



FREMONT

GOLD LTD

Fremont Gold Ltd.

An Exploration Stage Company

INTERIM MD&A – QUARTERLY HIGHLIGHTS

FOR THE THREE MONTHS ENDED JUNE 30, 2024

Dated: August 15, 2024

Fremont Gold Ltd.

Management Discussion and Analysis
For the three months ended June 30, 2024

Management Discussion and Analysis

The following Management Discussion and Analysis (“**MD&A**”) of Fremont Gold Ltd. (“**Fremont**” or the “**Company**”) has been prepared as at August 15, 2024. It is intended to be read in conjunction with the condensed interim consolidated financial statements of the Company as at and for the three months ended June 30, 2024.

This Interim MD&A – Quarterly Highlights has been compiled in accordance with Section 2.2.1 of Form 51-102F1 - Management’s Discussion & Analysis.

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) unless otherwise noted.

All monetary amounts, including comparatives, are expressed in Canadian dollars unless otherwise noted.

The Company’s year-end is March 31. Accordingly, references to Q1 2025 herein refer to the three months ended June 30, 2024.

Dennis Moore, P.G., President and CEO of the Company and a Qualified Person as defined by National Instrument 43-101, has reviewed and approved the technical information presented in this MD&A.

Overview

Over the past two and a half years, Fremont has been actively seeking project development opportunities in the central Tethyan Mineral Belt focussing on Armenia where the Company currently holds interests in two properties. The Company has an option to acquire up to 100% of an Armenian corporation that holds the exploration license over the Vardenis copper-gold project in central Armenia, and also holds an exploration license relating to Urasar, a copper-gold property located in northern Armenia. The Company is currently investigating other opportunities in Armenia and Georgia.

The Company had historically been focussed on gold assets in Nevada and had assembled a portfolio of gold projects located in Nevada’s most prolific gold trends. Further, in Q4 2023 and Q1 2024, the Company staked and filed claims in Nevada for the purpose of delineating, defining or evaluating a potential lithium resource; these assets were acquired on an opportunistic basis. Following the sale of Intermont Exploration Corp. (“**Intermont**”) in March 2024 and Lithaur Inc. (“**Lithaur**”) in November 2023 and the termination of the lease agreement relating to the Hurricane property in May 2024, the Company no longer held any mineral properties outside of Armenia.

The option to acquire the corporation holding the Vardenis exploration license is held directly by Fremont. Fremont’s wholly owned subsidiary, Hayasa Resources Corp. (“**HRC**”), administers the Company’s activities in Armenia and holds the license to the Urasar property.

Highlights

The three months ended June 30, 2024 and the period ended August 15, 2024 were highlighted by the following activities and initiatives:

Finance

- The balance of cash and cash equivalents as at June 30, 2024 was \$329,918 (March 31, 2024: \$298,594) and the net working capital deficit as at this date was \$137,898 (March 31, 2023: \$84,329)
- In July 2024, the Company closed a non-brokered private placement - which included the introduction of Teck Resources Limited (“**Teck**”) as a shareholder – for gross proceeds of \$2,015,000 (see ‘Liquidity and going concern – July 2024 private placement’)
- In order to preserve cash, management agreed to defer payment of remuneration and reimbursement of expenses in 2022. The total amount owing to the President and CEO, the CFO and the VP Exploration in connection with deferred remuneration and unreimbursed expenditures incurred on behalf of the Company as at June 30, 2024 was \$539,515 (see ‘Liquidity and going concern’)

