Management Discussion and Analysis
Year-end and Fourth Quarter, 2023

This Management's Discussion and Analysis ("MD&A") of Omineca Mining and Metals Ltd. ("Omineca", "OMM", or "Company") is dated April 29, 2024 and provides a discussion of the Company's financial and operating results for the quarter and year ended December 31, 2023 with comparisons to previous quarters and prior year. This MD&A should be read in conjunction with the quarterly condensed consolidated financial statements and accompanying notes and the most recently published annual audited financial statements and notes.

OMM was incorporated on March 15, 2011, pursuant to the Alberta Business Corporation Act (Alberta), and is extra-provincially registered in the Yukon and British Columbia. As the Company has not commenced production on any of its mining properties the Company is an exploration stage company.

Business Overview

OMM (OMM: TSX-V) is a junior resource company focused on its flagship Wingdam Gold Project, located in the prolific Barkerville gold camp in central British Columbia. The project was acquired in October 2013 and includes the underground paleo-placer Wingdam project and significant hard rock mineral tenures covering 65,218 contiguous hectares in the Cariboo gold district. The Wingdam paleo-project is currently permitted under a BC Ministry of Natural Resource Operations permit and a BC Ministry of Environment Effluent Discharge permit.

Since 2020, with the significant move in gold prices above CAD$2,500 per ounce, the principal focus of the Company has been on exploring the hard rock tenures. Significant ground and airborne exploration programs were completed in fiscal 2020, which was followed up with initial target diamond drilling program in 2020, 2021 and 2022. A follow-on drilling program is currently in the planning stage on the Wingdam hard rock tenures, with a view to drilling an additional 3,000 meters in the second and third quarters of 2024.

Additionally, underground development and bulk sampling activities are now underway at the Wingdam Paleo Placer project. The fully permitted large scale test mining operation envisages 300 meters of advance down the paleo channel which was bulk sampled successfully in 2012. Along with its partner, D&L Mining, the Company will work to complete the 300 meter test mining program over the course of the next 18 months, with multiple and continual cross-cuts across the gold bearing paleo channel which underlies Lightning Creek.

In February 2019, the Company entered into a letter of Agreement whereby an arm's length private company (the "Partner") will earn a 50% interest in placer claims contained within the Wingdam Project in exchange for incurring 100% of the preparatory costs required to commence an initial 300 meter bulk sample at the property. During 2022, the Partner earned its interest in the Wingdam property and was granted its 50% interest in the placer claims, as underground operations had begun. Under the terms of the Joint Venture, the Partner is required to complete all mining activities related to placer claims at Wingdam in exchange for half of the gold that is recovered. The Company is still responsible for continued operations relating to the hard rock claims. Further, the Partner will charge Omineca a fixed price of $850 per ounce of gold delivered to OMM.

Although the Wingdam paleo-placer gold project gives the Company exposure to potential near term gold production, the potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. Although numerous attempts have been made to mine the Deep Lead Channel in the Wingdam area since the late 1880s, the first successful bulk mining test was carried out by CVG Mining Limited ("CVG") in 2012 using a combination of freeze technology and conventional mining. The bulk sample recovered an average grade of 0.453 oz/tonne across the 23.5 meter channel width. Although Omineca has not been able to independently verify the methodology and results from the 2012 CVG Drift Sampling Program, the work was carried out under the supervision of Steve Kocsis, P.Geo who is considered a Qualified Person under NI 43-101. Omineca management believes that the work was carried out and documented in a professional manner and has no reason to doubt either the methodology or the accuracy of the results. Free gold occurs along the interface between the placer gravels and the bedrock, and can be very efficiently recovered using a simple underground wash plant. The project has excellent existing infrastructure including underground workings, ventilation and dewatering raises, settling ponds and other surface buildings, in addition to being bisected by a power line and paved highway.

