

# **MAYO LAKE MINERALS INC: MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDING JUNE 30, 2025 (Information as at June 30, 2025 unless otherwise noted)**

## **INTRODUCTION**

The following provides management's discussion and analysis of results of operations and financial condition for the three-month periods ended June 30, 2025 and 2024. Management's discussion and analysis (MD&A) was prepared by Mayo Lake Minerals Inc. (Mayo or the Company) management and approved by the Board of Directors on August 27, 2025.

This MD&A should be read in conjunction with the Company's financial statements for the six months ended June 30, 2025. It should also be read in conjunction with the Company's annual financial statements for the years ended December 31, 2024 and 2023, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are presented in Canadian dollars unless otherwise indicated. The financial statements include all of the assets, liabilities and expenses of Mayo.

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

*This document may contain or refer to certain forward-looking statements relating but not limited to the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Mayo undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.*

## **Q1 and Q2, 2025, HIGHLIGHTS**

### **Corporate**

On March 31, 2025, the Company closed a Common Share Private Placement for 600,000 Common Share Units at \$0.05 per Unit totalling \$30,000. Each Unit consists of one common share and one whole common share purchase warrant. Each whole warrant is exercisable into one common share at \$0.07 expiring on March 29, 2029.

On March 31, 2025, the Company closed a Flow Through Private Placement for 1,600,000 Flow Through Units at \$0.06 per Unit totalling \$80,000. Each Unit consists of one common share and one whole common share purchase warrant. Each whole warrant is exercisable into one common share at \$0.07 expiring on March 31, 2028.

### **Exploration and Mineral Properties**

#### **Anderson-Davidson**

- During March 2025, alteration mapping from satellite images was initiated. Data from available satellite images for Silica from ASTER have been processed. The mapping will be completed in June or July when quality satellite scenes are available. Clouds and shadows have made it impossible to collect adequate

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quality satellite scenes. Generally, atmosphere conditions are such that quality satellite scenes can be collected in August.

- On March 29, 2025, assessment credits were filed, resulting in 232 claims being in good standing until September 29, 2025, 182 claims until September 29, 2026, 11 claims until March 29, 2027 and 4 claims until September 29, 2027.

### Trail-Minto

- During March 2025, alteration mapping from satellite images was initiated. . Data from available satellite images for Silica from ASTER have been processed. The mapping will be completed in June or July when quality satellite scenes are available. Clouds and shadows have made it impossible to collect adequate quality satellite scenes. Generally, atmosphere conditions are such that quality satellite scenes can be collected in August.
- On April 29, 2025, assessment credits were filed, resulting in 41 claims being in good standing until October 19, 2025; 44 claims until June 7, 2026, 139 claims until October 19, 2026 and 4 until April 19, 2027.

### Subsequent Events

- On July 16, 2025, \$3,465 cash in lieu of assessment work was paid to extend 33 claims on its Edmonton property through to July 19, 2026 for a total of 75 claims. One claim was extended through to July 19, 2027.

## NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS

Mayo is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of mineral properties in the Yukon, Canada. The Company has not determined whether its properties contain mineral resources that are economically recoverable. It is focused on exploring and developing its gold and silver prospective properties located in the Mayo Lake District of the Yukon. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources and the ability of the Company to obtain the necessary financing to complete the development of these resources and attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

In July 2021, the Company filed a preliminary prospectus (Prospectus) with the Ontario Securities Commission (OSC) in respect to the issue and sale of units of the Company for minimum gross proceeds of \$750,000 (Minimum Offering) and maximum gross proceeds of \$1,500,000 (Maximum Offering) plus a listing application on the Canadian Stock Exchange (CSE). It subsequently received a receipt for the prospectus from the OSC and response from both agencies regarding certain matters of issue. On October 5, 2021, the Company filed a revised Prospectus for a Minimum Offering of \$650,000 and a Maximum Offering of \$1,500,000. On November 8, 2021, the Company received conditional approval for a listing on the CSE subject to final receipt of a Prospectus, completion of any outstanding CSE documentation and payment of fees, and closing of the Initial Public Offering. On November 22, 2021 the Company filed a restated Prospectus. On December 15, it received a final receipt of the Prospectus from the OSC. On December 30, 2021 the Company closed a first tranche of the Initial Public Offering, namely \$943,155 for 6,287,701 flow through (FT) Units and \$240,401 for 2,003,340 common share (CS) units. Subsequently, on March 15, 2022 it closed a further \$316,444 for 2,637,034 CS units, completely filling the Maximum Offering of \$1,500,000 at that time.

Some modifications were made to the allocation of exploration funds subsequently because of exploration results and their interpretation in early 2022 plus the onerous operating conditions encountered on certain projects during the year. The Anderson Gold Belt at Anderson-Davidson; the Carlin West and AJ zones at Carlin-Roop and the Roaring Fork Stock and vicinity at Trail-Minto continue to be the focus of exploration.

During 2023, \$25,596 was spent on plotting and interpretation of data. No field work was completed due to funds

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not being available.

During 2023, the Company started to evaluate the possibility of a merger with a company possessing a more advanced property, which would ease the difficulty of raising funds for exploration. On August 2, 2023 the Company signed a Letter of Intent with WestMountain Gold, Inc. WestMountain has a project in Alaska to the west of Anchorage with inferred and indicated resources of 703,300 ounces of high-grade ore. The two companies continue to work at raising the required funds to complete the merger. Raising funds for exploration continued to be very difficult during the last part of 2023 and 2024.

During 2024, \$233 was spent on project management. No field work was completed due to the funds not being available.

During the first six months of 2025, \$59,698 was paid to PhotoSat of Ontario for alteration mapping from satellite images at Anderson-Davidson and Trail-Minto. A total of \$2,878 was spent on planning and management of the alteration mapping.

### **Yukon Property Acquisitions**

The Company entered into binding letter agreements with Auropean Ventures Inc. (Auropean), a related company, in December of 2011 (amended in July 2014) for the acquisition of the Anderson, Davidson and Edmonton Creek claim groups comprising 881 claims and totalling 184 square kilometres. Initial consideration included a total of \$720,000 in cash and 180,000 common shares of the Company valued at \$18,000. On the first and second anniversary of the letter agreements, the Company completed additional payments totalling 6,480,000 common shares of the Company valued at \$648,000 in lieu of previously agreed cash payments, share issuances and exploration expenditure commitments. The vendor retained a 2.75% net smelter return royalty (NSR) on the Anderson claim group and a 2.5% NSR on the Davidson and Edmonton claim groups. The NSRs are subject to a 1% buyback.

The Company also entered into binding letter agreements with Auropean in February 2012 (amended in July 2014) for the acquisition of the Roop and Trail-Minto claim groups comprising 608 claims. Initial consideration paid included \$50,000 cash, 300,000 shares of the Company valued at \$30,000 and the assumption of demand note payable in the amount of \$100,000. This demand note bore interest at 12% per annum and was payable on demand after a three-month term. The Company agreed to provide a further 5,040,000 shares of the Company valued at \$504,000 in lieu of previously agreed future cash payments, share issuances and exploration expenditure commitments. Auropean retained a 2.75% NSR royalty on the Trail-Minto claim group and a 2.5% NSR on the on the Roop claim group, which are both subject to a 1% buyback.

The Company entered into a binding letter agreement with Auropean in April 2012 (amended in July 2014) for the acquisition of the Carlin claim group comprising 185 claims. Initial consideration paid included \$50,000 in the form of a promissory note and 100,000 common shares of the Company. On the first and second anniversary of the purchase agreement, the Company provided an additional 1,440,000 shares of the Company valued at \$144,000 in lieu of previously agreed cash payments, share issuances and exploration expenditure commitments. Auropean retains a 2.5% NSR royalty on the property, which is subject to a 1% buyback.

All of the NSR buybacks are applicable at any time up to 2 months into commercial production. Any full 1% NSR can be bought back for \$1M if gold is at \$1,000 per ounce or less; \$2M if gold is at \$3,000 per ounce or more with a sliding scale between \$1,000 and \$3,000 per ounce. A buyback can be exercised in increments of 0.5%.

Following the initial acquisitions, claims were added and deleted according to the value potential of areas underlying claims and the amount of assessment work (qualified exploration costs under the Yukon Mining Act) available to maintain the claims in good standing.

### Property Details

**Anderson-Davidson** is a combination of two claim groups totalling 881 claims that were staked separately in 2011. Between 2011 and 2025, a number of claims have lapsed and have been added to Anderson-Davidson. After the March 29, 2025 application of \$34,561 assessment work on the Anderson-Davidson claim group, a total of 429 claims with an area of 86.0 sq. km. remained in good standing; 232 claims have a September 29, 2025 due date; 182 claims have a September 29, 2026 due date, 11 claims have a March 29, 2027 due date and 4 claims have a September 29, 2027 due date.