Exploration and evaluation

- Following several years of extremely limited exploration activity in Nevada, exploration activity increased significantly in fiscal 2024, focussing on the newly acquired Vardenis and Urasar properties in Armenia. Work undertaken at Vardenis included a short wave infrared (SWIR) survey in advance of a small drill program in October and November 2023 (see ‘Vardenis’). Work undertaken at Urasar was limited to soil sampling as the license was not received until October 2023 (see ‘Urasar’)
- The calendar 2024 exploration program commenced in Q1 2025 at both Vardenis and Urasar following the winter season. Exploration activity undertaken subsequent to June 30, 2024 at Vardenis was directed to channel sampling and planning for an IP survey which is expected to commence in August 2024. Post June 30, 2024 activity at Urasar included to the completion of a second soil sampling program, completion of a ground magnetic survey, geological mapping and preparation for a diamond drill program which is expected to commence in late Q2 2025

Project generation and portfolio management

- The Company began focussing its project generation efforts in Armenia in early fiscal 2023 following the identification of a number of exciting opportunities that had materialised in the preceding six months
- In May 2024, the Company divested Hurricane, its last remaining mineral property in Nevada
- In October 2023, the Company announced that it had been granted an exploration permit comprising 33.8 km² over the Urasar Mineral District in northern Armenia (see ‘Urasar’)
- In May 2023, the Company announced that it had entered into a letter of intent to acquire up to a 100% interest in Mendia Resources Corp. (“**Mendia**”), an Armenian corporation. Mendia holds the exploration license over the Vardenis copper-gold project in central Armenia. The definitive option agreement was executed in June 2023 (see ‘Vardenis’)

Armenia, overview

Each of the Vardenis and Urasar properties are discussed below. Urasar was first investigated by Fremont management in September 2021, while Vardenis was evaluated in the spring of 2022. The two properties were included in a total of fifteen Armenian prospects that were sampled and evaluated. The Company is pursuing other exploration opportunities in the Tethyan Mineral Belt in Armenia and Georgia.

In May 2024, the Company signed a memorandum of understanding between HRC and Yerevan State University, pursuant to which the university will provide office space and the use of certain geophysical equipment to the Company, while the Company will train and mentor enrolled geology students in field exploration techniques and practices.

Vardenis

In May 2023, the Company announced that it had entered into a letter of intent to acquire up to a 100% interest in Mendia, an Armenian corporation, with Mendia's sole shareholder (the "Optionor"). Mendia holds the exploration license over the Vardenis copper-gold project in central Armenia.

In June 2023, the Company announced that it had executed a definitive option agreement with the Optionor. The agreement provides the Company with the exclusive option to acquire up to 100% of Mendia via staged option payments over 4.5 years.

The Vardenis copper-gold property is a high-sulfidation, possible Cu-porphyry mineralized system formerly held by Dundee Precious Metals Inc. ("DPMC") between 2015 and 2018. It occurs 25 kilometers along strike and in the same Eocene volcanic sequences which host the 3.0 million ounce Amulsar gold deposit currently being developed by Orion Mine Finance, Osisko Gold Royalties and Resource Capital Fund.

Historic exploration work on the Vardenis copper-gold property comprises early Soviet-era trenching and pits from the 1960s followed by more recent exploration undertaken by Canadian-based companies during the past decade. This recent work includes 1,246 meters of diamond drilling in seven holes, over 6,000 geochemical samples (both soils and streams), alteration mapping and trenching (two of the seven drill holes are located within Mendia's license; the other five are located on the license boundary and are directed toward/into the Mendia license). This work has defined a NW-SE arcuate-shaped, gold-in-soil anomaly approximately seven kilometers in length, as well as a separate 3.6 x 2.0-kilometer copper anomaly located 1.4 kilometers to the south of the gold anomaly.

The project's attributes include the following:

- A large-scale altered and mineralized system
- Hosted in Armenia's most prospective Tertiary volcanic belt, along strike from the 3.0 million ounce Amulsar gold deposit, which is currently under development with the first gold pour expected in late 2024
- At-surface copper-gold mineralization within widespread high-sulfidation-style alteration
- A large (> 6,000 sample) data base which reveals significant, copper and gold geochemical anomalies, the most important being a 3.5km x 2.4km copper-in-soil anomaly
- Historical drilling limited to 1,246 meters within one small area.

