other nearby large operating mines include Alamos Gold's Los Mulatos gold mine and Agnico Eagle's La India gold mine located 50-60 km to the northeast, Agnico Eagle's Pinos Altos Mine, 95 km southeast and Argonaut's La Colorada Mine, 100 km to the west.

The Jackie Project is located within the western portion of the Sierra Madre Occidental Volcanic Complex within the prominent northwest-trending "Sonora Gold Belt" of northern Mexico and parallel to the precious metals-rich Mojave-Sonora Megashear.

No additional project work or reporting was conducted during the year ended October 31, 2024. Preparation of an updated environmental report for trenching and drilling programs will be required from SEMARNAT to obtain new permits. Plans for the next exploration program are pending further discussions with the joint venture partners.

Mystery, Marilyn and Till Properties, Newfoundland and Labrador

After completing due diligence, the Company entered into an option and purchase Agreement on September 7, 2021 to acquire 100% of the three early-stage gold exploration properties, Mystery, Till and Marilyn (the "Mystery Properties") located near Grand Falls, Newfoundland, Canada.

The consideration for the agreement was amended on December 1, 2023. The current requirements of the agreement are outlined in the following table:

Date	Cash		Shares		Expenditures	
Signing	$ 40,000	Paid	1,000,000	Issued	$ -	
1st anniversary	50,000	Paid	1,000,000	Issued	150,000	Incurred
2nd anniversary	50,000	Paid	3,750,000	Issued	200,000	Incurred
3rd anniversary	100,000	Deferred	1,500,000	Issued	250,000	Deferred
4th anniversary	150,000		2,000,000		300,000	
5th anniversary	200,000		3,250,000		600,000	
	$ 590,000		12,500,000		$ 1,500,000	

The Company also has to pay a finders fee of 7% of the total amount of cash paid, and issue 7% of the common shares issued to the vendors in parallel with the payment schedule for the vendors. In December 2024, the Company issued 1,500,000 common shares on the 3rd anniversary date. The Company did not make the anniversary cash payment and did not meet the $250,000 expenditure requirement. The Company is currently negotiating an amendment to the agreement with the optionor.

The vendors will retain a 2% net smelter return royalty, of which 1% can be purchased by the Company for $2,000,000 and the remaining 1% at market price.

The 14,790-hectare project is located strategically within the Exploits Subzone, an extensive area of mineral exploration activity and discoveries over the past two years. The Properties are well situated in logistics for exploration, located close to each other and <10-25 kilometres southeast and south by road from Grand Falls, Newfoundland. The Properties are located <50 kilometres from the Gander International Airport and are easily accessible from major paved roads and local logging and bush roads and trails largely by vehicles and more remote areas by all-terrain vehicles.

Prospecting of the new Marilyn claims identified localized float and outcropping rock samples showing intense silicification with iron carbonate accompanied by multi-phase siliceous veins and breccias, and minor to trace arsenopyrite, pyrite, chalcopyrite and malachite. Gold to 1035 ppb, arsenic to >1000ppm and antimony to 346 ppm are typical to the coincident precious metals and pathfinder elements of the regional orogenic mineralizing systems.

Structural geological mapping on the ground and desktop analysis of the property geophysics reported an E-W trending topographic and magnetic lineament associated with steeply south-dipping quartz veins, brecciation and carbonate alteration exposed along the banks of Tote Brook. Mineral textures of vuggy quartz and laminated chalcedony point to high-level epizonal veins though more evaluation of the spatial position within the system was clearly warranted.

In December 2023, the Company completed a 4-hole diamond drilling program at Tote Brook. The four holes in two sets of two holes each inclined at 45 degrees and undercut at 60 degrees, totalled 629 metres ranging from 117 metres to 207 meters downhole depth. Analytical data from the drill holes were received in January and February 2024 with additional check samples done in July 2024. The results showed low to nil precious metal mineralization in the four holes. Only one gold-bearing interval (0.973 g/t Au) was reported in Hole MT-23-001 from a 0.5-metre interval. Drilling intersected numerous, variably oriented, chronologically late, simple to multi-phase quartz±chalcedony and/or carbonate veins and breccias ranging from centimetre scale to several metres. Preliminary map and section preparation and technical interpretation was completed

Work expenditures for 2025 currently are under discussion.

