CONIAGAS BATTERY METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2024

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Coniagas Battery Metals Inc. ("Coniagas" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2024. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2024 and 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of July 14, 2025, unless otherwise indicated.

For the purposes of preparing this Interim 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 (the "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.

Additional information relating to the Company is available free of charge on SEDAR+ at www.sedarplus.ca.

Forward Looking Statements

This Interim MD&A contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, operational activities, and events or developments that the Company expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Company believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The forward-looking information in this Interim MD&A describes the Company's expectations as of the date of this Interim MD&A.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

Description of Business

The Company was incorporated under the provisions of *Canada Business Corporations Act* on November 11, 2021 in order to complete the Arrangement (as defined in the "Plan of Arrangement" section).

On March 18, 2024, the Company's common shares began trading on the TSX Venture Exchange under the symbol "COS".

The Company's registered and head office is located at 550 Burrard Street, Suite 2900, Vancouver, British Columbia V6C 0A3.

Overall Performance

As at December 31, 2024, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business, all of which constitutes a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise future equity financing to fund its operations and advance the development of its business.

Plan of Arrangement

On September 25, 2023, the Company and Nord entered into an arrangement agreement pursuant to which Nord will transfer the Graal Property (the "Project") to the Company in exchange for 24,000,000 common shares and 12,000,000 warrants of the Company, by way of plan of arrangement under the *Canada Business Corporations Act* (the "Arrangement"). Each whole warrant will entitle its holder to purchase one additional common share of the Company at a price of $0.40 for 2 years from the respective dates of distribution to the shareholders of Nord.

The Arrangement was approved by the shareholders of Nord at the annual and special meeting of the shareholders held on October 31, 2023 and was completed on February 26, 2024.

On February 26, 2024 (the "Arrangement Date"), the Company and the carve-out entity of Graal Property (the "Carve-out Entity") finalized a reverse takeover transaction whereby Nord Precious Metals Mining Inc. ("Nord"), the former owners of the Carve-out Entity, received 24,000,000 common shares and 12,000,000 warrants of the Company for their 100% interest in the Carve-out Entity (the "Arrangement"). The Carve-out Entity represents the operational efforts towards the Graal Property in accordance with existing option agreements. The 24,000,000 common shares received by Nord comprised 80% of the issued and outstanding common shares of the Company on the date of Arrangement, and the management of the Carve-out Entity continued as management of the Company. Pursuant to the Arrangement, the Company became the owner of the Carve-out Entity, but the change in control of the Company by Nord (and related reverse takeover accounting guidance under IFRS) resulted in the Carve-out Entity continuing as the ongoing reporting entity (combining the Company's results into the Carve-out Entity from the Arrangement Date), with comparative financial information only of the Carve-out Entity.

On the Arrangement Date, Coniagas was not considered a business under IFRS 3, as it did not have inputs and substantive processes that could collectively contribute to the creation of outputs. As a result, the Arrangement was considered to be within the scope of IFRS 2 – Share-Based Payments and for accounting purposes (considering the change of control), the Arrangement was accounted for as a reverse takeover transaction ("RTO"), with the Carve-out Entity identified as the accounting acquirer, and Coniagas identified as the accounting acquiree.

Property Holdings

As a result of the Arrangement, the Company acquired a 100% interest in the Graal Property. The property consists of various claims in Quebec.

Lac Suzanne Property

In February 2021, Nord, the former owners of the Carve-out Entity, acquired a 100% interest in the Lac Suzanne Property, located in Northern Lac St-Jean, Quebec. In consideration for the 100% interest,

- An aggregate cash payment of $52,500 was made to the vendor; and
- An aggregate exploration expenditures of $200,000 was incurred on the property.

The property is subject to 2% Gross Metal Royalty.

Chute-des-Passes Property

In November 2021, Nord acquired a 100% ownership of the Chute-des-Passes Property claims from SOQUEM Inc. ("SOQUEM") (50% ownership) and Mines Coulon Inc. ("Mines Coulon") (50% ownership). In consideration for the 100% ownership, Nord made cash payments totalling $10,000 and each vendor retained an NSR.

In consideration for the purchase of its interest in the Chute-des-Passes Property, SOQUEM has the right to receive a royalty of 0.5% each of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of $125,000. In return for the transfer of its interest in the Chute-des-Passes Property, Mines Coulon has the right to receive a royalty of 0.5% of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of $125,000.

There is also an existing NSR of 1%, of which 0.5% is redeemable for $500,000. The total NSR on the property is 2% where 1% is redeemable for the sum of $750,000.

Corporate Highlights

On March 18, 2024, the Company issued 352,000 units at a price of $0.25 per unit for gross proceeds of $88,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share at a price of $0.40 for 2 years from the date of issuance.