Outlook

The primary asset held by OMM is the Wingdam gold project, consisting of both its 100% ownership in over 65,000 hectares of hard-rock mineral tenures and its 50% interest in the Wingdam underground paleo placer project, both of which are located in the Lightning Creek area of the Cariboo gold district. Management remains focussed on advancing both aspects of the Wingdam project and is now advancing test mining activities at the paleo placer project and is drilling and exploring on the hard rock tenures, exploring for the source of the paleo placer gold.

The underground activities at Wingdam are now progressing with mining operations underway since early July of 2022. Multiple headings have been developed to advance across the paleo placer channel with the intention of connecting those headings by mining up and downstream following the path of the old buried river channel. Initial recoveries will be announced as received and verified by our Qualified Person, Mr. Steve Kocsis. Having fully dewatered the channel with its partner, D&L Mining, the operations are now continuing as a traditional underground mining operation, relying on shotcrete, spilings and/or steel tunnel liner to provide support across the back of the mine. Once the workings were completely dewatered, drilling into the paleochannel indicated that freezing operations are not required to liberate the pay gravels that underly Lightning Creek. The approved engineered mine plan consists of methods commonly used in civil soft ground tunnelling operations, which has significantly reduced the cost and carbon footprint of the mining operations. Current global economic conditions including a relatively strong gold price measured in Canadian dollars has resulted in favorable tailwinds for the project.

The hard-rock drilling program which commenced in September of 2020 is the first lode source exploration drill program of significant scale to be completed at Wingdam. The next phase of drilling operations are currently underway at Wingdam, following on the results of the 2022 and 2021 programs. Efforts are now focused on two portions of the 65,000 hectare tenure area, which may host the lode gold source rocks for the placer gold in the Wingdam deposit.

Wingdam has a colorful history and the innovative approach employed by CVG in the 2012 bulk sample suggest that the gold bearing gravels beneath Lightning Creek can be recovered using modern mining techniques. The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. The successful implementation of these techniques by CVG has, in the opinion of OMM's management, de-risked the project substantially and paved the way to complete a much larger bulk sample test. The proposed methods of extraction and processing of the gold bearing gravels will not significantly alter the current minimal environmental footprint of the project over the proposed mine life.

Selected Information

The Corporation's operating results for the years ended December 31, 2023, 2022, and 2021 is stated below; with the subsequent table representing selected quarterly results for the eight most recently completed quarters.

	December 31, 2023	December 31, 2022	December 31, 2021
	$	$	$
Operating Revenues	-	-	-
Comprehensive loss for the year	(2,100,688)	(2,075,853)	(1,367,162)
Basic loss per share	(0.01)	(0.02)	(0.01)
Diluted loss per share	(0.01)	(0.02)	(0.01)
Total assets	17,220,827	15,701,749	15,781,314
Total long term liabilities	10,050,190	9,441,623	8,636,290

Comprehensive loss for the years ended December 31, 2023, and 2022 can be affected significantly by non-operating expenses such as depreciation, share-based payments, option proceeds in excess of carrying value, write down of exploration and evaluation assets, impairment of investments and gain or losses on sale of investments and sale of property and equipment. Following are material items that have had such an effect:

	December 31, 2023	December 31, 2022	December 31, 2021
Share-based payments	$ 269,500	$ 201,500	$ 457,500

Summary of Quarterly Results

The following is a summary of quarterly results as published:

Year	2023	2023	2023	2023	2022	2022	2022	2022
Quarter ended	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Revenues	$nil	$nil	$nil	$nil	$nil	$nil	$nil	$nil
Comprehensive loss	$(471,269)	$(708,878)	$(459,021)	$(461,520)	$(500,636)	$(444,158)	$(499,162)	$(631,897)
Basic loss per share	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)
Diluted loss per share	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)
Total assets	$17,220,827	$17,671,582	$17,954,227	$18,382,406	$15,701,749	$15,480,709	$15,255,479	$15,533,078

Comprehensive loss

Comprehensive loss for the period can be affected significantly by non-operating expenses such as share-based payments, option proceeds in excess of carrying value, write down of exploration and evaluation assets, impairment of investments and gain or losses on sale of investments and sale of property and equipment:

Year	2023	2023	2023	2023	2022	2022	2022	2022
Quarter ended	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Share-based payments	$ -	$ 269,500	$ -	$ -	$ -	$ -	$ -	$ 201,500

RESULTS OF OPERATIONS

For the year ended December 31, 2023, the Company recorded a comprehensive loss of $2,100,688 (2022 - $2,075,853). The most significant changes are as follows:

- Administration costs were $598,480 (2022 - $626,533). The decrease is the result of lower consulting fees paid to other consultants.
- Accretion expenses were $141,986 (2022 - $126,159). The increase relates to the accounting treatment of the debenture payable.
- Professional fees were $68,965 (2022 - $85,674). The decrease is the result of the timing and nature of professional services required from year to year.
- Trade shows, travel and promotion were $171,057 (2022 - $192,406). The decrease is the result of the Company reducing marketing and promotion activities. The Company has allowed certain agreements to lapse.
- Share-based payments were $269,500 (2022 - $201,500). The increase is primarily the result of the Company granting more options in the current year compared to that of the prior year combined with changes in the inputs and assumptions.
- The Company has recorded an unrealized loss of $4,658 (2022 – unrealized loss of $25,871) based on the market values as of the reporting period date. No securities were sold in 2023 or 2022.

Expenditures

Operating expenses (total expenses less depreciation and share-based payments) for the year were $1,016,033 (2022 - $1,066,954). These expenses were for office personnel, investor relations, professional fees and public company costs for the year. The decrease is due primarily to administrative costs, professional fees and trade shows, travel and promotional activities offset slightly by an increase in accretion expenses.

The Company accrued $963,567 (2022 - $904,733) in interest and accretion expense on the debenture held with 49 North Resources Inc., a related party

Commitments

During the year ended December 31, 2021, the Company closed a flow-through financing and recorded a premium received on flow-through shares in the amount of $nil and is required to expend $1,000,000 before December 31, 2022. As at December 31, 2022, the company has fulfilled this commitment and is required to further expend $nil related to this offering.

During the year ended December 31, 2023, the Company closed a flow-through financing and recorded a premium received on flow-through shares in the amount of $nil and is required to spend $3,219,994. As at December 31, 2023, the Company incurred $333,797 and is required to expend $2,886,197 before December 31, 2024.

Liquidity and Financial Resources

At December 31, 2023, the Company had working capital surplus of $679,756 (December 31, 2022 – deficiency of $561,981). The increase in working capital is primarily due to the Company completing a financing in 2023. At December 31, 2023the Company held cash and cash equivalents of $1,296,858 (December 31, 2022 - $119,437). Currently, the Company has sufficient liquid resources to meet its current liabilities.

The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance that the Company will be able to obtain the required financing in the future on acceptable terms.

The Company has accounts receivable of $105,318 (December 31, 2022 - $317,328) and prepaid expenses of $71,343 (December 31, 2022 - $71,161).

The Company has reclamation bonds on deposit with a government agency in the amount of $100,000 (December 31, 2022 - $100,000).

The Company has a convertible debenture payable to 49 North Resources Ltd., a related party, but, under the terms of the convertible debenture, payments against principal and interest are required in the event ore sales are generated.

Financing

On March 23 2023, the Company closed a brokered private placement, selling 29,272,675 flow-through units at a price of $0.11 per unit for gross proceeds of $3,219,994. Each unit consisted of one flow-through common share and one non-flow-through common share purchase warrant, each Warrant exercisable at $0.14 for a 36 month period (“Warrant”). A finder’s fee of $193,940 cash was paid to a third party. The Company incurred other shares issue costs of $143,553 and issued 1,763,092 agent options valued at $273,280. Each agent option is exercisable at a price of $0.11 and consists of one common share and one Warrant.