Diamante, Mexico

On April 27, 2021, the Company signed a Definitive Agreement with Colibri Resource Corp. and its wholly owned Mexican subsidiary ("Yaque") to potentially acquire a 50% interest in the Diamante 1 and Diamante 2 Au-Ag concessions in Sonora, Mexico (the "Project"). Yaque holds an agreement with the ultimate vendor, Minera Bimsa SA de CV's (the "Vendor") to acquire the Diamante 1 and Diamante 2 concessions in full through two earn in options satisfied over time (the "acquisition rights") and the Definitive Agreement signed between Silver Spruce Resources Inc. and Yaque has allocated 50% of the acquisition rights to the Silver Spruce Resources Inc. if certain earn in options are met.

To partially satisfy the first earn in option, on May 8, 2021, the Company paid an initial cash amount of US$75,000, directed to the Vendor's US$100,000 initial property payment. The Company and Yaque also agreed to design, permit and drill a minimum of 2,000 metres on the Diamante Project within 24 months from the execution date of Yaque's final Agreement with the Vendor; including any requisite exploration leading to the drill program, submit a final drilling report to meet NI 43-101 reporting guidelines and pay approved exploration costs at a ratio of Silver Spruce Resources Inc. (75%) and Yaque (25%). To earn its initial 50% of the Diamante project, Silver Spruce and Yaque also agreed to design, permit and drill a minimum of 2,000 metres on the Property within 24 months from the Execution Date of Yaque's final Agreement with the Vendor; including any requisite exploration leading to the drill program, submit a final drilling report to meet NI 43-101 reporting guidelines and pay approved exploration costs at a ratio of Silver Spruce (75%) and Yaque (25%).

In January 2023, the Company filed its technical report with the Vendor and earned a 25% interest in Diamante 1 and 2 with Colibri Resource Corp. also earning a 25% interest. The Vendor retains a 50% interest in the Project. Yaque is in discussions to increase its position in the Joint Venture subsequent to the expiry of the exclusive right to acquire the remaining 50%.

Upon completion of the initial earn-in, Silver Spruce and Yaque became equal joint venture partners with the Vendor in Minera BIMCOL, SA de CV ("BIMCOL"), a private Mexico company holding the concessions. As part of the agreement, Yaque and Silver Spruce Resources Inc. will pay to the Vendor 50% of the bi-annual property taxes and surface rights payments and pay approved prorata exploration costs at a ratio of Silver Spruce Resources

Inc. (50%) and Yaque (50%). Given the nature of the arrangement, and the Company's title to the assets and responsibility directly for the obligations of BIMCOL, the arrangement has been accounted for as a joint operation.

The Property is located within the west-central portion of the Sierra Madre Occidental Volcanic Complex within the prominent northwest-trending "Sonora Gold Belt" of northern Mexico and parallel to the well-known, precious metals-rich Mojave-Sonora Megashear.

The Diamante gold-silver (Au-Ag) project ("Diamante" or the Property") is a drill-ready precious metal project located 5 km northwest of the town of Tepoca, and 165 km southeast of the capital city of Hermosillo, eastern Sonora, Mexico.

Highlight of the work to date was the discovery of new mineralized showings in the southern and northern parts of the concession. Assays of 3.52 g/t Au and 121 g/t Ag from one showing and assays of 0.122 g/t Au and 197 g/t Ag from a second showing are on the southern part of the property in the area of Calton and Southern target areas which includes a past sample of 39.8 /t Au and 109 g/t Ag. In the northern part of the Diamante II concession, samples returning assays of 0.818 g/t Au (5.07 g/t Ag) and 0.749 g/t Au (2.13 g/t Ag) are located approximately 250 metres northwest of the historical Mezquite-Raizudo showing which includes a sample which returned an assay of 5.64 g/t Au. A component of the field work completed to date has been geological mapping and evaluation of historical showings. Confirmation of the historical showings includes a sample which returned an assay of 3.34 g/t Au and 20 g/t Ag from the Calton target area.