See further information regarding Vardenis in the Company's news release of May 9, 2023.

Q1 2025 exploration activity

Exploration activity at Vardenis since the Company acquired its interest includes the continuation of an initial ground based magnetic survey over a circular copper-molybdenum anomaly that was started in late 2023. The purpose of the survey is to better understand the subsurface geology and guide further drilling at Vardenis. The data is being processed by a geophysical consultant based in Scotland. The survey is expected to continue with closer spaced lines late in the current field season.

Planned 2025 (fiscal) exploration activity

Planned exploration activity at Vardenis in fiscal 2025 includes the following:

- A contract has been signed with Terratec Geophysical Services GmbH & Co KG, a geophysical contractor based in Germany, to conduct a 22 line kilometre induced polarization (IP) survey comprising ten 1,900 to 2,200 metre long, dipole-dipole line survey. The survey is planned for the second half of August 2024. The purpose of the survey is to guide targeting for future drill holes

- Depending on the IP results, budget constraints and other corporate factors, the Company is considering a drill program of 2,000 to 5,000 metres in Q2 and/or Q3 2025
- Expansion and infill of the ground magnetometer geophysical survey conducted by the Company in Q3 2024

The objective of this initial phase of work is to establish vectors to mineralization to assist in delineating drill targets for testing later in the fiscal 2025 field season.

As at August 15, 2024, the channel sampling of the surface molybdenum zone has been completed, the IP crew was being mobilized from Germany (and is expected to start work on the IP survey in mid August) and the ground mag survey crews were being mobilized from Urasar to Vardenis. Interpretation and drill-hole targeting is expected in early September 2024.

Urasar

In October 2023, the Company announced that it had been granted an exploration permit for the Urasar copper-gold mineral district in northern Armenia comprising 33.8 km².

Urasar was ranked the highest priority of the 15 Armenian prospects initially reviewed by the Company due to wide-spread surface alteration/mineralization and encouraging geochemical results that comprised eight surface rock chip and channel samples, ranging from a minimum of 0.123 g/t gold to a maximum of 12.5 g/t gold, and averaging 2.65 g/t gold. Thirty follow-up rock chip samples were collected in November 2022 from other parts of the license area and returned an average of 0.75 g/t gold and 0.63% copper.

Historical Soviet data reveals a non-National Instrument 43-101 compliant resource totalling 344,000 ounces of gold in the Russian C1+C2 category and 649,000 ounces of gold in the P category in two separate zones as well as significant copper values including high-grade pods and zones. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources and Fremont is not treating the historical estimate as current mineral resources.

See further information regarding Urasar in the Company's news release of October 10, 2023.

Q1 2025 exploration activity

In January 2024, the Company announced the results of a geochemical soil sample survey that had been undertaken at Urasar in November and December 2023.

The Company collected an additional 691 C-horizon soil samples across the northern and eastern parts of the Urasar mineral district in Q1 2025. This work covers zones that were not sampled in the geochemical survey carried out in late 2023 which displayed continuous gold-copper/base metal anomalies hosted in an east-west structure 1.2 kilometres wide over a 15 kilometre strike length. Gold values ranged up to 449 ppb with a mean of 142 ppb. Copper, molybdenum, zinc and arsenic values were also anomalous and more or less mimicked the anomalous gold distribution.

The copper anomalies generally mirrored the gold anomalies but displayed a tighter distribution comprising three distinct populations, consistent with the results of the work undertaken by Soviet government teams in the 1950s and 1960s. A continuous, robust copper anomaly greater than five kilometres in length was evident in the western portion of the project area, congruent with the largest and strongest gold anomaly. At the far eastern end of the license, the gold geochemistry is comparatively weak while the copper anomaly is quite coherent. Copper values ranged up to 497 ppm with a mean of 233 ppm.

This recent survey will result in complete geochemical soil sampling coverage over the entire Urasar license area.