On September 5, 2024, the Company closed the first tranche of a non-brokered private placement, wherein the Company issued an aggregate of 2,072,000 units at a price of $0.12 per unit for gross proceeds of $248,640. Each unit is comprised of one common share and one-half of a common share purchase warrant. Each full warrant entitles the holder thereof to purchase one additional common share at a price of $0.15 for 5 years from the date of issuance. Of the 2,072,000 units issued, 1,272,000 units comprised of flow-through common shares for gross proceeds of $152,640. In connection with the private placement, the Company and issued an aggregate of 63,600 common shares and an aggregate of 138,040 finders' warrants. Each full finders' warrant entitles the holder to purchase one additional common share at a price of $0.15 for 2 years from the date of issuance.

On September 17, 2024, the Company closed the second tranche of a non-brokered private placement, wherein the Company issued an aggregate of 1,129,167 units at a price of $0.12 per unit for gross proceeds of $135,500. Each unit is comprised of one common share and one-half of a common share purchase warrant. Each full warrant entitles the holder thereof to purchase one additional common share at a price of $0.15 for 5 years from the date of issuance.

On September 30, 2024, the Company closed the third and final tranche of a non-brokered private placement, wherein the Company issued an aggregate of 858,266 units at a price of $0.12 per unit for gross proceeds of $102,991. Of the 858,266 units issued, 441,666 units comprised of flow-through common shares for gross proceeds of $53,000. In connection with the private placement, the Company issued an aggregate of 22,083 common shares and an aggregate of 30,916 finders' warrants.

Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Company as at December 31, 2024, 2023, and 2022 and for the years then ended.

Description	December 31, 2024 $	December 31, 2023 $	December 31, 2022 $
Total asset	609,776	Nil	150,000
Total loss	(2,112,265) (2)	(440,470) (1)	(3,272,589)

(1) Decrease in net loss for the year ended December 31, 2023 compared to 2022 is mainly due to a $2,582,998 reduction in exploration and evaluation expenditures.
(2) Increase in net loss for the year ended December 31, 2024 compared to 2023 is mainly due to the listing expense of $1,426,268 recognized in connection with the Arrangement.

Summary of Quarterly Information

Three Months Ended	Total Revenue $	Profit or Loss	
		Total $	Basic and Diluted Loss Per Share $
March 31, 2023	-	(55,753)	N/A
June 30, 2023	-	(91,647)	N/A
September 30, 2023 (1)	-	(204,628)	N/A
December 31, 2023	-	(88,442)	N/A
March 31, 2024 (2)	-	(1,471,140)	(0.05)
June 30, 2024	-	(164,731)	(0.01)
September 30, 2024	-	(178,110)	(0.01)
December 31, 2024	-	(298,284)	(0.01)

(1) Increase in net loss is mainly due to an increase in exploration and evaluation expenditures, professional fees, and consulting fees compared to previous quarters.
(2) Increase in net loss during the three months ended March 31, 2024 is mainly due to the listing expense of $1,339,828 in connection with the Arrangement.

Discussion of Operations

Three Months Ended December 31, 2024 compared to Three Months Ended December 31, 2023

The Company's net loss totaled $211,844 for the three months ended December 31, 2024, with basic and diluted loss per share of $0.01 (2023 – net loss of $88,442). The change in net loss is due to the following:

- Professional fees decreased to $64,417 for the three months end December 31, 2024 (2023 – $141,728) due to decreased legal costs.
- Admin and general expenses decreased to a recovery of $70,928 for the three months ended December 31, 2024 (2023 – recovery of $2,008) due to reclassification of administrative and support costs.
- Marketing and communications increased to $97,734 for the three months ended December 31, 2024 (2023 – $2,852) due to increased marketing.
- Consulting fees increased to $97,673 for the three months ended December 31, 2024 (2023 – recovery of $42,321) for fees were paid to the Company's management and external consultants during the current period.

Year Ended December 31, 2024 compared to Year Ended December 31, 2023

The Company's net loss totaled $2,112,265 for the year ended December 31, 2024, with basic and diluted loss per share of $0.08 (2023 – net loss of $440,470). The change in net loss is due to the following:

- Exploration and evaluation expenditures decreased to $17,522 for the year ended December 31, 2024 (2023 - $166,516) due to reduced exploration work done during the current year.
- Professional fees increased to $188,373 for the year ended December 31, 2024 (2023 - $178,207) due to increased audit and legal fees.
- Admin and general expenses increased to $10,955 for the year ended December 31, 2024 (2023 - $2,047) due to increased administrative and support costs.
- Marketing and communications increased to $284,147 for the year ended December 31, 2024 (2023 - $6,367) due to increased marketing.
- Consulting fees increased to $110,774 for the year ended December 31, 2024 (2023 - $54,044) for fees were paid to the Company's management and external consultants during the current year.
- Listing expense increased to $1,426,268 for the year ended December 31, 2024 (2023 - $nil) due to the difference in the fair value of considerations issued and net identifiable assets acquired in the Arrangement.