The results significantly expand the footprint of known mineralization on the Diamante II concession. Silver Spruce and Colibri continued this early stage exploration approach and further geological mapping, prospecting, and evaluation of historical showings added to the structural and alteration framework with which to interpret the extensive epithermal mineralization system evident on the property. Colibri and Silver Spruce evaluated the work previously completed, including the 2022 drilling, to prioritize drill targets for a second drill program which started in May 2024. The drilling was completed in July 2024 and final results were reported in Q4 2024. The discovery of mineralization following up on a ground resistivity survey at El Pillado South, which includes an intercept of 94.80 g/t Ag, 0.08 g/t Au, 2.89% Pb, and 1.12 % Zn over an intersection length of 2.50 metres, was a highlight of the drilling program.

The program identified Ag-Pb-Zn±Au vein-controlled mineralization within extensions to the previously drilled areas at La Prieta and El Pillado and two new opportunities for widening the target testing at El Pillado South and Mezquite-Raizudo based on the geological and geophysical interpretations and look forward to expanding future ground exploration of other known anomalous areas.

Work plans for 2025 are under review.

Pino de Plata, Mexico

On February 29, 2016, the Company signed an amended agreement (further amended on July 15, 2019) that supersedes the original purchase agreement and enables the Company to purchase a 100% interest in the Pino de Plata property. The revised financial terms are as follows:

- Total cash payments reduced to US$500,000 over two years from the execution date (US$125,000 (CDN$168,459) paid); US$375,000 remains to be paid over an 18 month period upon end of force majeure (signing of land access agreement);

- One share issuance of 2,500,000 common shares, based on par value of $0.10, issued on June 15, 2016 and valued at $0.07 per common share based on the quoted market value of the common shares on that date. One payment of $250,000 remains to be paid in common shares in lieu of cash, at a share price equal to the 20-day average closing price of the Company's shares on the TSXV, subject to exchange approvals;

- A three percent (3%) gross production royalty capped at US$4 million, which can be purchased for US$1,333,333 per percentage point at any time and are reduced by the total amount of advanced royalty payments; and

- The Company is subject to advanced Royalty payments of US$10,000 per month to commence 30 days after the acquisition is finalized, registered and documented with the proper authorities.

As a result of a delay in being able to access the property, an addendum to the purchase agreement was made in November 2016 to suspend the terms of the agreement until access is gained to the property. Access granted again in June 2018 was revoked in June 2019 due to a force majeure.

The ongoing interest in the property is subject to satisfactory resolution of the access restriction. In June 2020, the Company engaged a Mexican legal counsel to engage in discussions with landowner representatives.

On November 7, 2019, the Option Agreement with the concession title owner was fully processed by the Registro Publico de Mineria (Public Mining Registry). The Company recently has directed its attention to amending the agreement with the concession title owner prior to further landowner negotiations. Resolution of the former is expected in the next quarter.

As of the current date since July 2019, negotiations with the landowner representatives are being monitored by the Board and management of the Company's Mexican subsidiary through its legal counsel in Hermosillo, Mexico. Our contacts remain open for potential meetings in the next quarter.

The property is 397 hectares located approximately fifteen kilometers from Coeur Mining Inc.'s Palmarejo open pit and underground operations. This Property shows historical small-scale surface mining of high-grade silver (> 1,000 g/ton) dating back to approximately the 1600's and the entire project sits on top of an intrusive system with widespread anomalous mineralization. The mining concessions on the Property have been held by the same family since 1984 and have never been drilled or fully explored by modern methods.