Planned 2025 (fiscal) exploration activity

Planned exploration activity at Urasar in fiscal 2025 includes the following:

- Infill soil sampling as a follow-up to the Company's Q3 2024 geochemical survey
- Further detailed geological mapping by an experienced senior geological consultant
- Channel sampling over surface mineralized areas
- The objective of this initial phase of work is to prioritize key targets for further surface work and drill testing in Q2 2025 and/or Q3 2025
- Upgrades to the existing road network to facilitate access for future drilling.

As at August 15, 2024, the infill soil sampling comprising 691 samples had been completed and the samples were being readied for transportation to the ALS laboratory in Romania. A second phase of geological, alteration and structural mapping is in progress by a Denver-based consultant; this will also include rock chip and channel sampling in and around known mineralized zones. The ground magnetometer survey has been completed and the data is being interpreted, with results expected by the end of August 2024.

Proposed transactions

As at June 30, 2024 and August 15, 2024, there were no announced asset or business acquisitions or dispositions other than as described herein. The Company is, however, pursuing other opportunities in Armenia and Georgia.

Selected financial information

A summary of results in respect of the five quarters ended June 30, 2024 is as follows. This summary information has been derived from the audited consolidated financial statements and condensed interim consolidated financial statements (unaudited) of the Company.

Consolidated statements of income and loss

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Revenue	-	-	-	-	-
Exploration and evaluation	10,515	228,937	401,915	104,736	182,034
Administration (cash):					
Marketing	2,237	19,287	7,339	26,379	70,975
Management	51,899	56,730	51,875	51,963	53,193
Professional fees	32,655	69,081	55,712	19,228	17,242
Travel	1,154	1,286	16,508	6,654	8,877
General and administration	22,716	30,286	25,996	22,344	7,647
Project development	40,782	4,188	1,170	8,424	2,665
Listing expense	6,483	2,291	1,796	29,677	1,797
Reclamation (net)	958	-	(16,180)	18,594	-
	158,884	183,149	144,216	183,263	162,396
Administration and other (non-cash):					
Stock-based compensation	42,913	26,003	17,186	42,745	23,697
Depreciation	1,692	1,766	965	123	316
Write-off of mineral properties	-	853,688	6,466	879,520	-
Loss (gain) on securities	18,000	6,500	(4,000)	14,000	-
	62,605	887,957	20,617	936,388	24,013
Foreign exchange loss (gain)	7,047	(5,476)	8,005	(6,275)	2,662
Interest income	(1,190)	(892)	(2,827)	(2,852)	(737)
Loss on sale of Intermont	-	-	-	682,752	-
Gain on sale of Lithaur	-	-	(58,164)	-	-
Net loss	237,861	1,293,675	513,762	1,898,012	370,368

Specific fluctuations in the Company's quarterly results were attributable to the following factors:

- **Exploration:** Exploration activity increased significantly in Q2 2024 and Q3 2024 with the commencement of exploration activity in Armenia including a diamond drill program at Vardenis and a soil sampling program at Urasar. Exploration spend was reduced significantly in Q4 2024 due to seasonal conditions particularly at the higher elevation Vardenis property and began ramping up in Q1 2025 with the commencement of the 2024 (calendar) exploration season (see 'Vardenis' and 'Urasar')
- **Marketing** relates primarily to the cost of shareholder communications including attendance at conferences, retention of specific consultants and recurring items such as news releases and maintenance of the Company's web site. The significant increase in Q1 2025 was related to various initiatives undertaken in advance of the successful non-brokered private placement that closed in July 2024. The increase in Q2 2024 related to the cost of the VP Business Development that was previously classified as project development in connection with Armenian initiatives; the VP Business Development resigned in late Q2 2024
- **Management costs** comprise remuneration of the Company's President, CEO and CFO. Remuneration of the Company's former VP Exploration was classified as exploration spend or capitalised to mineral properties as a component of staking costs
- **Professional fees** relate primarily to legal fees associated with general corporate matters as well as audit fees. The increases in Q2 2024 and Q3 2024 were related to legal fees associated with the establishment, acquisition and sale of Lithaur, various issues relating to the Vardenis transaction including the option agreement with Mendia (see 'Vardenis'), the acquisition of the Urasar licence and the sale of Intermont
- **Travel costs** relate to management travel to Armenia, various marketing events and previously to Nevada
- **General and administration charges** relate to the cost of maintaining corporate offices in each of Vancouver and formerly Nevada. The increases in Q2 2024 and, to a lesser extent, Q3 2024 related to one-