Liquidity and Financial Position

At December 31, 2024, the Company had $9,626 in cash (December 31, 2023 - $nil).

At December 31, 2024, trade payables and accrued liabilities were $285,686 (December 31, 2023 - $555,005). The Company's cash balance as at December 31, 2024 is not 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.

Cash used in operating activities were $596,601 for the year ended December 31, 2024. Operating activities were affected by a net loss of $2,112,265 offset partially by listing expense of $1,426,268 and the net change in non-cash working capital balances of $89,396 is due to the changes in amounts receivable, prepaid expenses and trade payables and accrued liabilities.

Cash provided by investing activities was $370,470 for the year ended December 31, 2024, which comprised of cash received from Arrangement.

Cash provided by financing activities were $235,757 for the year ended December 31, 2024, which is comprised of proceeds from units issued for cash of $575,131, owner's contribution of $16,968 and warrants exercised of $3, partially offset by advances to related parties of $260,962 and share issuance costs of $95,383.

The Company's continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to maintain its proposed mineral exploration programs on the claims and identify, evaluate, and acquire, if appropriate, interests in other mineral properties. The circumstances that could affect the Company's ability to secure equity and/or debt financing that are reasonably likely to occur are, without limitation, as follows:

- the state of capital markets generally;
- the ability of the Company to obtain all permitting required with respect to its proposed exploration programs;
- the potential abandonment of the Company's properties as exploration results provide further information relating to the underlying value of the projects;
- changes in laws, regulations, and political conditions, and

Related party transactions

The Company has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Company.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the year ended December 31, 2024 was $60,303 (2023 - $27,461). For the year ended December 31, 2024, $nil (2023 - $24,346) was included in exploration and evaluation expenses on the Company's statements of loss and comprehensive loss.

As at December 31, 2024, the Company paid a drilling deposit of $150,000 to a company in which a former director of the Company is a co-owner.

As at December 31, 2024, the Company advanced a total of $260,962 to companies with common officers and directors. The advance is unsecured, non-interest bearing with no fixed terms of repayment.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including primarily the completion of its mineral exploration programs, and also funding of future growth opportunities, and the pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

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.
Capital is comprised of the Company's shareholders' equity. As of December 31, 2024, the Company's shareholders' equity was $324,090 (December 31, 2023 – deficiency of $555,005).
The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital.

The Company is currently not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the year ended December 31, 2024.

Commitments and Contingencies

Environmental Contingencies

The Company's 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 has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-Through Obligations

Pursuant to the terms of flow-through share agreement, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As at December 31, 2024, the Company is committed to incurring approximately $205,000 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2025 arising from the flow-through offerings. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

Subsequent Events

On February 7, 2025, the Company granted 1,200,000 stock options to directors and consultants of the Company. The stock options are exercise for a term of 3 years at an exercise price of $0.05 per share and vested immediately.

On February 11, 2025, the Company granted 100,000 stock options to a consultant. The stock options are exercise for a term of 3 years at an exercise price of $0.05 per share and vested immediately.

Off-Balance Sheet Arrangements

As of the date of this Interim 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.

Risk Factors

Risks and Uncertainties

The Company is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and the Company's future performance may be affected by events, risks or uncertainties that are outside of the Company's control. The Company's management consider the risks set out below to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Limited Operating History

The Company is still in an early stage of development. The Company plans to engage in the business of exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. The Company's mineral interests are in the exploration stage and do not have mineral reserves. The Company has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on the Company's property.

Management

The success of the Company is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. At this date there are no indications that any change in management cannot be maintained at the current structure.

Conflicts of Interest

The Company's directors, officers and other members of management serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. The Company will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Additional Funding Requirements

From time to time, the Company will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital or resource expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities may be subject to such market trends and that the value of such securities may be affected accordingly.

Reporting Requirements

As a reporting issuer, the Company is subject to reporting requirements under applicable securities law and exchange policies. Compliance with these requirements increases legal and financial compliance costs, makes some activities more difficult, time consuming and costly and increases demand on existing Company systems and resources. Among other things, the Company is required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures over financial reporting. During the course of engaging with auditors to prepare reports and review the Company's financial results, various factors may lead to delays in the preparation, and potentially the filing of the Company's financial results. Despite management's diligent efforts to comply with auditor requests and provide the necessary documentation, there is no assurance that all requirements will be met to facilitate the timely issuance of an audit report. Additionally, regulatory challenges associated with the Canadian Public Accountability Board (CPAB) and other oversight bodies, or disagreements between management and auditors regarding accounting policies, fair market valuations of non-recurring transactions, differing interpretations of accounting standards, or assessments of the company's business model can further contribute to delays. Failure to comply with deadlines may result in regulatory penalties, loss of investor confidence, and potential reputational damage. These outcomes could adversely impact the Company's operational efficiency, financial reporting, and overall market position.