In May 2015, Silver Spruce completed an initial National Instrument 43-101 exploration assessment report which identified three areas for follow-on exploration and drilling. The 43-101 involved on-site field examination which systematically sampled areas of known small-scale historical production. Of note, the areas sampled show widespread intrusive epithermal mineralization at surface with silver values, on average, of greater than 50 grams per tonne (g/t), that is 1.6 ounces per ton (opt), over an area of more than 1 square km (>100 Ha). Specific targets were sampled with silver (Ag) assays of up to 557 g/t or 17.9 opt. The following are the three target areas identified in the 43-101.

The Terrero target was identified as having an area of over 20,000 square meters (>2 Ha), where the replacement epithermal mineralization in igneous rocks contains good silver grades at surface in unoxidized rock. Seven out of nine samples, taken at surface, contained > 1 opt Ag to as much as 17.9 opt Ag with an average silver grade of 250g/t (8 opt) Ag.

The Santa Elena, a Gossan target area, presents a viable target for replacement Ag-Pb-Zn-Cu deposits. Unoxidized replacement mineralization from the Santa Elena Mine approaches 200 g/t (6.4 opt) Ag. This area has the potential for relatively shallow replacement mineralization over an area of > 20 Ha. The sampling in the Santa Elena – Gossan target area also revealed elevated values of >2-3% Zn and anomalous Au, Cu and Pb.

Vein targets comprise the Sierpe and Theodora veins which are open on strike and have significant values of Ag (>250 g/t or 8 opt Ag) and potentially minable widths (>= 1 m). Newly exposed, Ag mineralized quartz veins in road cuts to the west along with favorable alteration west of the Sierpe and Theodora mines make these attractive vein targets. The sampling in the Sierpe I, Sierpe II and Theodora vein target areas also revealed elevated values of up to 5% Pb and up to 7% Zn, with anomalous Au values up to 0.461 g/t.

No on-site or remote activities were carried out during the current quarter through October 2024. Limited compilation activities will be required as potential exploration activities are defined pending the ongoing land access negotiations underway since July 2019 and re-negotiation of the Option Agreement with the claim title holder since Q2 2024. Further, given the land access issues, the Company has conducted no on-site ground-based activities since June 2019.

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

Operating Activities

The Company had a net cash outflow from operating activities of $950 for the three months ended January 31, 2025 (2024 - $217,213). The operating cash flows represent the net cash loss for the period offset by the changes in the trade payables and accrued liabilities, prepaid expenses and receivables.

Financing Activities

The Company had a net cash inflow from financing activities of $nil for the three months ended January 31, 2025 (2024 – outflow $1,733). Financing activity reflects the repayment of the lease liability.

Liquidity

The Company had cash of $1,236 as at January 31, 2025 (October 31, 2024 - $2,186). The change in non-cash operating working capital as at January 31, 2025 was a cash inflow of $115,987 (2024 – $39,586).

Capital Resources

The Company's authorized capital consists of an unlimited number of common and preference shares without par value. The following table outlines the outstanding share data.

As at	Common Shares	Warrants	Stock Options	Fully Diluted
October 31, 2024	322,547,832	116,170,832	6,416,667	445,135,331
January 31, 2025	324,152,832	116,170,832	6,416,667	446,740,331
March 27, 2025	324,152,832	116,170,832	6,416,667	446,740,331

Going Concern (Note 2 – January 31, 2025 Financial Statements)

The condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards on a going concern basis which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company is an exploration stage company and does not have any proven economically recoverable reserves on the Company's interest in mineral properties held for exploration and to date, the Company has not earned revenues from mining activities and does not have a firm timeline until such revenues can be reasonably expected to be realized. The Company's interests in exploration properties are subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company's continued existence is dependent upon the discovery of economically recoverable reserves, the ability of the Company to raise additional financing, and future profitable production. It is not possible to predict whether financing efforts will be successful.

Although the Company has taken steps to verify title to mineral exploration properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, First

Nations claims, non-compliance with regulatory, social and environmental requirements and may be affected by undetected defects.