off costs associated with the Lithaur transaction. The reduction in Q1 2025 reflects the sale of Intermont in March 2024

- Project development costs relate to preliminary exploration expenditures, consulting fees and other expenditures incurred in connection with the identification of new opportunities in the Tethyan Mineral Belt in Armenia
- Listing fees were higher in Q4 2024 due to annual fees for both the TSXV and the OTCQB listings
- Net reclamation costs relate to the Intermont properties in Nevada
- Stock-based compensation relates to the amortisation of the estimated fair value of stock options issued to management, directors, employees and consultants
- The write off of mineral properties relate to the following:
 - Q2 2024: divestment of the option on the Griffon property
 - Q4 2024: write off in full of the carrying value of the Hurricane property; the lease on this property was divested in Q1 2025
- Gains and losses (both realised and unrealised) on marketable securities relate to changes in value of the 600,000 common shares and sale in Q2 2024 of 200,000 common shares of Westward that were received as part of the consideration for the North Carlin transaction. The remaining 400,000 Westward shares held as at June 30, 2024 were sold subsequent to this date for net proceeds of \$30,405

Consolidated statements of financial position

	30-Jun-23 Q1 2024	30-Sep-23 Q2 2024	31-Dec-23 Q3 2024	31-Mar-24 Q4 2024	30-Jun-24 Q1 2025
Cash and cash equivalents	146,785	587,802	487,805	298,594	329,918
Marketable securities	72,000	42,000	46,000	32,000	32,000
Other current assets	56,002	66,472	202,854	334,693	298,668
Mineral properties	2,652,859	2,287,722	2,039,320	218,658	238,217
Long-term receivable	-	-	-	67,750	68,435
Fixed assets	1,357	12,827	1,110	4,013	3,767
Reclamation bonds	70,577	62,945	68,016	12,782	13,082
Advances to Lithaur	79,377	-	-	-	-
Total assets	3,078,957	3,059,768	2,845,105	968,490	984,087
Accounts payable and accrued liabilities	68,375	215,798	142,265	125,873	158,969
Due to related parties	383,764	905,315	662,747	623,743	639,515
Total current liabilities	452,139	1,121,113	805,012	749,616	798,484
Net working capital	(177,352)	(424,839)	(68,353)	(84,329)	(137,898)
Reclamation provision	22,508	22,984	20,019	13,816	14,141
Share capital	17,786,562	17,780,307	18,952,598	18,952,598	18,949,904
Reserves	1,996,274	2,022,277	2,039,463	2,082,208	2,105,905
Subscription receipts	-	537,767	-	-	310,000
Other comprehensive expense	124,455	171,976	138,429	178,682	184,451
Accumulated deficit	(17,302,981)	(18,596,656)	(19,110,416)	(21,008,430)	(21,378,798)
Total equity	2,604,310	1,915,671	2,020,074	205,058	171,462
	-	-	-	-	-

- The balance of cash reflects subscriptions received in connection with non-brokered private placement that closed in October 2023 and July 2024
- Marketable securities relate to shares of Westward
- Other current assets relate to prepaid insurance expenditures and various receivables (including GST). The balance increased significantly in Q3 2024 as a result of the following:

- Prepaid marketing spend including a series of conferences
- An advance of US\$ 40,000 to the owner of Mendia (see 'Vardenis') which was repaid in full in Q4 2024
- Receivables (both current and long-term) relating to the sale of Intermont in Q4 2024
- The carrying value of mineral properties includes claim acquisition (option payments, value of common shares issued to optionors in connection with property transactions, costs of staking, etc.) and the costs of maintaining the claims in good standing (previously annual BLM and county charges in connection with the Nevada properties). The significant reduction in Q4 2024 was attributable to the sale of the Cobb Creek property (via the sale of Intermont) and the write off of the carrying value of the Hurricane in full (the lease agreement associated with the property was dropped in Q1 2025). Commencing in Q4 2024, the balance of mineral properties related solely to the properties in Armenia
- The Company had advanced Lithaur a total of US\$ 59,952 (\$79,377) through June 30, 2023. The inter-company balances were eliminated on consolidation commencing in Q2 2024
- Reclamation bonds relate to exploration activities on both properties in Armenia and previously properties in Nevada (see 'Liquidity and going concern - Contractual commitments')
- Accounts payable and accrued liabilities comprise amounts due to third parties including accrued audit fees and recurring liabilities relating to ongoing operations in Armenia and Vancouver and previously in Nevada. The significant increase in Q2 2024 relates to fees and other amounts owing to the former VP Business Development, accrued audit and legal fees and various exploration expenditures incurred in connection with the Vardenis property. The increase in Q1 2025 relates in part to the commencement of exploration activity at both Armenia properties
- The increase in the balance due to related parties in Q2 2024 related to the ongoing deferral of certain management costs and advances provided by the President and CEO. The decrease in Q3 2024 was due to the repayment of \$100,000 of a \$200,000 advance provided by the President and CEO and reduction of US\$ 125,000 associated with the sale of Lithaur (see 'Transactions with related parties')

Liquidity and going concern

As at June 30, 2024, the Company had a cash balance of \$329,918 (March 31, 2024: \$298,594), and a net working capital deficit of \$137,898 (March 31, 2024: \$84,329).

Going concern

The nature of the Company's operations results in significant expenditures for the acquisition, maintenance and exploration of mineral properties. To date, the Company has not generated any revenue from mining or other operations as it is considered to be in the exploration stage.

Given the Company's liquidity situation in recent years, management took the following steps to preserve cash:

- Significant reduction in all marketing spend
- Continued reduction in office and administrative spend
- The President and CEO began working without remuneration when starting in this combined role in May 2021, but recognition of his remuneration commenced effective June 1, 2021. Payment of remuneration was deferred from this date through September 30, 2022 and then again commencing July 1, 2023 through May 31, 2024
- The payment of the CFO's remuneration was deferred from May 1, 2021 through June 30, 2022
- The payment of part of the former VP Exploration's remuneration was deferred from May 1, 2021 through June 30, 2022
- The reimbursement of certain expenses incurred by members of management on behalf of the Company has been deferred since May 1, 2021

A liability due to the two members of management and former VP Exploration totalling \$539,515 has accumulated through June 30, 2024 as a result of the aforementioned deferrals; \$38,567 of this balance was repaid subsequent to June 30, 2024 through August 15, 2024. It is expected that part of the remaining balance of approximately \$500,000 will ultimately be restructured, however, the terms of such a restructuring had not been established as at August 15, 2024 (see 'Transactions with related parties').

The Company's President and CEO advanced a total of \$200,000 to the Company during Q2 2024 for various purposes of which \$100,000 was repaid in Q3 2024 with the proceeds of the October 2023 non-brokered private placement.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from equity financings provided by the Company's existing shareholders and/or new shareholders or through other arrangements. In July 2024, the Company closed a non-brokered private placement raising gross proceeds of \$2,015,000 (see 'Non-brokered private placement'). There is no assurance that the Company will continue to be successful in this regard.