**Carlin-Roop** consists of two adjacent claim groups. Originally, Roop was comprised of 378 claims and Carlin 185 claims. The Company melded these two groups into one claim group totalling 190 claims in 2017. Since that time a number of claims have been added, but more have been let lapse. An internal audit during April of 2024 indicated that 226 claims, totalling 44.4 sq. km. are presently in good standing; 154 claims have a due date of April 19, 2028, 40 claims are due on June 24, 2028, 4 claims on April 19, 2029, 17 claims on April 19, 2031 and 11 claims on April 19, 2032.

**Trail-Minto** consisted of 284 claims at the end of 2013. Between 2013 and 2025, a number of claims have lapsed and have been added to Trail-Minto. The assignment of assessment work totalling \$26,336 on April 19, 2025 left 228 claims with an area of 45.6 sq. km. in good standing; 41 claims have a due date of October 19, 2025; 44 claims have a due date of June 7, 2026; 139 claims have a due date of October 19, 2026; and 4 claims have a due date of April 19, 2027.

**Edmonton** was originally comprised of 205 claims, but because of geographic separation, 52 claims were sectioned off into a separate (Cascade) claim group. After the filing of assessments work totalling \$25,030 in 2022 and the completion of payments in lieu of assessment work totalling \$3,465 in July 2025, 75 claims remained in good standing until July 19, 2026 and 1 claim until July 19, 2027.

### Geology and Mineralization of the Mayo Lake Area

Regional geology shows metamorphosed Upper Proterozoic to Lower Cambrian Hyland Group sediments in contact with younger Devonian to early Carboniferous metasedimentary units of the Ern Group and Keno Hill Quartzite along a major thrust fault, the Robert Service Thrust. Mid-Triassic mafic sills and greenstones are common within the younger units but are rarely encountered in other units. All units have been affected by the Tombstone Thrust and intruded by the Mid-Cretaceous Age Tombstone Plutonic Suite, which host several gold deposits, such as the Eagle Project at Dublin Gulch with resources of 6.3 million ounces of gold at a grade of 0.66g Au/t including reserves of 2.7 million ounces of gold at a grade of 0.67 g Au/t. All the claim groups lie within the Tombstone Plutonic Belt.

The dominant structural features in the area are a pair of imbricated thrust sheets. The Robert Service Thrust (RST) and the Tombstone Thrust Sheet (TTS), which collectively have transported the Selwyn Basin sediments over 150 kilometres to the northeast. The RST Sheet is marked by many internal thrusts, subsequent folds and faults and a strong penetrative structural fabric imparted by the later underlying TTS. The magnetics on all properties clearly show this structural complexity. The complicated structural history has resulted in much of the terrain being fertile for mineralization and mineral deposits.

Mineralization within the Tintina Gold Belt is primarily the result of intrusion related gold systems. These large felsic epizonal systems result in variable deposits that on the surface may appear unrelated. Proximal mineralization associated with Tombstone intrusives are sheeted gold veins or stockworks within the rim or immediately adjacent to Tombstone Suite plutons. Deposits such as Dublin Gulch, Brewery Creek and Fort Knox are examples of this type of mineralization. The numerous significant gold anomalies surrounding the Roaring Fork Stock on Mayo's Trail-Minto claim group could also indicate a sheeted-vein stockwork type of mineralization.

Thick sequences of sediments in the Tombstone Plutonic Belt have resulted from thrusting and stacking of sediment sequences during mountain building and erosion. This environment is favourable for intrusion-related, commonly reduced, and orogenic mineral deposits. The Pogo Mine (4.9M oz Au at 12.45g Au/t) in Alaska is an example of a high grade orogenic deposit lying within Yukon-Tanana Terrace. Numerous projects within the Tombstone Belt to the south of Mayo Lake represent the atypical mesothermal phase of orogenic mineralization related to buried

intrusions, including Trailbreaker Resources' Plateau Project (numerous high-grade intersections including drill intersections of 13.3g Au/t over 17.5m and 12.5g Au/t over 20.7m); Seabridge's 3 Aces (81.5 g Au/t over 5.6m; 50.4g Au/t over 8m; 58.8g Au/t over 4.6m) and Snowline Gold's Einarson Project (9.67 Au/t over 38.7m; 13.2g Au/t over 6.5m, inc. 43.5g Au/t; and 10.6g Au/t over 6.0m, inc. 31.1g Au/t over 1.5m. Other project are more representative of Reduced Intrusion-Related Gold Systems (RIRGS), including Snowline Gold's Rogue project (Indicated: 4,052,000 ox Au at 1.66g Au/t and 3,260,00 oz Au at 1.25g Au/t), Sitka Gold's RC project (Indicated: 1,291,000 oz Au/t at 1.01 oz Au/t and Inferred: 1,044,000 oz Au at 0.94 oz Au/t; Banyan Gold's AurMac project (Inferred: 7,000,000 oz Au at 0.63g Au/t) and Victoria Gold's Eagle project (Reserves: 3,260,000 oz Au; Resources 5,360,000 oz Au (includes reserves) December, 2019). Much of the geochemical and geophysical data collected and compiled on Anderson-Davidson, Trail-Minto, Edmonton and Cascade claim groups points to magmas and fluids moving through tectonized rocks from intrusions. The recently drilled gold occurrence on the Anderson-Davidson claim group likely corresponds to the atypical vein type of mineralization, which can include a mix of veins described as epithermal, mesothermal or orogenic.

The Keno Hill Silver District is unique in that it hosts mesothermal silver-based metal deposits with a projected metal source being a buried intrusion. The mine's silver reserves at year-end 2023 totaled 55 million ounces and have increased by 45% over the reserves identified at the time of their acquisition by Hecla in September 2022. Investigations on the Carlin-Roop Property indicate it has a similar geologic history to those mined at Keno Hill.

### **Exploration Property Descriptions**

A description of the geology, mineralization and Mayo's exploration for each claim group is provided below. See "*Mineral Exploration Properties and Deferred Exploration Expenditures*" for additional details.

#### ***Anderson-Davidson Claim Group***

Anderson-Davidson is presently comprised of 429 contiguous quartz claims covering an area of 86.0 square kilometres, near the community of Mayo, Yukon. The claim group is over 30 kilometres long and covers the highlands south of Mayo Lake where several placer operations actively recover gold from creeks draining the highlands. Access to Anderson-Davidson is provided by a seasonal road connecting placer operations on Davidson Creek to the all-weather Mayo Lake Road. A pre-existing, four-wheel drive track runs east-west through the center of the claim group. Anderson-Davidson is also accessible via helicopter from the airport in Mayo.

The area has been subjected to multiple glaciations. The surface cover is a mixture of colluvium and till. Rock exposure is less than 5 percent. During an older glaciation, the uplands were covered by glacial ice which was probably cold-based with the transport of rock and debris being minimal.

The Anderson-Davidson claim group is underlain by phyllites, schists and carbonates of the Hyland Group, occasionally intruded by felsic dykes. Most stratigraphy has bedding parallel or sub-parallel to foliation, which dips shallowly generally southeast except where modified by small scale isoclinal folding.

Anderson-Davidson has a long history of placer mining. Currently Davidson Creek is being mined during the summer, whereas Anderson Creek and another locale, Dawn Gulch are operated sporadically. During Operation Keno several creeks draining the north part of the property were sampled, yielding up to 275,000 ppb Au in heavy mineral concentrates. Samples from the Yukon's regional stream geochemistry are sparse but confirmed the presence of gold on the eastern part of the property. The property has similarities to that of the Plateau Project, some 40 km to the southwest.

High resolution airborne magnetics completed in 2012 identified numerous magnetic linears associated with broad magnetic trends that were interpreted as having the potential for precious metal veining; and magnetic lows indicating alteration zones and igneous intrusions that have potential for precious metal and polymetallic deposits.

Mayo delineated numerous areas of anomalous gold from ridge and spur sampling in 2012. Further testing of one promising area by Mayo delineated the Anderson Gold Trend, a 10-kilometre-long zone of elevated and anomalous Au-As-Sb values. Three gold-in-soil anomalies, with zones more than 50 ppb Au for greater than 200m strike length within trends of elevated Au up to 2 kilometres long were identified within the Anderson Gold Trend in 2013 to 2015. Significant sections of these soil anomalies contain greater than 100 ppb Au with others up to 500 ppb. A

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trench excavated at the Anderson-Owl Occurrence yielded anomalous gold in soil samples and a grab sample that assayed 3.5 g Au/t.

These targets remain open along strike in up to three directions, in some cases following or crossing untested topographic depressions. Many geochemical targets remain to be tested, both within and outside of the Anderson Gold Trend.

On the Davidson claims, stream sediment and soil sampling has identified a number of gold anomalies ranging from 400m to 1500m in length with associated Sb and As halos. One Au target was verified with a SGH survey. Some of the grids need extending to better determine the probable bedrock source of the Davidson Creek placers.