United States Tariffs and Retaliatory Tariffs

The imposition of tariffs by the United States (the "U.S. Tariffs") and resulting retaliatory measures between governments may have multifaceted effects on the economy. The U.S. Tariffs could adversely affect the Company's operations by contributing to economic downturns, inflationary pressures, and increased uncertainty in capital markets. Currently, the Company believes there are no direct impacts of the U.S. Tariffs on its operations. However, the Company continues to assess the potential indirect impacts of these tariffs, as well as any retaliatory tariffs or other protectionist trade measures that may arise. These indirect impacts could be significant and may include additional inflationary pressures. Failure to effectively mitigate the negative effects of the U.S. Tariffs could have a material adverse impact on the Company's operating results and financial condition.

Material Accounting Policies

Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.
All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash and restricted cash are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company does not measure any financial instruments at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

There are currently no financial assets subject to impairment. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of accounts receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The Company's accounts payable and accrued liabilities and share subscription liability are measured at amortized cost.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Fair value hierarchy

The Company classifies its financial instruments measured at fair value according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

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

Mineral exploration properties and exploration expenditures

The Company expenses all acquisition, exploration and evaluation costs relating to mineral properties, in the period in which they are incurred.

Income taxes

Income taxes on the profit or loss for the periods presented comprises current and deferred tax.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous reporting periods.

Deferred tax is recorded using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.
A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

Flow-through shares

Under Canadian income tax legislation, the Company is permitted to issue flow-through shares or units whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. For accounting purposes, the proceeds from issuance of these shares or units are allocated between:

- Share capital - based on either (i) the quoted market price of the Company's common shares on the date of issuance, or (ii) the value of the units sold concurrently, if the flow-through offering includes multiple components, with the residual value allocated appropriately among the components; and
- Flow-through share liability - represents the excess of proceeds received over the fair value of the shares or units issued.

The flow-through share liability is recognized as a liability at the time of issuance. The liability is reduced and the reduction of flow-through share liability is recorded in other income at the time when the Company files the appropriate renunciation forms with the Canadian taxation authorities and the expenditures are incurred.

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. During the year ended December 31, 2024, all warrants are anti-dilutive and have been excluded from the calculation of diluted loss per share.

Warrants

Warrants are accounted for using the fair value-based method. Fair value is calculated using the Black-Scholes option pricing model. Consideration paid on the exercise of warrants is credited to share capital and the value recorded in warrants reserve is transferred to share capital upon exercise. Upon expiration, the value of warrants is reclassified to contributed surplus.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment at the end of each reporting period and whenever there is an indication that the asset may be impaired.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount, recognizing an impairment loss in the statement of operations. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the depreciation charge for the period.

Asset retirement obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site restoration work, discounted to their net present value, are provided for and capitalized to the carrying value of the asset, as soon as the obligation to incur such costs arises.

Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the impact of discounting and for changes to the current market based discount rate, amount, or timing of the underlying cash flows needed to settle the obligation.

As at December 31, 2024 and 2023, the Company has no material restoration, rehabilitation and environmental costs as the environmental disturbance to date is minimal.

Recent accounting pronouncements

During the year ended December 31, 2024, the Company adopted a number of amendments and improvements of existing standards. These included IFRS 10 and IAS 28. These new standards and changes did not have any material impact on the Company's financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently evaluating the impact of these new pronouncements.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include the environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified as FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

Outstanding Share Data

Common shares and warrants issued and outstanding as at December 31, 2024 are described in detail in the Financial Statements, and as at the Report Date, are as follows:

- Common shares – 34,395,149
- Warrants

Expiry date	Exercise price ($)	Remaining Life	Warrants Outstanding
(i)	0.40	(i)	11,999,977
January 19, 2026	0.40	0.53	1,470,000
January 26, 2026	0.40	0.55	1,428,000
March 18, 2026	0.40	0.68	352,000
September 5, 2026	0.15	1.15	138,040
September 30, 2026	0.15	1.22	30,916
September 5, 2029	0.15	4.15	1,036,000
September 17, 2029	0.15	4.19	564,583
September 30, 2029	0.15	4.22	429,133
	0.37		17,448,649

(i) The warrants expire 2 years from the respective dates of distribution to the shareholders of Nord.