On November 16, 2022, the Company closed a non-brokered private placement, selling 9,374,999 non-flow-through units at a price of $0.08 per unit for gross proceeds of $750,000. Each unit consisted of a non-flow-through common share and one non-flow-through common share purchase warrant, each Warrant exercisable at $0.12 for a 24 month period. A finder’s fee of $11,580 cash was paid to third parties and the Company incurred other share issue costs of $16,373, in total.

Investments

At December 31, 2023, the Company held investments comprised of publicly traded securities having a market value of $5,740 (December 31, 2022 - $10,398). Market value is based on quoted closing bid prices for publicly traded shares and may not approximate trading prices at the time of disposition. Management regularly reviews the portfolio and makes decisions for trading based on current market trends and requirements of the Company.

The Company did not sell any securities in 2023 or 2022.

Exploration and Evaluation Assets

	British Columbia				Yukon	
	Abo	Fraser Canyon	Mouse Mountain	Wingdam	Kiwi	Total
December 31, 2021	$1	$ 126,742	$500,992	$13,036,001	$ 1	$13,663,737
Acquisition and renewal	-	50,250	1,244	7,352	-	58,846
Exploration costs	-	-	-	1,040,463	-	1,040,463
Depreciation	-	-	-	93,746	-	93,746
December 31, 2022	1	176,992	502,236	14,177,562	1	14,856,792
Acquisition and renewal	-	62,791	7,100	10,500	-	80,391
Exploration costs	-	-	-	414,220	-	414,220
Depreciation	-	-	-	67,450	-	67,450
Other	-	-	-	19,670	-	19,670
December 31, 2023	**$1**	**$239,783**	**$509,336**	**$14,689,402**	**$1**	**$15,438,523**

2023	Wingdam
Tenure and permits	$ 1,323
Analytical	29,867
Drilling	20,000
Environmental	8,979
Geological	143,789
Personnel	60,000
Travel and accommodation	23,747
Equipment rental and other	126,515
	$ 414,220

2022	Wingdam
Tenure and permits	$ 1,323
Analytical	54,166
Drilling	170,828
Environmental	19,433
Geophysical	122,983
Geological	352,080
Personnel	58,080
Travel and accommodation	38,381
Equipment rental and other	223,189
	$ 1,040,463

As at December 31, 2023 and December 31, 2022, the Company has executed option agreements with third parties on the following projects:

BC Projects

In March 2013, the Company completed geophysical surveys on the Wingdam/Lightning Creek and Fraser Canyon projects, located in the Cariboo Region of British Columbia near Quesnel. The geophysical survey was designed to provide additional information with respect to sub-surface topography in under-explored areas of the two properties. The survey had two components, IP/Resistivity and Magnetometer. The IP/Resistivity survey was conducted using an array of fixed electrodes with a spacing of 5 meters. This configuration was used specifically to give an accurate profile of the buried gold-bearing placer channels on the two properties, as well as having sufficient depth penetration to effectively test the bedrock beneath the placer gravels. A total of 2,425 meters of surveying was completed at Wingdam and 4,400 meters at Fraser Canyon. As a component of the data collection, Ground Truth completed detailed interpretation and modeling on the geophysical data.

An airborne LIDAR surface topographical survey was completed within both the Fraser Canyon and Wingdam project areas in Q2 of 2014. The 2014 exploration program consisted of an airborne LiDAR ("Light Detection and Ranging") and Digital Photography survey flown by Eagle Mapping Ltd. of Vancouver. Coverage on the Fraser Canyon property was 22 square kilometers, with 79 square kilometers surveyed at the Wingdam, This data will aid in future exploration programs, with the intent of better defining gold-bearing paleochannels. In conjunction with this survey, a complete data compilation on the Fraser Canyon property was completed, encompassing all available historical data including diamond drilling, geophysical surveys and biogeochemical surveys. This work will ensure that a modern and complete dataset is available to help guide future work on the property.

<u>The Wingdam/Lightning Creek Project</u>

The 2,876 ha Wingdam/Lightning Creek Project is located 35 km east of Quesnel, B.C., and provides a unique opportunity for Omineca to acquire near-term placer gold potential in a proven mining district. The property overlies both placer and hard-rock tenures along the Deep Lead Channel of Lightning Creek, where topographic conditions have created a deep overburden accumulation which effectively resulted in a large portion of the channel being excluded from conventional surface placer mining activity. On the Wingdam property, drilling and previous geophysical surveys indicate that the Deep Lead Channel may occur throughout the entire 2.4km length of the Wingdam placer tenures. Numerous attempts have been made to mine the Deep Lead Channel in the Wingdam area since the late 1880s, but all were hampered by an influx of water and unstable ground conditions related to the presence of Cariboo slum, and were ultimately abandoned.

In 2012, CVG successfully completed a crosscut drift 23.5m across the Deep Lead Channel along the bedrock/gravel interface, using the Australian deep-lead mining method combined with ground-freeze technology. This effort not only proved the applicability of the freeze method, but also provided a bulk sample whereby "the gold recovered from the 23.5-meter drift advance across the paleochannel true width amounted to 173.495 ounces of raw placer gold (900 fineness) from 140 bank cubic meters. The refined-equivalent gold grade across this width amounted to 34.55 g/m3 or 0.453 oz/tonne. The grade across a central portion of the paleochannel totaling 14.8 m (3.8 to 18.6m) averaged 46.30 g/m3 or 0.608 oz/tonne" (S. Kocsis technical report, Oct, 2012). Omineca management believes that the 2012 bulk sample program conducted by CVG Mining Ltd. verifies that the placer gold grades indicated by historical pre-1930's churn drilling are accurate and also demonstrates that the use of the freeze mining technique pioneered by CVG is a viable approach to sampling under Lightning Creek. Although Omineca has not been able to independently verify the methodology and results from the 2012 CVG Drift Sampling Program, the work was carried out under the supervision of Steve Kocsis, P.Geo who is considered a Qualified Person under NI 43-101. Omineca management believes that the work was carried out and documented in a professional manner and has no reason to doubt either the methodology or the accuracy of the results. The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource.

The abundance and physical nature of the placer gold recovered during the 2012 test mining operation indicates that it is, in part, locally derived. Little or no systematic exploration work has been carried out on the property to test for the occurrence of lode gold, leaving good potential for the exploration and possible discovery of in-situ (hard-rock) gold mineralization in addition to the presence of a proven placer deposit.

The Wingdam project is currently permitted under a BC Ministry of Natural Resource Operations permit and a BC Ministry of Environment Effluent Discharge permit, and has been under care and maintenance since September 25, 2012. In December 2015 the Company received an amendment to its Wingdam Project Mines Act permit from the BC Ministry of Energy and Mines. Under the amendment, the Company's plan to bulk sample approximately 300m of ancient paleo-channel of Lighting Creek has been approved.

In the spring of 2015, the Company completed a field program of geotechnical drilling and seismic refraction geophysics (OMM NR April 20, 2015). A 3D model of the gold bearing channel has been developed from this drill data and seismic interpretation. The model shows a mineable channel area approximately 60 percent greater than indicated by the historical channel profiles and also indicates a series of depressions along the channel which are postulated to be potential natural traps for the placer gold during deposition of the gravels. During this program the Company also recovered representative core samples which were analyzed to determine frozen material characteristics, the results of which have now been incorporated into a detailed ground-freezing plan.

On August 23, 2016, the Company filed a Technical Report on SDEAR in accordance with National Instrument 43-101 ("NI 43-101") dated July 27, 2016 and titled Technical Report on the Wingdam Property.

Wingdam is subject to a 1% net smelter royalty, which can be purchased at any time for an amount of $1,000,000.

In February 2019, the Company entered into a letter of Agreement whereby an arm's length private company (the "Partner") will earn a 50% interest in place claims contained within the Wingdam Project in exchange for incurring 100% of the preparatory costs required to commence an initial 300 meter bulk sample at the property. During 2022, the Partner earned its interest in the Wingdam property and was granted its 50% interest in the placer claims, as underground operations had begun. Under the terms of the proposed Joint Venture, the Partner is required to complete all mining activities related to placer claims at Wingdam in exchange for half of the gold that is recovered. The Company is still responsible for continued operations relating to the hard rock claims. Further, the Partner will charge Omineca a fixed price of $850 per ounce of gold.

In March 2021, the Company entered into a Purchase and Sale Agreement to purchase certain properties (including lands and leases) for exploration activities. As part of the consideration, OMM is to make total cash payments of $125,000, payable as follows:

i. $50,000 payable on signing (paid);
ii. $50,000 payable on the one-year anniversary of signing (paid); and
iii. $25,000 payable on the second-year anniversary of signing (not paid).

The Company has also thoroughly investigated other project challenges including power options, mining methods and equipment and ground water control strategies all culminating in the completion of a detailed mine plan together with a sophisticated financial model of the proposed operation.

The Fraser Canyon Project

The Fraser Canyon Property is located 12 kilometers north of the city of Quesnel. The property consists of 2,221 hectares of placer claims and leases and 1,221 hectares of mineral claims. The tenures are strategically located along 15.8-kilometers of deeply-buried gold-enriched Miocene fluvial conglomerates of the Fraser Bend Formation. The gold-enriched zone along the paleochannel floor averages 2.13 m thick and reaches up to 38 m wide. The Company is currently finalizing exploration and development plans for the Fraser Canyon property with a view to submitting permit applications to re-commence drilling and sampling activities.

The paleochannel was explored and partially mined underground at two locations on the north and south sides of the Fraser Canyon called the Tertiary (1907-1917) and Canyon (1986) mines. The two mines collectively produced 1,482 ounce of raw placer gold (892 fineness) or 1,322 refined ounces. There has been very little exploration and development work in the area since the Canyon Mine closed in 1986. Omineca has not been able to independently verify the methodology and results related to the historical production at the Tertiary and Canyon mines. However, management believes that the information is relevant.

In 2009, CVG dewatered the Canyon Mine and rehabilitated the underground workings. The workings consist of a 160-meter long decline and a 235-meter long exploration drift that follows the length of the paleochannel floor, and a series of 13 crosscuts. The development work was carried out by All Star Resources in 1986, who reported a total of 421.6 ounces of refined gold recovered from 5,625 m3 of conglomerate and bedrock material extracted from the drift and crosscuts. Omineca has not been able to independently verify the methodology and results related to the historical All Star Resources sample. However, management believes that the information is relevant.

Fraser Canyon is subject to a 2.5% net smelter royalty, which can be purchased at any time for an amount of $250,000.

The Mouse Mountain Project
The Company, entered into an option agreement to acquire a 50% interest in the Mouse Mountain project, in the province of British Columbia. As part of the option agreement, The Company issued 300,000 common shares of the Company and is required to drill 2,000 meters of diamond drilling, within twelve months of receiving regulatory approval of the transaction. In 2021, the Company completed its drilling and has earned its 50% interest in the project.

The Company, along with its partner Can Alaska are reviewing options for follow-on drilling campaign at Mouse Mountain.

Convertible Debenture

The Company has a convertible debenture with 49 North Resources Inc. (“49 North”), a related party, with a principal balance of $5,400,000. The debenture was amended on September 19, 2016 extending the maturity by three years to October 1, 2021 (previously October 1, 2018). In the event commercial production has not been achieved for an aggregate period of 24 months, at the maturity date this debenture will automatically renew for an additional term of 5 years. Under the Amended Debenture, 49 North can convert the principal amount into common shares of Omineca at a conversion price of $0.20 per common share prior to October 1, 2017; $0.50 per common share on or after October 1, 2017 but prior to October 1, 2018; and $0.75 per common share on or after October 1, 2018 (previously $1.25 after October 1, 2015). The debenture bears interest of 8% per annum, calculated and compounded monthly and is payable upon maturity at October 1, 2021. Accrued interest on the Amended Debenture is also convertible at a conversion price equal to the greater of the minimum price per common share permitted by the TSXV and the prevailing conversion price applicable to the principal amount at the time of conversion.

The change in terms of the debt resulted in less than a 10% change in cash flows, therefore it is considered a modification of the original debt, rather than an extinguishment of the old debt and the recognition of a new debt.

Payments against principal and interest are required in the event ore sales are generated. 49 North holds a fixed and specific first ranking mortgage, assignment and charge in the Wingdam property.

The convertible debenture has been classified into its separate debenture liability and equity portions in the Company's audited annual financial statements by the fair value method using an effective interest of 9.76% when valuing the liability first. This resulted in an initial amount of $5,019,984 being allocated to the liability portion and $303,244 being allocated to the equity portion. The carrying value of the debenture will be accreted up to its face value over the term to maturity.

As commercial production has not commenced, the maturity date had been extended in October 2021 for five years and the balance remains in long-term liabilities. The convertible debenture is valued by the fair value method using an effective interest of 11.88% on renewal date and the new carrying valuing of the convertible debt is accreted up to its face value over the term of the new maturity. On renewal date, $786,617 was allocated to the equity portion using Black-Scholes Option pricing model. Assumptions used in the pricing model for the year are as follows: share price on renewal date of $0.17, risk-free interest rate of 1.13%, expected life of 5 years, annualized volatility 116.78% determined by reference to the Company's historical trading prices, and dividend rate of nil.

During the year ended December 31, 2023 the Company accrued $821,581 (December 31, 2022 - $778,574) in interest expense and $141,986 (December 31, 2022 - $126,159) in accretion expense.

Transactions with Related Parties

The Company was involved in the following related party transactions during the year:

(a) The Company has a convertible debenture with accrued interest with 49 North. During the year ended December 31, 2023 the Company accrued $821,581 (2022 - $778,574) in interest expense and $141,986 (2022 - $126,159) in accretion expense.

(b) During the year ended December 31, 2023, the Company incurred rent of $48,000 (2022 - $48,000), which is included in administration costs. At December 31, 2023, $2,851 (2022 - $53,727 is included in accounts receivable) is included in accounts payable from 49 North.

Compensation to key management personnel in the year and prior year:

	2023	2022
Consulting and management fees	**$ 360,000**	$ 360,000
Share-based payments	**122,500**	46,500
	$ 482,500	$ 406,500

(c) Included in administration costs is $240,000 (2022 - $240,000) for consulting fees to TMM Portfolio Management, a company controlled by Tom MacNeill, a director and officer of the Company. At December 31, 2023, $27,000 (2022 - $32,000) is included in accounts payable and accrued liabilities.

(d) Included in administration costs is $120,000 (2022 - $120,000) for consulting fees to Jaelky holdings Ltd, a company controlled by Andrew Davidson, a director and officer of the Company. At December 31, 2023, $nil (2022 - $nil) is included in accounts payable and accrued liabilities.

(e) The Company granted 2,500,000 (2022 – 300,000) options in the year to directors and officers of the Company and recorded share-based payments of $122,500 (2022 – $46,500). The options are exercisable at $0.07 (2022 - $0.20) and expire September 27, 2028 (2022 - January 13, 2027).

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

The amounts owed and owing are unsecured, non-interest bearing, with no fixed terms of repayment.

Disclosure of Management Compensation

The Corporation has standard compensation agreement to pay its CEO $20,000 (2022 - $20,000) per month as compensation and the CFO is compensated $10,000 per month (2022 - $10,000) for services as an officer of the Corporation. Payments totalling 360,000 (2022 - $360,000) were paid or accrued in the year.

The Corporation has a Stock Option Plan (the "Plan") to provide an incentive for directors and officers of the Corporation to directly participate in the Corporation's growth and development by providing them with the opportunity through options to purchase common shares to acquire an increased financial interest in the Corporation. At the discretion of the Corporate Governance and Compensation Committee ("CGCC") options are granted to individuals taking into account the Corporation's long-range objectives, comparing and matching in most cases option grants and holdings for similar positions in the comparator group, and previous grants to such individuals.

Disclosure of Outstanding Share Data

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

At April 29, 2024, the Company has 178,034,575 common shares issued and outstanding. There are no other classes of shares outstanding.

At April 29, 2024, the Company has 15,800,000 stock options outstanding with expiry dates of May 3, 2024, December 11, 2025, May 31, 2026, July 26, 2026, January 13, 2027, May 15, 2028 and September 27, 2028.

At April 29, 2024, the Company has 40,410,766 warrants outstanding, which includes 1,763,092 agent options.

A detailed schedule of Share Capital is included in the Statements of Changes in Shareholders' Equity and details are provided in Note 8 of the Company's December 31, 2023 annual audited financial statements.

Financial Instruments

The Company carries various financial instruments and it is management's opinion that the Company is not exposed to significant risks arising from these financial instruments. Substantially all of the Company's cash is held at two recognized Canadian National financial institutions. As a result, the Company is exposed to all of the risks associated with these institutions. Refer to Note 3(b) in the annual audited financial statements for disclosure of financial instrument classification.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Critical Accounting Estimates

The preparation of financial statements in compliance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board, requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

The estimates and underlying assumptions are evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant accounting estimates

i. Amounts of provisions, if any, for environmental rehabilitation and restoration.

Significant accounting judgments

i. The assessment of indications of impairment of each exploration and evaluation property and related determination of the recoverable amount and write-down of those properties where applicable.
ii. The assessment of the going concern assumption.

Accounting Policies

Refer to Note 3 to the audited annual financial statements for information pertaining to accounting changes effective January 1, 2023 and future accounting changes not mandatory for the December 31, 2023 reporting period.

Risks Factors

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

The Company's properties are in the exploration stage. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of minerals. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Development of the Company's properties will only be potentially pursued if favourable exploration results are obtained that demonstrate that economic extraction of minerals is justified.

The business of exploration for minerals and mining involves a high degree of risk. Whether a mineral deposit can be commercially viable depends upon a number of factors, including the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into producing mines.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company's properties can be obtained on a timely basis.

The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

There is no assurance that the TSX-V or any regulatory authority having jurisdiction will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

Financial Capability and Additional Financing

The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on its properties. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

Mining Titles

There is no guarantee that the Company's title to or interests in the Company's property interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. With the exception of certain Crown Granted Mineral Claims and legacy tenures, the Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed.

There can be no assurance that the Company's rights will not be challenged by third parties claiming an interest in the properties.

Management

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies.

Dilution

There are a number of outstanding options and warrants pursuant to which additional common shares of the Company may be issued in the future. Exercise of such options and warrants may result in dilution to the Company's shareholders. In addition, if the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

History of Losses and No Assurance of Profitable Operations

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources.

Uninsurable Risks
In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions may occur. These unexpected or unusual conditions may include rock bursts, cave-ins, fires, flooding and earthquakes. 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 increasing costs and a decline in the value of the securities of the Company.

Environmental and Safety Regulations and Risks
Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

Fluctuating Mineral Prices
The Company's revenues, if any, are expected to be in large part derived from the sale of gold, copper, and possibly other metals. The prices of gold, copper, and other commodities have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of gold and copper due to new mine developments, mine closures, and advances in various production and technological uses for gold and copper. All of these factors will have impacts on the viability of the Company's exploration projects that are impossible to predict with certainty.

Competitive Conditions
The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results.

Price Volatility of Publicly Traded Securities
In recent years, the securities markets in the United States and Canada have experienced high levels of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

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

Subsequent Events

None

Other MD & A Requirements

Additional information relating to the Company is available on the SEDAR+ website: www.sedarplus.ca under "Company Profiles" and "Omineca".

Forward Looking Statements

All statements other than those of a historical nature are 'forward-looking statements' that may involve a number of unknown risks, uncertainties and other factors. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements.

On behalf of the Board of Directors

"Tom MacNeill"

Tom MacNeill
President