On the Anderson claims, a 2017 scout reverse circulation (RC) drilling campaign tested the Anderson-Owl anomaly, within the Anderson Gold Trend and intersected a gold-bearing system in drift covered bedrock; this in spite of the fact that the soil anomaly had been displaced by surficial processes. In total, 640m was drilled in 8 RCHs on two separate fences 50m apart. The newly discovered bedrock vein gold system had two mineralized structures, which correlated across both drill fences. The quartz sulfide vein structures had significant Au+As+Sb+Hg and contained abundant stibnite-arsenopyrite-pyrite mineralization associated with quartz veins and silica-cemented breccia.

One structure (Alpha) yielded 0.77g Au/t over 6.1m, including 0.90 g Au/t over 3.1m, from the bedrock-drift interface 4.6m down-hole in RCH MLM17-005; and 0.55 g Au/t over 3.0m from 3.1m down hole in RCH MLM17-006. Gold grades were highest at the bedrock – drift interface. The structure appears continuous for at least 50m between holes. The width and grade of the Alpha structure could not be determined because of the drill entering into the structure at the bedrock interface. The higher grades of gold at the top of the holes suggest that gold grades could increase in the undrilled part of the structure. A second structure was intersected by RCHs MLM17-002, 003, 005, 006 and 007 and yielded grades averaging about 0.14g Au/t over intervals of between 1.5m to 7.6m, at an average depth of 70m.

During July, 2021, IP-Resistivity profiles were completed, running across the strike of the Au in soil anomaly defining the Anderson-Owl gold anomaly. These profiles appeared to define two parallel steeply dipping zones, suggestive of mineralization.

A total of 331 soil samples over approximately 4 square kms, were collected in the vicinity of the Norman Au in soil anomaly. Results received in early 2022 showed two significant Au in soil anomalies. The first zone had a length of 200+ m and trended SW. It had gold values of 25 and 55 pb and associated As, Sb and Bi anomalies. It was cut-off at the south edge of the soil grid. The second zone had a length of 500m and trends north-west. Gold values range between 10 and 45 ppb.

The Anderson Gold Trend was extended to an area of 16km by 3km and over 9500m of drill-ready anomalous gold in soil zones, subject to further investigations in some cases, were outlined. At Owl-Anderson an individual gold zone length was increased to 3000 m, with gold values up to 527 ppb. At Steep Creek an individual gold zone length was increased to 1600 m with gold values up to 142 ppb. At Peak an individual gold zone length with gold values to 272 ppb was delineated over 1600 m. At Norman, one individual gold zone of 670 m length with gold values to 46 ppb was delineated. The Anderson Gold Trend was extended to 16km + in length with recognition of further targets zones at Dawn Gulch and in the drainage basins of Owl and Anderson Creeks. Sites were sampled to investigate the possibility that (i) coarse-grained Au was removed from the standard analyzed -80 mesh samples and (ii) loess and transported silt were analyzed in part with glacial materials and colluvium caused irregularities in analytical results. The results suggest the likelihood for the development of a significant mining camp within the Anderson Gold Trend.

The Owl-Anderson, Norman and Steep Creek Au in soil anomalies plus the restricted geophysical magnetic character associated with these anomalies appear to show that the anomalies are confined within a 500m wide zone within the broader Anderson Gold Belt.

On March 30, 2024, \$19,582 cash in lieu was paid to extend 373 claims for 6 months and on September 26, 2024, \$19,583 cash in lieu was paid to extend 373 claims for 6 more months beyond March 29, 2025, the dates upon which assessment work or cash in lieu was required to keep claims in good standing. A total of 59 claims also remains in

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good standing until March 29, 2026, and 12 claims until September 29, 2026. All claims with good prospectivity for gold mineralization on the Anderson- Davidson property remain under the ownership of the Company.

On March 12, 2025, \$33,362 were paid to PhotoSat of Vancouver for alteration mapping from satellite images and as of June 30, 2025 \$1,878 for project management.

On March 29, 2025 assessment credits were filed on Anderson-Davidson. Of the 429 claims, 232 claims are in good standing until September 29, 2025, 182 claims until September 29, 2026, 11 claims until March 29, 2027 and 4 claims until September 29, 2027.

Anderson-Davidson exploration expenditures 2011 to June 30, 2025.

Year	Exploration Expenditures	Total Expenditures
2011	Geology	\$1,380
2012	Airborne geophysics, soil geochemistry, environmental	\$270,185
2013	Soil geochemistry, geology	\$38,694
2014	Soil geochemistry	\$67,621
2015	Soil geochemistry, SGH survey	\$60,026
2016	SGH survey	\$6,616
2017	RC drilling, soil geochemistry	\$273,078
2018	Geology , environmental, community	\$18,942
2019, 2020	Geology	\$934
2021	Ground IP and resistivity survey, soil geochemistry	\$60,088
2022	Soil geochemistry	\$84,296
2023	Geology	\$3,874
2024	Geology	\$233
2025	Geology, alteration mapping	\$35,240

Note. Geology includes the synthesis and interpretation of various exploration works for economic evaluation and planning of future exploration.

**Carlin-Roop Claim Group**

Carlin-Roop, which is the amalgamation of two contiguous claim groups, is presently composed of 226 quartz claims covering an area of 44.4 square kilometres. The claim groups cover the eastern reaches of the Gustavus Range, which is bisected east to west by the Granite-Keystone Creek valley. Peaks are generally rounded with steep drop-offs or cliffs at the lips of valleys. It lies within the Keno Hill Silver District (KHSD).

Granite Creek was historically prospected for placer potential. Beginning in 2013, a placer operation has been active and pockets containing up to 300 ounces of gold have been mined. Many of the tributaries to Granite Creek have been staked for additional placer potential. The placer operation on Granite Creek can be accessed by a road originating in Keno.

The claim group has been subjected to multiple glaciations. The youngest glaciation was confined to the trunk valleys occupied by Mayo Lake and the lower part of Granite Creek. Its limits are well marked by lateral moraines and lateral meltwater channel. Above this glacial limit, the ice was probably cold-based, resulting in minimal erosion except within part of the Granite Creek valley where most of the terrain is now covered by variable thicknesses of till. In the core of the valley, the glaciers transported rock debris and mineral material in a westerly direction. Outcrop is uncommon, mostly along scarps on the edge of glacial valleys. Soil development is immature and extensively cryoturbated.

Carlin-Roop is underlain by Keno Hill Quartzite (KHQ) interlayered with minor andesitic volcanics and intruded by Triassic gabbros silts and plugs (Greenstones) and the Cretaceous Roop Lakes Stock. A contact metamorphic aureole extends up to 4 kilometres away from the Stock, impacting most units underlying the property.

Airborne magnetics were flown over the large area covered by the two claim groups in 2012. Magnetic patterns clearly showed the Roop Lake Stock and mafic plugs, the Stocks alteration halo and a broad NW trending mag low on the west side of the Roop Lake Stock. A NW trending anticline parallels the mag low with most of the area being

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underlain by the KHQ and Greenstones. The airborne magnetics defines numerous parallel breaks and terminations in the magnetics. These lineations are related to fracturing and folding patterns, induced by the Tombstone Thrust.

Mayo completed soil sampling at various scales on the property in 2012, 2014, 2016 and 2017. It delineated several geochemical targets. The geochemistry and a follow-up SGH survey has indicated potential for Au bearing veins, copper of unknown provenance and for Keno Hill type Ag ± Pb ± Zn veins. At the northern extremity an Au and Ag target plus a copper target have been defined by soil sampling and SGH. In the southern area, soil sampling has indicated Au and Ag potential at two localities; some Ag pathfinders indicate a potential for a KHSM silver mineralization in the east-central part of the property. In the western part of the property, highly anomalous Ag, Zn, Pb Sb and As are present over two segments of soil anomaly totaling 1000m in length. One has a length of 600m (Carlin West occurrence) and trends WSW. It in turn is cut by linears trending ESE, with the same elements paralleling this trend. This situation is similar to that in the central KHSD where Ag fault veins are focused along the Tombstone-related fractures and faults.

In 2018, a ground magnetics survey was completed over parts of the 600m long soil anomaly to confirm and define the position of the soil anomaly projected by the airborne magnetics. In 2019, an IP-Resistivity survey across the soil anomaly indicated a 15m wide high silica, mineralized zone, crossing the axis of the Ag soil anomaly, the Carlin West occurrence.