While the condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, several adverse conditions, cast significant doubt on the validity of this assumption. The Company has incurred a net loss of $133,882 during the three months ended January 31, 2025, has an accumulated deficit of $46,629,721 and has no source of revenue. The Company has working capital deficit at January 31, 2025. Although the Company has been successful in raising funds in the past and during the year, there is no assurance that it will be able to successfully complete further financings. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed consolidated interim financial statements. Such adjustments could be material.

RELATED PARTY TRANSACTIONS

Included in trade payable and accrued liabilities as at January 31, 2025 is $83,375 (October 31, 2024 - $66,125) owing to directors and companies controlled by directors of the Company for consulting related services rendered. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

During the three-month period ended January 31, 2025, key management personnel compensation consisted of services provided by directors or companies owned by directors or officers of $17,250 (2024 - $33,116), which are classified as $17,250 (2024 - $17,350) for consulting fees, and $nil (2024 - $15,766) as exploration and evaluation expenditures on the condensed consolidated interim statement of operations.

OFF-BALANCE-SHEET TRANSACTIONS

There are no off-balance sheet transactions contemplated at this time.

COMMITMENTS AND CONTINGENCIES

Environmental contingencies

The Company's exploration and evaluation 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 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.

Flow-through commitment

Flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures ("CEE") incurred on the Company's mineral properties to flow-through participants. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation. The Company has indemnified the subscribers for certain tax-related amounts that become payable by the subscribers should the Company not meet its expenditure commitments.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of the assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Judgments, estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, third party advice and financial reporting requirements. However, actual outcomes can differ from these estimates.

The Company has identified the following areas under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Share-based payments

The Company makes certain estimates and assumptions when calculating fair values of stock options and warrants granted. The significant assumptions used include estimates of expected volatility, expected life, forfeiture rates and expected risk-free rate of return. Changes in these assumptions may result in a material change to the expense recorded for the issuance of stock options and warrants.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

RECENTLY ADOPTED ACCOUNTING STANDARDS

IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures

In May 2023, the IASB issued an amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to supplier finance agreements. The amendment requires additional disclosure of supplier finance arrangements, including the terms and conditions, carrying amounts, and payment due dates. The amendment is effective for annual periods beginning on or after January 1, 2024 (for the Company's annual period ending October 31, 2025), with earlier adoption permitted. As the Company does not have any of these arrangements, the application of this amendment had no impact on the condensed consolidated interim financial statements, and will apply the amendments at the effective date.

Recent accounting pronouncements not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after November 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which is intended to give investors more transparent and comparable information about companies' financial performance, thereby enabling better investment decisions. It will affect all companies using IFRS Accounting Standards. IFRS 18 introduces new sets of requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies through:

- Improved comparability in the statement of operations;
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

IFRS 18 also requires companies to provide more transparency about operating expenses, helping investors to find and understand the information they need. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, but companies can apply it earlier. IFRS 18 replaces IAS 1. It carries forward many requirements from IAS 1 unchanged.

FINANCIAL INSTRUMENTS

Fair Value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash, amounts receivable, accounts payable and accrued liabilities on the balance sheets approximate fair value due to their short-term maturity.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures and internal controls over financial reporting have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis.

TSXV listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the Chief Executive Officer and the Chief Financial Officer certifying officers do not make any representations relating to the establishment and maintenance of (a) 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 (b) processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer’s GAAP.

RISKS AND UNCERTAINTY

The Company’s financial success is dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company’s mineral exploration and development activities will be successful. The development of mineral resources involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company has no source of financing other than those identified in the section on liquidity, financings and capital resources.

Dependance on Management
The success of the operations of the Company is also dependent to a significant extent on the efforts and abilities of its management team. The Company depends on key personnel and cannot provide assurance that it will be able to retain such personnel. Failure to retain such key personnel could have a material adverse effect on the Company’s

business and financial condition.

Potential conflict of interest
Certain directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies, including activities involving mining and mineral activities. As a result of these and other activities, such directors and officers may become subject to conflicts of interest.

Financial risk
Global markets have been adversely impacted by the Covid-19 pandemic and could be impacted by other emerging infectious diseases and/or the threat of outbreaks of viruses, other contagious or epidemic diseases in the future. The Covid-19 pandemic has resulted in a widespread crisis that has adversely affected the economies and the financial markets of many countries, resulting in an economic downturn which could adversely affect the Company's business and the market price of its securities.

Credit Risk
The Company's credit risk is primarily attributable to cash and other receivables. The Company's cash is held with highly rated financial institutions.

The Company has concluded that credit risk with regards to other receivables, except Mexican VAT receivable on which the Company has recorded an allowance, is minimal.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has no income from operations or a regular source of cash flow and relies on equity funding to support its exploration and corporate activities. Should the need for equity funding arise, there is a risk that the Company may not be successful in selling new common shares at acceptable prices.

Interest rate risk
The Company has no loan payable, therefore is not subject to interest rate risk. The Company invests any cash surplus to its operational needs in investment-grade short-term deposit certificates issued by highly rated Canadian banks. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank.

Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. However, the Company has operations outside of Canada, and therefore could be at risk for currency translations. The Company's property acquisition obligation (Note 7(a)) is denominated in United States Dollars ("US$") and is subject to fluctuations in that currency's value relative to the Canadian dollar. The value of the obligation at January 31, 2025 is $36,210 (US$25,000), therefore a 10% rise or fall in the Canadian dollar against the US dollar would have resulted in a decrease (increase) of $3,621 in the net loss.

Mexican Operating Risk
The Company's operations in Mexico are exposed to various levels of political, economic and other risks and uncertainties and any changes in the political or economic climate in Mexico, even if minor in nature, may adversely affect the Company's exploration activities. These risks and uncertainties vary from time to time and include, but are not limited to: labour disputes, invalidation of governmental orders and permits, uncertain political and economic environments, potential for bribery and corruption, high risk of inflation, currency devaluation, high interest rates, sovereign risk, military repression, civil disturbances and terrorist actions, arbitrary changes in laws or policies, consents or rejections, granting of waivers, corruption, arbitrary foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, difficulty obtaining key equipment and components for equipment and inadequate infrastructure.

Exploration risk
There is no assurance that the activities of the Company will be successful and result in economic deposits being discovered and in fact, most companies are unsuccessful due to the low probability of discovering an economic deposit. Once mineralization is discovered, it may take several years until production is possible during which time the economics of a project may change. Substantial expenditures are required to establish reserves through drilling. The Company's ability to establish a mining operation is subject to a host of variables, such as the physical, technical and economic attributes of a deposit, availability of capital, cyclical nature of commodity markets and government regulations.

Exploration activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. Exploration activities are subject to hazards and risks which could result in injury or death, property damage, adverse environmental conditions and legal liability. Fires, power disruptions and shortages and the inability to access land or obtain suitable or adequate equipment or labour are some of the hazards and risks involved in conducting an exploration program.

CURRENT MARKET CONDITIONS

The fundamentals for gold and silver have improved and are expected to remain strong for 2025. The Company is excited about the Melchett Lake, Diamante, Jackie, Pino de Plata, and Mystery silver/gold prospects for this reason.

OUTLOOK

The Company is currently concentrating its efforts on mineral projects that need focused exploration and short-term investment. As at January 31, 2025, the Company's cash is $1,236 and has working capital deficit of $360,368. The Company is actively pursuing financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate or sufficient funding will be available in the future, or available under terms acceptable to the Company. Failure to obtain sufficient and timely financing may result in delaying or indefinitely postponing exploration or development activities. If the Company obtains debt financing, it may expose its operations to restrictive loan and lease covenants and undertakings. If the Company obtains equity financing, existing shareholders may suffer dilution.