The recoverability of the carrying value of mineral properties and deferred expenditures is dependent upon a number of factors including the existence of recoverable reserves, the ability of the Company to obtain financing to maintain properties in good standing and continue exploration and the discovery of economically recoverable reserves.

The Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

In the event the Company is unable to arrange appropriate financing, the carrying value of its assets and liabilities could be subject to material adjustment and the Company may not be able to meet its obligations as they become due in the normal course of business. Furthermore, these conditions indicate the existence of a material uncertainty that raises significant doubt as to the Company's ability to continue as a going concern.

July 2024 private placement

In July 2024, the Company announced the closing of a non-brokered private placement consisting of a total of 20,150,000 units at a price of \$0.10 per unit for gross proceeds of \$2,015,000.

Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.17 per share for a period of 18 months following closing of the private placement.

The stated use of the net proceeds of the private placement was ongoing exploration work at Vardenis and Urasar and general working capital purposes.

Subscribers to the private placement included Teck Resources Limited whose interest in the Company as at July 29, 2024 was 9.9% on a partially diluted basis.

Certain directors and officers of the Company participated in the private placement subscribing for an aggregate of 600,000 units for gross proceeds of \$60,000.

Dividends

The Company has neither declared nor paid any dividends on its common shares to date. The Company does not anticipate paying any dividends on its common shares in the foreseeable future.

Contractual commitments

The Company is responsible for remediating ground on its Vardenis property on which it undertook a diamond drill program in Q3 2024. In this regard, the Company provided a refundable deposit to a ministry of the Armenian government amounting to the \$ equivalent of approximately \$9,800. The Company has estimated the cost of reclamation of the Vardenis property as at June 30, 2024 to be approximately \$14,200.

The Company is responsible for remediating ground on its Urasar property on which it undertook a soil sampling program in Q3 2024. In this regard, the Company provided a refundable deposit to a ministry of the Armenian government amounting to the \$ equivalent of approximately \$3,300. Given the limited and non-intrusive nature of the exploration work undertaken on this property to date, the Company has estimated the cost of reclamation of the Urasar property as at June 30, 2024 to be \$nil.

In order to maintain the option agreement associated with the Vardenis property in good standing, the Company is required to make an option payment and complete certain exploration work as follows:

- Completion of 2,500 metres of drilling through December 2024 (of which 770 meters has been completed as at July 29, 2024). Following the completion of this requirement, the Company will earn a 51% interest in Mendia
- Payment of US\$ 150,000 and issuance of 700,000 common shares to the Optionor in December 2024

In addition to the foregoing, the Company has entered into agreements with local communities in connection with both the Vardenis and Urasar agreements pursuant to which it is required to make periodic payments to the local communities for specific purposes.

Other than as described above, the Company had no significant medium- or long-term contractual commitments as at June 30, 2024 or August 15, 2024 beyond its stated liabilities.

Legal proceedings

The Company was not involved in any legal proceedings as at either June 30, 2024 or August 15, 2024.

Off-balance sheet arrangements

The Company is not a party to any off-balance sheet arrangements.

Transactions with related parties

The Company incurred the following expenses resulting from transactions with related parties including officers and directors, a former officer and companies that are controlled by a current and former officer of the Company:

	3 months ended June 30, 2024	3 months ended June 30, 2023
Remuneration of officers of the Company	\$ 53,193	\$ 58,093
Stock-based compensation relating to stock options issued to officers and directors of the Company	13,616	33,010
Recharge of exploration, claim and local administrative expenditures	-	10,546
	<u>\$ 66,809</u>	<u>\$ 101,649</u>

Officers of the Company include its President, CEO, CFO and the former VP Exploration. The above schedule includes fees charged by companies controlled by an officer and former officer of the Company. See discussion in ‘Liquidity and going concern’ regarding the deferrals of management remuneration that were introduced in fiscal 2022.