In late October of 2020, a short drill program of 2 holes totalling 205m was completed, but was terminated prior to achieving its objectives due to severe weather. The first hole was drilled to 127.5m depth at an inclination of 45° and intersected a greenstone unit (Greenstone) below the Keno Hill Quartzite (KHQ) at 93.5m downhole. A second hole was drilled to 75.4m depth at an inclination of 60° and bottomed in KHQ. The Greenstone is secondary to the KHQ in acting as a host to Keno Hill Style Mineralization (KHSM). Nevertheless, a classic KHS breccia, which yielded values of 6.9 g Ag/t over 1.85m, including 12.8g Ag/t over 0.85m, was intersected within the Greenstone. These breccias generally increase in widths and grades by orders of magnitude when intersected within the KHQ. Structural measurements indicate that this breccia likely intersects the KHQ 5-10m above where it cored into the Greenstone. New intervals of KHSM from the two hole collars to 20m downhole drilled through interbedded graphitic schist and quartzite. Assays from many prospective quartz vein and breccia intervals in this new zone assayed to 2.65m at 64.4 g Ag/t from 16.1m, including 0.85m at 124.4g Ag/t from 18m in the second hole; 0.5m at 18.3g Ag/t from 21.5m and 1.0m at 33.7g Ag/t from 82.5m in the first hole. Structural measurements from the first hole indicate that the drilling did not intercept the 15m wide IP-Resistivity anomaly.

During July, 2021, a prospecting and soil sampling program was completed to define and confirm drill targets in the vicinity of the Carlin West silver occurrence. Results received September, 2021, defined two strong Ag in soil zones trending parallel to regional structural lineations. Four grab samples assayed 72, 197, 199 and 562g Au Eq/t along this trend. In some sectors of the KHSD, silver ore can be found in similarly trending vein-faults along this trend. In the vicinity of the Carlin West silver occurrence, two grab samples assayed 4,311 Ag Eq/t and 737g Ag Eq/t along Ag in soil anomalies at obtuse angles to the regional trend.

In October of 2021, two diamond drill holes, totalling 310.8m, were completed on the Carlin West Ag in soil anomaly some 150m along strike from those holes drilled in 2020. The 2021 holes were drilled from the northeast edge of the broad geochem anomaly, whereas the 2020 holes were drilled from the southwest edge of the broad geochem anomaly. In both cases the diamond drill holes encountered greenstone (GRE) before intersecting the central 15m wide near-surface target as identified by an IP-Resistivity survey. The GRE was not anticipated to be present at a 30m depth in the central area, the primary target within the KHQ, the preferred host for high grade KHSM. The first hole was drilled to 203.1m depth at an inclination of 45° and intersected graphitic schist to a depth of 15.05m, KHQ between 15.05 and 54.20m, GRE between 54.20 and 107.7m and interbedded schist and KHQ between 107.7 and 203.1m. The second hole was drilled to 117m depth at an inclination of 60° and intersected KHQ, continuing layers of graphitic schist, sandstone and GRE to 44.6m; GRE between 44.6 and 67.0m; and interlayered KHQ and graphitic schist from 67.0 to 117.5m depth. Most notable was the 1.8m long intercept of a fractured quartz vein in the first hole. This zone was intercepted within the soil anomaly, but well outside the expected prime target associated with the 15m wide IP-Resistivity anomaly.

During 2022, splitting, logging, sampling and delivery to the BVC laboratories for assaying of 832 samples from eight diamond drill holes centred in the Carlin West zone was completed. Plotting and interpretation of results continued through early 2023. Keno Hill Quartzite (KHQ), quartzitic metasediments (MSD), graphitic schists (GSH) and GRE (metamorphosed gabbro and diorite) were the common lithologies encountered in the drilling. KHQ, in some cases interbedded with MSD and GSH, is dominant in holes MLM22-10 through 13. Interbedded MSD and GSH are the predominant lithologies in MLM22-05 through MLM22-09. GRE was noted at depth in MLM22-09, 10 and 13. Extensive silicification was noted in MLM22-05-11. Quartz veining, some parallel, and some at acute angles, to foliations is extensive throughout most of the DDHs. All DDHs contain veins and disseminations of pyrite and pyrrhotite. Galena, sphalerite, siderite, tetrahedrite, siderite and sulfosalts are occasionally present in some structures, especially those containing quartz veins.

MLM20-01, MLM20-02, MLM21-03 and MLM21-04 all encountered structures containing anomalous silver, both in and below the GRE, as they progressed under or parallel to the highly anomalous Carlin West central core zone where all soil values exceed 30g Ag/t. The structures that contain anomalous silver can be projected up through the GRE into the KHQ. A high-grade silver zone is potentially projected in the receptive KHQ where a steeply dipping IP- Resistivity anomaly running parallel to the Carlin West zone cuts the KHQ.

MLM-05, MLM22-06, MLM-07 and MLM22-09 lie along the northwest extension of the Carlin West zone between prospecting samples running from 3994g Ag/t and 662g Ag/t. MLM22-05 crosses the narrowest part of the Carlin West core zone adjacent to grab samples grading 662 and 3994g Ag/t and intersected fine stringers yielding silver values above background over 31m starting at 79.8m. The DDH also contains two silver structure intercepts anomalous in silver; one measuring 1.0m in length beginning at 83m down hole; and a second measuring 6.9m in length beginning at 90.1m. The latter interval was missing 0.2m of core.

MLM22-07 collared into the Carlin West zone but was missing an aggregate 1.4m of core within its friable portions. Of note is a missing 0.4m interval of core adjacent to a 2.0m intercept grading 1.8g Ag/t, starting at 4.6m downhole. Starting at 98m, stringers yielding silver values above background over 22m of downhole length are common with 4 intercepts exceeding 1g Ag/t anomalous silver. MLM22-06 intersected the Carlin West stringer zone over 15m in length starting at 85m downhole. It intersected two silver intercepts, one 5.6m in length and a second of 1m in length, exceeding 1g Ag/t within the stringer zone with 0.2m of core loss at the upper intercept. These structures are characterized by fractured and brecciated quartz zones. MLM22-09 contains eight silver structures between 1m and 3m thick above 75m downhole and outside the Carlin West zone plus three structures between 8 and 6.3m long from 84 to 166m down hole, within the Carlin West zone as projected from surface. The lowest structure was within a GRE.

MLM22-13 contains two shallow weakly anomalous silver structures, but both project as being outside the core structure. MLM22-12 was collared at a location where the core zone overlies KHQ. It intercepted a narrow structure containing weakly anomalous silver, at a depth of 84m.

MLM22-10 and MLM22-11 collared in the Carlin West stringer zone produced a fractured intercept that did not produce a complete transect of the structure. Soil sampling from this season indicated that these holes were collared in the centre as opposed to the eastern portion of the anomaly as was planned. Both holes intersected a lower stringer zone over 10m wide with silver values up to 14.5g Ag/t. MLM22-10 ended in a mineralized vein 3cm thick. This was below the minimum sampling interval of 0.3m, which was the sample taken from the end of the DDH that yielded 15.2g Ag/t. This stringer zone corresponds to surface float assaying 662g Ag/t and a muted soil anomaly.

The silver structures intercepted to date do not explain the occurrence of high-grade grab samples assaying up to 3,994g Ag/t, nor the large area where all soil samples assayed 1oz Ag/t at Carlin West. It is theorized that this might be the result of missing core as relatively thin, very highly mineralized veins are commonly eroded and get washed away during diamond drilling. Metallic Minerals' press release of April 10, 2023 epitomizes the presence of rich narrow high grade veins in broader silver structures as is envisaged at Carlin West and AJ.

## Mayo Lake Minerals MD&A as at June 30, 2025

Carlin-Roop exploration expenditures 2011 to June 30, 2025.

Year	Exploration Expenditures	
2012	Airborne geophysics, soil geochemistry, geology	\$214,671
2013	Geology	\$10,572
2014	Soil geochemistry	\$17,685
2015	Geology	\$2,023
2016	Soil geochemistry, SGH survey	\$21,395
2017	Soil geochemistry, SGH survey	\$21,959
2018	Ground magnetic survey, environmental	\$30,052
2019	Mechanical probing, IR-Resistivity survey	\$13,036
2020	Diamond drilling	\$331,163
2021	Soil geochemistry, diamond drilling	\$362,008
2022	Soil geochemistry, diamond drilling	\$958,259
2023	Drilling, geology	\$14,452

Note. Geology includes the synthesis and interpretation of various exploration works for economic evaluation and planning of future exploration.

### ***Trail-Minto Claim Group***

Trail-Minto is currently composed of 228 contiguous quartz claims covering an area of 45.6 square kilometres. Access to Trail-Minto is provided by two pre-existing seasonal roads that cut across the northern and southern edges of the claim group. The roads connect to the Silver Trail Highway (STH), 2.5 kilometres east of the property. Two past producing placer operations are present on creeks draining the property.

Trail-Minto is over 15 kilometres long and covers the highlands west of the STH and south of Mount Haldane. The uplands within Trail-Minto are covered by a mixture of colluvium and till. Outcrop is sparse on the property, rarely exceeding 5 per cent. Trail Minto has been subjected to multiple glaciations but lies beyond the western limit of the most recent glaciation. Due to the elevation of the upland, ice was probably cold-based and transport of rock and debris was minimal. However, some of the upland's surface may be covered by patches of stratified glaciofluvial sediments and/or fluvial sediments formed through periglacial slope processes.

Trail-Minto is underlain by phyllites, schists and carbonates of the Hyland Group metasediments, occasionally intruded by felsic and mafic plugs and dykes. Most stratigraphy has bedding parallel or sub-parallel to foliation, which generally dips shallowly southeast except where modified by small scale isoclinal folding. The Roaring Fork Stock underlies the south part of the Trail-Minto.

Airborne magnetics flown by Mayo in 2012, delineated patterns that were indicative of (i) an underlying N-S oriented intrusion or alteration related to the same intrusion in the southern two-thirds of the property and (ii) a broader E-W oriented buried intrusion in the northern one-third of the property. Magnetic lineations primarily parallel or are oblique to the major oblong magnetic anomalies. The N-S oriented pattern relates to the Roaring Fork Stock and the E-W pattern probably relates to a buried intrusion as witnessed by small mafic and granodiorite plugs outcropping in this area. A ground magnetic survey completed in 2018 confirmed that a major magnetic low traversed the west flank of the Roaring Creek Stock with adjacent small lows in the surrounding area showing greater magnetism.

Reconnaissance-type soil sampling completed by Mayo in 2012 and 2015 outlined a number of WNW trending Au+As+Sb anomalies in the northern part of the property. Soil sampling completed in 2012, 2015 and 2016 over the southern part of the property adjacent to the Roaring Fork Stock and its buried projections is characterized by Au in soil anomalies that generally have a N-S orientation with some obliquely-oriented variations. Contours for other elements seem to define patterns that reflect the presence of the Roaring Fork Stock, alteration of the Stock and adjacent wallrock mineralization. The gold mineralization appears to have been transported and precipitated along faults and joints within the Roaring Fork Stock and the adjacent altered wallrock; the mineralization, faults and joints being in part induced by the Roaring Fork Stock. Gold mineralization is expected to be intrusion related, such as at Victoria Gold's Eagle deposit, or structurally controlled intrusion related mesothermal or epithermal gold bearing veins and stockworks.

A ground magnetic survey completed in 2018 confirmed the magnetic low crossing the west flank of the Roaring Fork Stock and some accessory small mag lows imposing on the surrounding areas in an area where limited soil

## Mayo Lake Minerals MD&A as at June 30, 2025

sampling indicates a high potential for gold mineralization. In 2019 a shallow penetrating IP-Resistivity line identified the contact between the Roaring Fork Stock and adjacent schistose rock. Probing and some geochemical analysis, also in 2019, delineated some gold in soil anomalies that appear correlated with linear gold in soil anomalies.

At Trail-Minto, results from the soil sampling in 2022 continued to define north-trending irregular parallel bands of gold anomalies, mainly in the edges and halo of the Roaring Fork Stock. It was also noted that a potential correlation existed between the gold in soil anomalies and the magnetic analytical signal. Sites were sampled to investigate the possibility that (i) coarse-grained Au was removed from the standard analyzed -80 mesh samples and (ii) loess and transported silt were analyzed in part with glacial materials and colluvium caused irregularities in analytical results.

On October 17, 2024, \$9,398 cash in lieu was paid to extend 179 claims for 6 months to April 19, 2025.

On April 17, 2025, \$26,336 was paid to PhotoSat of Vancouver to complete alteration mapping on satellite images and as of June 30, 2025 \$1,000 was expensed for project management.

On April 17, 228 claims were extended to a variety of dates; 41 claims until October 19, 2025, 44 claims until June 7, 2026, 139 claims until October 19, 2026 and 4 claims until July 19, 2027.

Trail-Minto exploration expenditures 2011 to June 30, 2025.

Year	Exploration Expenditures	Total Expenditures
2012	Airborne geophysics, soil geochemistry	\$121,654
2013 - 2014	Geology	\$6,483
2015	Soil geochemistry	\$30,817
2016	Soil geochemistry	\$25,869
2017	Geology, soil geochemistry	\$6,912
2018	Ground magnetic survey	\$20,874
2019 - 2020	Mechanical probing, IP and Resistivity	\$21,735
2021	Payment in lieu	\$4,095
2022	Soil Geochemistry	\$102,494
2025	Geology, alteration mapping	\$27,336

Note. Geology includes the synthesis and interpretation of various exploration works for economic evaluation and planning of future exploration.

### ***Edmonton Claim Group***

The Edmonton claim group is presently composed of 76 contiguous quartz claims covering an area of 15.2 square kilometres near the eastern arm of Mayo Lake. Access is primarily by helicopter. The claim group is also accessible from Mayo Lake. It is bordered to the west by Edmonton Creek, a historically active placer creek. Other creeks that drain to the east have been placer mined in the past.

The surface cover at Edmonton is a mixture of colluvium and till. The youngest glaciation affecting Edmonton, was confined to the valley occupied by Mayo Lake. This valley was filled with westward fast-flowing ice that scoured its bottoms and sides. The youngest glacial limits are marked by moraines. Small ice-dammed ponds are present along the periphery of this moraine system. The highest part of uplands was probably covered by older cold-based glacial ice during an older glaciation, transport of rock and debris being minimal.

Edmonton is underlain by the Robert Service Thrust (RST), which is a broad structure containing a complex intermingling of Keno Hill Quartzites and Hyland Group metasediments intruded by competent gabbroic rocks. Local prominences on the plateau that Edmonton covers correspond to gabbro stocks. The thrust limit of the RST is mapped as a surface trace on Edmonton, when it is more likely a series of multiple sub-horizontal faults. The rocks have also been intensively strained during Tombstone thrusting.

Airborne magnetics was flown over the property in 2012. It delineated a large geophysical anomaly in the southern part of the claim group with one boundary that is marked by elevated gold in soil values. This large anomaly is interpreted to be a buried stock or alteration zone of unknown provenance. The true extent and nature of gold in rock

## Mayo Lake Minerals MD&A as at June 30, 2025

source has yet to be determined. Other magnetic lineations clearly showed faults and fractures that are common within the Tombstone strain zone.

Reconnaissance geochemical soil sampling was completed in 2012. It was followed by definition geochemical soil sampling stages completed in 2014, 2015 and 2017, the latter being reported in 2018. It delineated an E-W trending Au anomaly along the northern edge of the large mag low. Other gold and base metal soil anomalies are also evident. A thorough interpretation of the geophysical, geochemical and glacial history of the data was completed in 2019. It became evident that base metal anomalies formed a ring around the large mag low in the southern part of the property. Slightly elevated, variably trending Au anomalies were present in the centre of the mag low. A strong multi-element anomaly trended to the northeast from the mag low. The geochem anomalies were commonly parallel to geophysical linears suggestive of fractures and faulting related to the Tombstone thrusting. The pattern of geochem anomalies and geophysics suggests that base metal mineralization along the flanks of the mag low and Au mineralization within and along the north flank of the mag low reflect fluids from different magmas.

At Edmonton, an SGH survey in 2022 validated the potential [presence of sub-surface gold and base mineral mineralization as previously delineated by geochemical soil sampling. The anomalous zones flank a large magnetic low that is believed to be indicative of an underlying intrusive and associated alteration. The base metal and gold zones may relate to the different fractionation of metals within an intrusive or its sub-phases. Sites were sampled to investigate the possibility that (i) coarse-grained Au was removed from the standard analyzed -80 mesh samples and (ii) loess and transported silt were analyzed in part with glacial materials and colluvium caused

Payments in lieu of assessment work of \$3,465 in July, 2025 leaves 75 claims were in good standing until July 19, 2026 and 1 claim until July 19, 2027.

Edmonton exploration expenditures 2011 to June 30, 2025.

Year	Exploration Expenditures	Total Expenditures
2011	Geophysics	\$20,734
2012	Soil geochemistry, geology, environmental	\$23,857
2013	Geology	\$15,451
2014	Soil geochemistry, geology	\$30,066
2015	Soil geochemistry	\$19,988
2016	Soil geochemistry	\$7,108
2017	Soil geochemistry	\$12,597
2018	Geology	\$18,421
2019	Soil geochemistry, geology	\$11,534
2020	Geology	\$282
2022	Soil gas survey	\$26,094
2023	Geology	\$585

Note. Geology includes the synthesis and interpretation of various exploration works for economic evaluation and planning of future exploration.

### ***Cascade Claim Group***

The Cascade claim group was composed of 40 contiguous quartz claims covering an area of 8.1 square kilometres near Mayo Lake. Cascade covers a moderately sloping prominence overlooking a former producing placer creek draining into the Nelson Arm of Mayo Lake. The claim group is also accessible from Mayo Lake, which has a boat launch at its west end. An old road leading from the lake crosses the south part of Cascade.

The surface cover is a mixture of colluvium and till. Cascade has been subjected to multiple glaciations. The ice was probably cold-based due to the elevation of the upland, and transport of rock and debris was minimal.

The property is underlain by the Robert Service Thrust (RST), which is sub-horizontal. It includes a complex intermingling of Hyland Group Metasediments intruded by competent gabbroic rocks and amphibolite dykes. Rock was also intensely strained during the subsequent Tombstone thrusting.

## Mayo Lake Minerals MD&A as at June 30, 2025

Geophysics flown in 2012 by Mayo suggests that the surface trace of the RST is folded around the nose of the Mayo Lake Antiform on or adjacent to the property. This structurally complex zone has good potential to host mineralized structures. Reconnaissance sampling suggests the presence of a gold in soil anomaly, with the most anomalous sample yielding 2.25 g Au/t.

Definition sampling in 2017 has delineated five gold in soil anomalies. The anomalies are all open in at least one direction. Two anomalies have associated element anomalies suggesting a felsic intrusive or skarn-type provenance. The other Au anomalies have element associations suggesting intrusion related or orogenic-type provenances for the gold; two of them have strong As and Sb associations. In 2018, Mayo reanalyzed soil samples for Au by fire assay to confirm previous Au in soil anomalies defined by INAA and ICP-MS after acid digestion techniques because of the possibility that gold values may have been negated or muted where graphite was present in the soil. The results did not indicate any obvious effects from the graphite or any other soil component. Further definition sampling in 2020 around the exterior of the original soils grid extended those anomalies along the east part of the grid. A new grid in the south part of the property delineated one E-W trending gold in soil anomaly.

The Company planned to conduct more detailed soil sampling in 2022 to define potential gold mineralization in areas where reconnaissance soil sampling and airborne magnetics indicate good potential for gold mineralization, mainly to the east and north part of the claim group. However, logistics and funding limited investigations to trying to determine the cause of past irregularities in soil sampling results, i.e., mainly the positioning of samples having low values close to those showing high Au values. Sites were sampled to investigate the possibility that (i) coarse-grained Au was removed from the standard analyzed -80 mesh samples and (ii) loess and transported silt were analyzed in part with glacial materials and colluvium caused irregularities in analytical results.

### Cascade exploration expenditures 2011 to December 31, 2024

Year	Exploration Expenditures	Total Expenditures
2012	Soil geochemistry, geology	\$20,164
2013	Geology, soil geochemistry	\$9,452
2014	Soil geochemistry	\$54
2015	Soil geochemistry	\$570
2017	Soil geochemistry geology	\$15,078
2018	Geology, soil geochemistry	\$2,315
2019	Soil geochemistry	\$8,880
2021	Cash in lieu	\$4,200
2022	Soil geochemistry	\$2,872
2023	Property write-off on December 31, 2023	(\$66,857)

Note. Geology includes the synthesis and interpretation of various exploration works for economic evaluation and planning of future exploration.

The Cascade claims were allowed to lapse on July 19, 2024.

All technical information, including costs and costs estimates of programs within this document has been reviewed and approved by Dr. Vern Rampton, P. Eng. in his capacity as a qualified person as defined under NI 43-101.

**SUMMARY OF QUARTERLY RESULTS**

The following tables contain selected financial information for the three month periods ended June 30, 2025 and June 30, 2024.

	Three-month period ended	
	June 30, 2025	June 30, 2024
Revenue	0	0
Total expenses	140,982	466,754
Other income	0	0
Net loss for quarter	140,982	466,754
Loss per share - diluted	0.0013	0.0048
Cash dividend per share	Nil	Nil

Total expenses in Q2, 2025 were \$325,772 lower than those in Q2, 2024, primarily because of decreased activity in share base compensation and investor relations and promotion. For more detail see *Annual general and administration expenses for quarters ending June 30, 2025 and June 30, 2024*.

***Annual general and administrative expenses for quarters ending June 30, 2025 and June 30, 2024.***

Category	June 30, 2025 (\$)	June 30, 2024 (\$)	Increase (\$) (Decrease) 2025-2024
Investor relations and promotion	27,042	126,994	(99,952)
Professional; legal, audit, accounting, regulatory	47,067	48,662	(1,595)
General and administrative	57,020	58,444	(1,424)
Property evaluation	-	231	(231)
Interest expense and bank charges	6,483	5,515	968
Share based compensation	3,370	226,908	(223,538)
Other expenses	-	-	-
<b>Total overhead expenses</b>	<b>140,982</b>	<b>466,754</b>	<b>(325,772)</b>

The decrease of \$223,538 for Share based compensation is due to the timing expensing of options and RSUs. Each tranche of RSUs and Options is expensed over the full time it takes for them to vest. All options have currently been expensed. A decrease in Investor relations and promotion of \$99,952 was mainly due to the Company entering into a contract with OUTBOX in the first quarter of 2024. Slight decrease in General and administrative, Professional fees and Property evaluation were mainly due to reduction in exploration activities due to lack of funds.

**SUMMARY OF THE SIX MONTH PERIODS RESULTS**

The following tables contain selected financial information for the six month periods ended June 30, 2025 and June 30, 2024.

	Six month period ended	
	June 30, 2025 (\$)	June 30, 2024 (\$)
Revenue	0	0
Total expenses	241,077	598,377
Other income	0	0
Net loss	241,077	598,377
Loss per share - diluted	0.0022	0.0061
Cash dividend per share	Nil	Nil

Total expenses in 2025 were \$357,300 lower than those in 2024 primarily because of decreased activity in investor relation and promotion and share based compensation. For more detail see *Annual general and administrative expenses for six months period ending June 30, 2025 and June 30, 2024*.

*Annual general and administrative expenses for six months ending June 30, 2025 and June 30, 2024.*

Category	June 30, 2025 (\$)	June 30, 2024 (\$)	Increase (decrease) 2025-2024 (\$)
Investor relations and promotion	56,446	159,170	(102,724)
Professional; legal, audit, accounting, regulatory	56,095	59,414	(3,319)
General and administrative	110,977	117,118	(6,141)
Project evaluation	-	231	(231)
Interest expense and bank charges	9,944	12,629	(2,685)
Share based payments	7,615	249,815	(242,200)
Other expenses	-	-	-
<b>Total overhead expenses</b>	<b>241,077</b>	<b>598,377</b>	<b>(357,300)</b>

The decrease of \$242,200 in Share based compensation is due to the timing expensing of options and RSUs. Each tranche of RSUs and Options is expensed over the full time it takes for them to vest. All options have currently been expensed. A decrease in Investor relations and promotion of \$102,724 was mainly due to the Company entering into a contract with OUTBOX in the first quarter of 2024. Decrease in General and administrative, Professional fees, Property evaluation and Interest expense and bank charges are off-setting the slight decrease in property evaluation and Interest and bank charges were mainly due to reduction in exploration activities due to lack of funds.

**OVERALL PERFORMANCE AND RESULTS OF EXPLORATION FOR THE SIX MONTHS ENDING JUNE 30, 2025 AND 2024.**

<i>Details of exploration and evaluation expenditures for six months ending June 30, 2025.</i>						
<b>Work performed</b>	<b>Anderson-Davidson</b>	<b>Trail-Minto</b>	<b>Carlin-Roop</b>	<b>Edmonton</b>	<b>Cascade</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Geology	33,362	26,336	-	-	-	<b>59,698</b>
Geochemical	-	-	-	-	-	-
Geophysics	-	-	-	-	-	-
Line Cutting	-	-	-	-	-	-
Trenching and Probing	-	-	-	-	-	-
Drilling	-	-	-	-	-	-
Environmental	-	-	-	-	-	-
Community Social Development	-	-	-	-	-	-
Project Management	1,878	1,000	-	-	-	<b>2,878</b>
<b>Totals</b>	<b>35,240</b>	<b>27,336</b>	-	-	-	<b>62,576</b>

<i>Details of exploration and evaluation expenditures for six months ending June 30, 2024.</i>						
<b>Work performed</b>	<b>Anderson-Davidson</b>	<b>Trail-Minto</b>	<b>Carlin-Roop</b>	<b>Edmonton</b>	<b>Cascade</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Geology	-	-	-	-	-	-
Geochemical	-	-	-	-	-	-
Geophysics	-	-	-	-	-	-
Line Cutting	-	-	-	-	-	-
Trenching and Probing	-	-	-	-	-	-
Drilling	-	-	-	-	-	-
Environmental	-	-	-	-	-	-
Community Social Development	-	-	-	-	-	-
Project Management	233	-	-	-	-	<b>233</b>
<b>Totals</b>	<b>233</b>	-	-	-	-	<b>233</b>

*Summary of exploration and evaluation during the six month periods ending June 30, 2025 and 2024.*

**Anderson-Davidson**

During the first six months of 2025 the Company paid \$33,362 for alteration mapping and \$1,878 for project management.

During the first six months of 2024 \$233 was expensed for project management.

**Trail-Minto**

During the first six months of 2025 the Company paid \$26,336 for alteration mapping and \$1,000 for project management.

Nil expenditures during the first six months of 2024.

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**Carlin-Roop and Edmonton**

Nil expenditures during in the first six months of each year.

**Summary of Planned exploration for 2025**

**Anderson-Davidson.** Soil sampling is planned to detail gold in soil patterns in prospective areas for diamond drilling targets. Budget estimated at \$50,000.

**Carlin-Roop.** Trenching across a highly anomalous silver zone at Carlin West, the primary target, and across an anomalous silver zone at AJ associated with numerous high-grade float samples is envisaged to determine the presence and location of expected high grade-silver veins at both locations. Budget estimated at \$120,000. The trenching is subject to funding.

**Trail-Minto.** Soil sampling in areas where veining (sheeting?) is expected in the underlying bedrock is planned for 2025. Selective areas may be trenched to determine the nature of gold mineralization. Budget was estimated at \$150,000. Further exploration has been deferred to 2026.

**Edmonton.** A Lidar Survey is proposed to better determine the structural control of mineralization. Budget was estimated at \$60,000. Further exploration has been deferred until 2026.

The costing of completing a ZTEM helicopter-borne natural field electromagnetic and magnetic survey over all four properties is currently being investigated.

**RESULTS OF OPERATIONS**

**SUMMARY OF QUARTERLY FINANCIAL PERFORMANCE**

*Financial results on quarterly basis: Q3 2023 through Q2 2025.*

Category	2025 Q2 \$	2025 Q1 \$	2024 Q4 \$	2024 Q3 \$	2024 Q2 \$	2024 Q1 \$	2023 Q4 \$	2023 Q3 \$
Revenue	-	-	-	-	-	-	-	-
Expenses net of income:								
Investor relations and promotion	27,042	29,405	30,822	37,639	126,994	32,178	33,155	28,653
Professional; legal, audit, accounting, regulatory	47,067	9,028	10,706	15,213	48,662	9,752	17,018	24,856
General and administrative	57,020	53,957	56,724	54,894	58,444	58,674	60,448	52,566
Property evaluation	-	-	-	-	231	-	-	1,483
Fair value adjustment on promissory note	-	-	-	-	-	-	-	-
Penalties, interest expenses and bank	6,483	3,460	3,284	4,395	5,515	7,112	14,772	5,507
Share based compensation	3,370	4,245	6,679	11,184	226,908	22,907	13,895	35,532
Other (income) loss	-	-	-	-	-	-	65,917	-
<b>Net loss (gain)</b>	<b>140,982</b>	<b>100,095</b>	<b>108,215</b>	<b>123,325</b>	<b>466,754</b>	<b>130,623</b>	<b>205,205</b>	<b>148,597</b>
Net loss (gain) exclusive of share based compensation, other income and adjustment	137,612	95,850	101,536	112,141	239,846	107,716	125,393	113,065

Investor relations and promotion varied between \$27,042 and \$37,639 from Q3, 2023 to Q1, 2024, and from Q3, 2024 to Q2, 2025; largely due to the timing of share placements. The large amount in Q2, 2024, \$126,994, is mainly due to a contract that the Company entered with OUTBOX.

Some differences in Professional fees are due to irregular invoicing. The large sums of \$48,662 (Q2, 2024) and \$47,067 (Q2, 2025) are related to audit fees.

Fair value adjustment on promissory notes is an accounting exercise that is booked at end of the year and is subsequently expensed throughout the length of the note.

Penalties, interest and bank expenses related to outstanding debt varied between \$3,284 and \$7,112 for all quarters except for \$14,772 for Q4, 2023 which included a \$9,000 accrual relating to a T101C filing penalty on flow through shares.

Share based compensation of costs range between \$3,370 and \$35,532, except for Q2, 2024 because of the timing of the awarding and vesting of bonuses (options and RSUs) and quarterly expensing of DSUs over 5 years. The larger amount of \$226,908 expensed in Q2, 2024 is due to the simultaneous award and vesting of options on May 3, 2024.

## Mayo Lake Minerals MD&A as at June 30, 2025

The positive \$65,917 Other income for Q4 2023 resulted from \$940 in flow through reduction and the write-off of the Cascade property in the amount of \$66,857.

The average net loss for each of the eight quarters was \$177,975. Without the net loss of \$466,754 in Q2, 2024 the average would be \$136,720. Net loss varies according to all the components of the expense categories discussed in previous section. The large net loss of \$466,754 for Q2, 2024 is mainly due to a combination of Investor relations and promotion (\$126,994) and Share based compensation (\$226,908). The large net loss of \$205,205 for Q4, 2023 is due mainly to the write-off of the Cascade property and the T101C filing penalty for flow through shares. Otherwise the net losses range between \$100,095 and \$148,597.

The Net loss exclusive of Share based compensation, other income and adjustment addresses the Company's net cash overhead (Overhead). The average Overhead expense for the eight quarters was \$129,145 per quarter. The higher Overhead of Q2, 2024 is related to Investor relations and promotion and the contract with OUTBOX and Professional fees related to audit fees. The higher overhead for Q2, 2025 is mainly due to Professional fees mainly audit fees.

## LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2025, the Company held cash of \$14,993 (June 30, 2024, \$1,887) and had a working capital deficiency of \$714,373 (June 30, 2024 – deficiency of \$476,873). Between Q3 of 2023 and Q2 of 2025, the Company financed its operating expenses, property costs and exploration costs through equity financings and promissory notes.

### Financing Activity during the six months ending June 30, 2025

On March 31, 2025, the Company closed a Common Share Private Placement for 600,000 Common Share Units at \$0.05 per Unit totalling \$30,000. Each Unit consists of one common share and one whole common share purchase warrant. Each whole warrant is exercisable into one common share at \$0.07 expiring on March 29, 2029. The 600,000 warrants were valued at \$5,267 using the Black Scholes valuation model.

On March 31, 2025, the Company closed a Flow Through Private Placement for 1,600,000 Flow Through Units at \$0.06 per Unit totalling \$80,000. Each Unit consists of one common share and one whole common share purchase warrant. Each whole warrant is exercisable into one common share at \$0.07 expiring on March 31, 2028. The 1,600,000 warrants were valued at \$10,731 using the Black Scholes valuation model.

In conjunction with the offering, the Company paid finder's fees of \$5,600 and granted 112,000 Broker Unit Warrants in relation to the common share offering. Each Broker Unit Warrant is exercisable into one common share at \$0.08 expiring March 31, 2028. The Broker Unit Warrants were valued at \$692 using the Black-Scholes valuation model.

## OUTSTANDING SECURITIES

	June 30, 2025	Dec. 31, 2024	June 30, 2024	Dec. 31, 2023
<b>Common Shares</b>	112,301,370	109,913,888	105,712,221	95,941,670
<b>Warrants</b>	18,418,105	18,406,441	30,880,022	23,271,955
<b>Broker Warrants</b>	222,834	110,834	697,094	697,094
<b>Options</b>	9,253,789	9,253,789	7,613,737	4,920,158
<b>RSU-DSUs</b>	1,402,200	1,589,682	1,402,200	1,274,966
<b>Fully Diluted</b>	141,598,298	139,274,634	146,305,274	126,105,843

Mayo Lake Minerals MD&A as at June 30, 2025

**Warrants**

**Exercisable and Outstanding  
at June 30, 2025**

	<b>Exercise Price</b>	<b>Expiry date</b>
716,670	\$0.20	August 30, 2025
1,716,700	\$0.10	March 31, 2026
1,975,001	\$0.09	December 29, 2027
701,667	\$0.09	March 8, 2028
6,906,400	\$0.09	May 3, 2028
2,333,334	\$0.09	September 30, 2028
1,868,333	\$0.09	December 30, 2028
1,600,000	\$0.07	March 31, 2028
600,000	\$0.07	March 31, 2029
<b>Total</b>	<b>18,418,105</b>	

**Broker Unit Warrants**

**Exercisable and Outstanding  
at June 30, 2025**

<b>Exercise Price</b>	<b>Expiry date</b>
93,334	August 30, 2025
17,500	March 31, 2026
112,000	March 31, 2028
<b>Total</b>	<b>222,834</b>

**SUBSEQUENT EVENTS**

Subsequent to the end of the quarter, the Company issued a total of 2 five (5) month Notes to various subscribers totaling \$10,000 pursuant to the same terms of those issued in Q2 as described in note 6 of the Financial Statements.

**RELATED PARTY TRANSACTIONS**

The Company has contracts for management and geological services provided by key management, namely officers, administrators and directors of the Company through companies controlled or influenced by them. In addition, key management or their related companies may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Transactions are recorded at their fair value as agreed between all parties.

- Dr. Vern Rampton, President and CEO, provides Management Services to the Company through Rampton Resource Group Inc. ('RRG') his personal services corporation. RRG also provides accessory office facilities plus an office manager/bookkeeper through contracts negotiated within consideration of competitive prices. All expenses are passed through the company at a minimal mark-up.
- Tyrell Sutherland, Vice-President Exploration, provides management & geological services to the Company through Sans Peur Exploration Services Inc. his solely owned personal services corporation.
- Darrell Munro, Corporate Administrator, provides investor relations and administrative services through his sole proprietorship.
- Andre Rancourt, CFO, provides accounting services through his sole proprietorship.
- Lee Bowles, Manager Business Development, provides financial & advisory services through Ironstone Capital Corporation Inc. his personal services corporation.
- On June 18, 2021 the Company issued a series of promissory notes totalling \$101,000 bearing interest at 6% per annum to certain members of the management team in lieu of payment for services rendered. A total of \$16,000 of the principal was repaid in 2022 and \$5,000 in May of 2024. The remaining principal totalling \$80,000 plus interest originally due on June 30, 2023 has been extended to June 30, 2026.

## Mayo Lake Minerals MD&A as at June 30, 2025

- The Company issued a promissory note in the amount of \$25,000 on September 2, 2021 bearing interest at the rate of 1.5% per month to a related party. Both the principal and interest originally due on June 30, 2023 has been extended to June 30, 2026. The note may be prepaid at the option of the Company.
- European Ventures Inc. ('European') was formerly designated as an insider, having previously held more than 10% of the outstanding shares of the Company. It has periodically provided credit to the Company. On October 31, 2022 European Ventures Inc. relinquished its status as an insider when its shareholdings fell slightly below 10% of the Company's outstanding shares. It remains a related party.
- The President and CEO through his wholly owned corporation Rampton Resource Group Inc. and the Company's Corporate Administrator provide services to European Ventures Inc. ('**Auropean**')
- The President & CEO and two directors of the Company are also the sole directors of Auropean.
- On November 12, 2021, the directors passed a resolution approving the borrowing of up to \$150,000 from Auropean at a rate of 10% per annum. This promissory note and interests have been repaid in full in May of 2024.
- On July 21, 2022 the Company awarded 3,990,000 incentive options to management, directors, consultants and contractors. Each option is exercisable into one common share at \$0.15 for a period of 5 years from the date of issuance. The options vest in three equal segments of 1,330,000 (August 1, 2022, August 1, 2023 and August 1, 2024).
- On September 30, 2022 the Company awarded 930,158 options exercisable at \$0.15 for a period of 3 years from the date of issuance and 628,699 Restricted Share Units (RSUs) to management, directors, consultants and contractors for their dedication to the company and more specifically to supplement their compensation for fiscal 2021 as well as the period up to the Company's public listing in May of 2022. Both the options and RSUs vest in three separate equal segments, namely January 30 of 2023, 2024 and 2025.
- On December 12 and December 18, 2023, the Company issued 2 promissory notes of \$18,000 and \$15,000 respectively bearing interest at the rate of 1% per month, payable to the President and CEO of the Company. Both the principal and interest were originally due and payable on April 12 and April 18, 2024 respectively and have been extended to June 30, 2025. These notes and corresponding interests have been repaid in full in September of 2024.
- On May 3, 2024 the Company issued of a total of 4,333,631 options to certain officers, employees and consultants of the Company in lieu of cash compensation as part of its ongoing efforts to incentivize its personnel without depleting cash resources. These options were related to performance of the Recipients for the period beginning July 1, 2022 and ending December 31, 2023. Each option is exercisable into one common share at a price of \$0.10 for a period of 5 years from the date of issuance. Two independent directors of the Company were awarded a total of 502,200 Deferred Share Units (DSUs); each Unit will vest in the name of the grantee on his retirement from the board and automatically be converted into one common share. The Company's independent directors do not receive cash compensation.
- Interest expense on the amounts due to related parties during the three months ending June 30, 2025 totaled \$4,651 (June 30, 2024 - \$8,575).

<b>Compensation to related parties for period ended June 30,</b>	<b>2025</b>	<b>2024</b>
Compensation and contract fee expense of key management	<b>175,982</b>	83,499
Value of DSUs/RSUs with officers and directors expensed	<b>7,219</b>	4,748
Value of stock options with officers and directors expensed	<b>397</b>	18,159

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

#### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, demand notes payable and due to related parties. Details relating to financial instruments and risk management are disclosed in note 14 to the annual consolidated financial statements for the years ended December 31, 2024 and 2023.

#### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates.

The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of mineral exploration properties and deferred exploration expenditures; the valuation of all liability and equity instruments including flow-through share premiums, warrants, compensation options and stock options; and, the ability of the Company to continue as a going concern. Details with respect to critical accounting estimates, judgments and estimation uncertainties are disclosed in note 4 to the annual consolidated financial statements for the years ended December 31, 2024 and 2023.

#### **NEW ACCOUNTING STANDARDS**

##### **New and revised accounting standards**

The Company did not adopt any new standards within the year ended December 31, 2024 or the six month period ended June 30, 2025.

#### **CORPORATE AND BUSINESS RISK**

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of gold. The Company's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic mineral deposit, which itself is subject to numerous risk factors. Furthermore, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined. The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time which even a combination of careful evaluation, experience and knowledge of management may not eliminate risk. While the discovery of ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current business relationships or exploration programs of the Company will result in profitable commercial mining operations. The profitability of operations will be, in part, directly related to the cost and success of exploration programs on its properties which may be affected by a number of factors. Substantial expenditures are required to establish reserves sufficient to commercially mine and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

### **Economic Risk**

The prices of copper, gold, silver and other metals fluctuate. The future direction of the price of any metal or mineral will depend on numerous factors beyond the Company's control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of commodities, and therefore on the economic viability of the Company's properties, cannot accurately be predicted. As the Company is only at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of the commodities for which it explores.

### **Management; Dependence on Key Personnel, Contractors and Service Providers**

Shareholders of the Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

### **Industry Conditions**

The exploration and development of mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves, to develop processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Company or its joint venture partners will result in a profitable commercial operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as commodity prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

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

### **Value of Common Shares**

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

### **Competition**

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other interests, many of which have greater financial resources than it has, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

### **Additional Funding and Financing Risk**

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

### **Environmental Risk**

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

### **Title to Property**

Although the Company has taken reasonable measures to ensure proper title to its property mineral rights, there is no guarantee that the mineral rights to all of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

### **Uninsured Hazards**

The Company may not always be able or may choose not to obtain insurance for many of the risks that it faces. In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of the Company's securities.

The Company is currently not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company may periodically evaluate the cost and coverage of the insurance that is available against certain environmental risks to determine if it would be appropriate to obtain such insurance.

Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate the Company's available funds or could exceed the available funds that the Company has and result in bankruptcy. Should the Company be unable to fully fund the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

### **Conflicts of Interest**

Certain directors and officers of the Company also serve as directors or officers of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

### **Political Risk**

The Company's properties or business operations may be exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of governmental orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on foreign ownership, inability to obtain or delays in obtaining necessary exploration or mining permits, opposition to exploration and mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as bylaws and policies of Canada affecting foreign trade, investment and taxation.

### **Permits, Licences and Approvals**

The operations of the Company may require licences and permits from various governmental authorities or permits from surface right landowners. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations.

Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences and permits that may be required to maintain its exploration activities, construct mines or other facilities and commence operations of any of their exploration properties.

In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

### **Community Risks**

In addition to mineral tenure and environmental permitting, the Company attempts to engage local communities where it explores. Communities may respond differently to exploration and mineral development activities from region to region. Increasingly the exploration sector is required to engage in social contracts with local residents, communities and surface land owners. Factors affecting social acceptance of exploration are variable and can be unpredictable over time. Local opinions can change rapidly about exploration activities and opinions may not be related to the activity of the Company although its ability to enter an area and conduct its programs may be affected by shifts in perception.

### **Regulatory Matters**

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labour standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial, state and local laws and regulations relating to the protection of the environment.

These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

### **Mineral Price Fluctuations**

The marketability of any mineral is subject to numerous factors beyond the control of the Company. The price of minerals can experience volatile and significant movements over short periods of time. Factors impacting price include, but are not limited to, demand for the particular mineral, political and economic conditions and production levels and costs of production in other areas or countries.

**CORPORATE INFORMATION**

**Officers and Directors**

Vern Rampton, P. Eng., Ph. D — Chief Executive Officer, President and Director

Andre Rancourt, CPA, C.A. — Chief Financial Officer

Tyrell Sutherland, M.Sc., P.Geo. — Vice-President, Exploration

Chris Irwin, BA, LL.B — Corporate Secretary

Jeffrey Ackert, BSc. — Independent Director

Gregory LeBlanc, B.A, M.A. — Independent Director

Lee Bowles —Independent Director

**Corporate Office**

110 Westhunt Drive

PO Box 158

Carp, Ontario K0A 1L0

Phone: (613) 836-2594

**Independent Auditor**

Jones & O'Connell LLP, St. Catharines, Canada

**Corporate Legal Counsel**

Irwin Lowy LLP, Toronto, Canada

**Corporate Banker**

The Bank of Nova Scotia, Kanata (Ottawa), Canada