Certain exploration, local administrative and claim acquisition expenditures were charged to the Company (both Intermont and Lithaur) by Tectonex, a company owned by the Company’s former VP Exploration. Such charges totalled \$nil in the three months ended June 30, 2024 (three months ended June 30, 2023: US\$ 7,851 (\$10,546)). All such expenditures were recharged to the Company without margin or discount at the actual cost incurred by Tectonex.

The Company owed the following amounts to related parties including officers and directors, a former officer and companies that are controlled by a current and former officer of the Company:

	June 30, 2024	March 31, 2024
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures	\$ 100,432	\$ 145,465
Amounts owing to directors and officers relating to deferred remuneration and the reimbursement of expenses	439,083	378,278
Advance provided by the President and CEO	100,000	100,000
	<u>\$ 639,515</u>	<u>\$ 623,743</u>

In August 2023, the President and CEO loaned \$200,000 to the Company of which \$100,000 was repaid with the proceeds of the October 2023 private placement.

Amounts due to related parties as at June 30, 2024 (including the advance from the President and CEO) were unsecured, non-interest bearing and had no set terms of repayment.

Outstanding share data

The Company has authorized capital of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares without nominal or par value.

Capital structure

The Company had the following common shares, warrants and stock options outstanding as at June 30, 2024 and August 15, 2024:

	August 15, 2024	June 30, 2024
Issued and outstanding common shares	58,072,097	37,922,097
Fully diluted	77,473,597	47,098,597
Share purchase warrants:		
October 27, 2025 (\$0.17)	5,776,500	5,776,500
January 23, 2026 (\$0.17)	10,075,000	-
	<u>15,851,500</u>	<u>5,776,500</u>
Stock options	3,550,000	3,400,000

Cautionary Statement on Forward-Looking Information and Risk Factors

This MD&A document contains ‘forward-looking information’ and ‘forward-looking statements’ (together, the “forward-looking statements”) within the meaning of applicable securities laws. Such forward-looking statements concern the Company’s anticipated operations in future periods, planned exploration and evaluation of its properties, and plans related to its business and other matters that may occur in the future. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. These forward-looking statements are made as of August 15, 2024.

Users of forward-looking statements are cautioned that actual results may vary from the forward-looking statements contained herein. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to:

- Risks related to the exploration and evaluation of natural resource properties
- Risks related to the uncertainty of mineral resource calculations and the inclusion of inferred mineral resources in economic estimations
- Risks related to fluctuations in future metal prices (particularly gold prices)
- Risks related to market events and conditions
- Risks related to governmental regulations, including without limitation, environmental laws and regulations
- Risks related to delays in obtaining governmental or regulatory approvals, licenses or permits
- Risks related to the Company’s mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title
- Risks related to uncertainty associated with the Company’s ability to obtain funding in the future
- Risks related to the Company’s inability to meet its financial obligations under agreements to which it is a party (see ‘Liquidity and going concern’)
- Risks related to competition from larger companies with greater financial and technical resources, and
- Risks related to the Company’s directors and officers becoming associated with other natural resource companies which may give rise to conflicts of interest.

Other risk factors associated with the Company are identified in the document entitled ‘Filing Statement of Palisades Ventures Inc.’ dated as at May 29, 2017 which is available on www.sedar.com.

The Company is also subject to possible political and/or military risk associated with Armenia’s proximity to the disputed region of Nagorno Karabakh, also known as Artsakh. Nagorno Karabakh is a mountainous area located between Armenia and Azerbaijan that has been in dispute since the break-up of the Soviet Union in 1991. Military actions directed against the ethnic Armenian majority in Nagorno Karabakh have recently been undertaken by Azerbaijan.

Although the forward-looking statements contained in this document are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this document, and the Company assumes no obligation to update or revise them to reflect new events or circumstances except as may be required under applicable securities laws. There can be no assurance that forward-looking statements, or the material factors or assumptions used to develop such

forward-looking statements, will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements.