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RED CANYON RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024

This report (“Management’s Discussion and Analysis”) provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in financial condition between December 31, 2024 and December 31, 2023 and results of operations for the years ended December 31, 2024 and 2023, as well as forward-looking statements relating to the potential future performance. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below. This Management’s Discussion and Analysis has been prepared as of **April 23, 2025** (“Report Date”). This Management’s Discussion and Analysis is intended to supplement and complement the audited consolidated financial statements and notes thereto for the years ended December 31, 2024 and 2023 (collectively the “Financial Statements”). You are encouraged to review the Financial Statements in conjunction with your review of this Management’s Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management’s Discussion and Analysis and such notes are incorporated by reference herein.

1. CORE BUSINESS

Red Canyon Resources Ltd. (“Red Canyon” or the “Company”) was incorporated on October 2, 2020 under the laws of British Columbia. The Company’s principal business activities include the acquisition and exploration of mineral property assets in North America. The address of the Company’s corporate office and its principal place of business is Suite 1210 – 1130 West Pender Street, Vancouver, British Columbia, Canada. The Company’s shares were approved for trading on the Canadian Securities Exchange (“CSE”) under the symbol “REDC” on October 25, 2023 and on the OTCQB under the symbol “REDRF” on May 1, 2024.

The Company has one wholly owned subsidiary: RC Metals Inc. The accounts of the subsidiary are consolidated with the Company.

The Company is focused on mineral exploration in British Columbia and the western United States. The Company holds interests in copper and copper-gold properties as follows:

- British Columbia – **Peak** (Cariboo Regional District), **Kendal** (Kitimat-Stikine Regional District), **Ping** (Fraser-Fort George Regional District), **Inzana** (Bulkley-Nechako Regional District), **Limonite** (Kitimat-Stikine Regional District Regional District);
- Nevada – **Scraper Springs** (Elko County), **Gray Hills** (Lyon County), **Oxford** (Lyon County); and
- Utah – **Keg** (Juab County).

See Section 7.1 "Exploration and Evaluation Activities" below for a description of the properties and the work programs.

2. FINANCIAL CONDITION

As at December 31, 2024, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a net loss of \$616,863 for the year ended December 31, 2024 (2023: \$237,504) and, as of that date, the Company had an accumulated deficit of \$1,457,545. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company had a working capital surplus of \$729,762 at December 31, 2024 (December 31, 2023: \$781,535).

Cash was \$688,031 at December 31, 2024 (December 31, 2023: \$968,620). Restricted cash was \$20,342 at December 31, 2024 (December 31, 2023: \$20,763) and consists of a savings account held at a financial institution as security against a company credit card. The Company's sources and uses of cash are discussed in Section 4 "Cash Flows" below.

Amounts and other receivable of \$136,575 at December 31, 2024 (December 31, 2023: \$46,013) consist of GST input tax credits, British Columbia Mineral Exploration Tax Credits ("METC") and office expense recoveries.

Prepaid expenses of \$35,791 at December 31, 2024 (December 31, 2023: \$19,928) include normal operating expenses and exploration contractor deposits.

Reclamation bonds of \$120,000 at December 31, 2024 (December 31, 2023: \$120,000) held by the Province of British Columbia in connection with the Peak, Kendal, Ping and SP projects are returnable to the Company only after the government agencies are satisfied that there is no outstanding reclamation liability associated with the land.

Equipment of \$3,048 at December 31, 2024 (December 31, 2023: \$2,254) consists of computer and field equipment.

Exploration and evaluation assets of \$4,188,623 at December 31, 2024 (December 31, 2023: \$1,920,710) consist of acquisition and exploration expenditures on the Company's mineral properties and are discussed in Section 7 "Exploration and Evaluation Activities" below.

Trade and other payables were \$150,977 at December 31, 2024 (December 31, 2023: \$63,208). Trade and other payables are unsecured and are usually paid within 30 days of recognition. Included in trade and other payables is \$8,943 (December 31, 2023: \$1,491) due to related parties which consists of amounts owed to a director and a significant shareholder for salary and expense reimbursements.

Deferred tax liability of \$424,444 at December 31, 2024 (December 31, 2023: \$nil) reflects the temporary difference between the carrying value of the exploration and evaluation assets and the tax value of the

deferred mineral exploration pools that were reduced by the Company's flow-through renunciations. The net deferred tax liability will continue to be recognized as long as, or until non-capital losses increase to an amount greater than the temporary difference in the mineral property cost base.

2024 Flow-Through Unit Offering

On June 13, 2024, the Company completed a non-brokered private placement (the "2024 Charity FT Unit Offering") consisting of 2,580,000 charity flow-through units (each, a "2024 CFT Unit") of the Company priced at \$0.3696 for gross proceeds of \$953,568. The Company recorded a flow-through premium liability of \$385,338.

The proceeds of the 2024 Charity FT Unit Offering were used to incur eligible "Canadian Exploration Expenses" ("CEE") that are Qualifying Expenses within the meaning of the Tax Act. The Company renounced \$953,542 in Qualifying Expenses at December 31, 2024, completed its qualifying expenditure commitment, and recognized \$385,338 in flow-through share premium income during the year ended December 31, 2024.

2023 Flow-Through Unit Offerings

During the year ended December 31, 2023, the Company raised gross proceeds of \$1,291,705 through flow-through unit offerings (the "2023 FT Unit Offerings") that were used to incur eligible CEE that are Qualifying Expenses within the meaning of the Tax Act. The Company recorded aggregate flow-through premium liability of \$471,235 on the 2023 FT Unit Offerings.

The Company renounced \$1,291,668 in Qualifying Expenses at December 31, 2023. During the year ended December 31, 2024, the Company completed its qualifying expenditure commitment by incurring \$596,611 in CEE (year ended December 31, 2023: \$695,057). The Company recognized \$210,581 in flow-through share premium income (year ended December 31, 2023: \$260,654) and recorded \$11,979 in Part XII.6 tax during the year ended December 31, 2024.

3. FINANCIAL PERFORMANCE

The Company has one operating segment, the exploration of mineral properties, and two geographical segments, with current exploration activities being conducted in both Canada and the United States.

Because the Company is in the exploration stage, it did not earn any revenue from production and its expenses relate to the costs of operating a public company of its size. Net loss for the year ended December 31, 2024 was \$616,863 and comprehensive loss after cumulative translation adjustment was \$628,316 or \$0.02 per share, compared to a net loss of \$237,504 and comprehensive loss of \$235,166 for the year ended December 31, 2023 or \$0.01 per share. Net loss for the three months ended December 31, 2024 was \$407,765 and comprehensive income after cumulative translation adjustment was \$414,442 or \$0.01 per share, compared to a net loss of \$19,454 and comprehensive loss of \$16,926 for the three months ended December 31, 2023 or \$0.00 per share.

Deferred income tax expense of \$424,444 that was recorded during the three months and year ended December 31, 2024 is a non-cash item. It arose due to the temporary difference between the carrying value of the exploration and evaluation assets and the tax value of the deferred mineral exploration pools that were reduced by the Company's flow-through renunciations. Accounting entries for deferred income tax expenses and recoveries will continue to be recorded until losses increase to an amount greater than the temporary difference in the mineral property cost base.

3.1 Total expenses for the year ended December 31, 2024

Total expenses for the year ended December 31, 2024 were \$823,108 compared to total expenses of \$477,558 for the year ended December 31, 2023.

Accounting and audit fees were \$54,722 for the year ended December 31, 2024 compared to \$47,308 in account and audit fees recorded in the 2023 comparative year. The audit fee provision was increased for the current year.

Employee costs were \$478,715 for the year ended December 31, 2024 compared to \$237,531 in employee costs recorded in the 2023 comparative year. Employee costs consist of consulting fees, management, salaries and benefits and share-based payments. The following is a breakdown of material components of the Company's employee costs for the years ended December 31, 2024 and 2023.

	Year ended December 31, 2024	Year ended December 31, 2023
	\$	\$
Consulting fees	33,947	642
Management	128,562	98,601
Salaries and benefits	125,113	100,981
Share-based payments	191,093	37,307
	<u>478,715</u>	<u>237,531</u>

Included in consulting fees during the year ended December 31, 2024 is \$32,253 paid to advisors in connection with the Company's listing on the OTCQB and DTC eligibility submission.

Management expenses consist of salary allocations paid to the CEO, CFO and director's fees of \$5,000 per month effective September 1, 2023. Management fees increased during the current financial year in support of the Company's operational development.

Salaries and benefits consist of salaries paid to the CFO and employees of the Canadian head office, employer payroll expenses, group health premiums and WorkSafeBC premiums. Salaries and benefits increased during the current financial period in support of the Company's operational development.

During the year ended December 31, 2024, the Company granted 2,015,000 stock options with a fair value of \$281,060, of which \$191,093 was expensed to share based payments in the consolidated statement of loss and \$89,967 was capitalized to exploration and evaluation assets. Share-based payments expense of \$37,307 for the 2023 comparative year records the fair value of 250,000 stock options granted during the year.

Filing fees were \$37,930 for the year ended December 31, 2024 compared to \$40,648 for the 2023 comparative year and consist of the following:

	Year ended December 31, 2024	Year ended December 31, 2023
	\$	\$
CSE and OTCQB sustaining fees	31,193	1,500
Report of exempt distribution, Form D	2,311	8,458
Annual financial statements	3,015	-
CSE listing application	-	15,000
Prospectus	-	14,546
Miscellaneous	1,411	1,144
	<u>37,930</u>	<u>40,648</u>

The Company listed on the CSE on October 25, 2023 and on the OTCQB on May 1, 2024 and accordingly 2023 expenditures reflect listing application fees, and 2024 expenditures reflect sustaining fees and continuous disclosure costs.

General exploration expenses were \$42,429 for the year ended December 31, 2024 compared to \$37,536 in general exploration expenses recorded for the 2023 comparative year. General exploration expenses include project generation costs.

Investor communication expenses were \$74,053 for the year ended December 31, 2024 compared to \$11,204 in expenses incurred during the 2023 comparative year. An investor communications program was undertaken to increase the profile of the Company upon its public listing in October 2023. The following is a breakdown of the Company's investor communication expenses for the years ended December 31, 2024 and 2023.

	Year ended December 31, 2024	Year ended December 31, 2023
	\$	\$
Advertising	33,943	3,797
News releases	3,149	624
Shareholder meetings	2,502	-
Trade shows and conferences	31,439	2,644
Transfer agent	2,560	3,867
Website	460	272
	74,053	11,204

Legal fees were \$6,823 for the year ended December 31, 2024 compared to \$57,857 in legal fees recorded for the 2023 comparative year. During the current financial year, legal fees of \$3,384 were incurred in connection with the Company's DTC eligibility application, and the balance relates to general corporate and commercial matters. During the 2023 financial year, the Company incurred \$52,538 in legal fees in connection with its CSE listing and prospectus and the balance relates to general corporate and commercial matters.

Office expenses were \$96,830 for the year ended December 31, 2024 compared to \$35,905 in expenses recorded for the 2023 comparative year. Office expenses increased to support the Company's corporate development. Insurance consists of directors and officers liability and commercial general liability policies purchased upon public listing in October 2023. Meals and entertainment expenses were incurred in connection with investor relations activities and the Company expanded its office premises rental. The following is a breakdown of the Company's office expenses for the years ended December 31, 2024 and 2023.

	Year ended December 31, 2024	Year ended December 31, 2023
	\$	\$
Bank charges and interest	2,444	1,431
Insurance	19,235	2,726
IT and web	7,526	6,530
Meals and entertainment	19,946	3,691
Office supplies and expenses	8,321	5,551
Rent	36,960	14,500
Telephone	2,398	1,476
	96,830	35,905

Travel expenses were \$30,900 for the year ended December 31, 2024 compared to \$9,088 in expenses recorded for the 2023 comparative year. Travel expenses were incurred to attend trade shows and conferences.

3.2 Total expenses for the three months ended December 31, 2024

Total expenses for the three months ended December 31, 2024 were \$181,891 compared to total expenses of \$147,616 for the three months ended December 31, 2023.

Accounting and audit fees were \$50,082 for the three months ended December 31, 2024 compared to \$31,875 in accounting and audit fees recorded in the 2023 comparative period. The increase factors inflation and timing differences of when the audit fee provisions were recorded.

Employee costs were \$61,577 for the three months ended December 31, 2024 compared to \$59,091 in employee costs recorded in the 2023 comparative period. Employee costs consist of consulting fees, management, and salaries and benefits. The following is a breakdown of material components of the Company's employee costs for the three months ended December 31, 2024 and 2023.

	Three months ended December 31, 2024	Three months ended December 31, 2023
	\$	\$
Consulting fees	33	-
Management	31,757	30,290
Salaries and benefits	29,787	28,801
Share-based payments	-	-
	<u>61,577</u>	<u>59,091</u>

Management expenses consist of salary allocations paid to the CEO, CFO and director's fees of \$5,000 per month.

Salaries and benefits consist of salaries paid to the CFO and employees of the Canadian head office, employer payroll expenses, group health premiums and WorkSafeBC premiums.

Filing fees were \$8,873 for the three months ended December 31, 2024 compared to \$13,268 for the 2023 comparative period and consist of the following:

	Three months ended December 31, 2024	Three months ended December 31, 2023
	\$	\$
CSE and OTCQB sustaining fees	7,954	1,500
Report of exempt distribution, Form D	(66)	-
CSE listing application	-	10,000
Prospectus	-	846
Miscellaneous	985	922
	<u>8,873</u>	<u>13,268</u>

The Company listed on the CSE on October 25, 2023 and on the OTCQB on May 1, 2024 and accordingly 2023 expenditures reflect listing application fees, and 2024 expenditures reflect sustaining fees and continuous disclosure costs.

General exploration expenses were \$4,173 for the three months ended December 31, 2024 compared to \$5,920 in general exploration expenses recorded for the 2023 comparative period. General exploration expenses include project generation costs.

Investor communication expenses were \$21,797 for the three months ended December 31, 2024 compared to \$7,347 in expenses incurred during the 2023 comparative period. An investor communications program was undertaken to increase the profile of the Company upon its public listing in October 2023. The following is a breakdown of the Company's investor communication expenses for the three months ended December 31, 2024 and 2023.

	Three months ended December 31, 2024	Three months ended December 31, 2023
	\$	\$
Advertising	19,489	2,776
News releases	787	624
Trade shows and conferences	908	-
Transfer agent	370	3,867
Website	243	80
	<u>21,797</u>	<u>7,347</u>

Legal fees were \$569 for the three months ended December 31, 2024 compared to \$16,299 in legal fees recorded for the 2023 comparative period and were incurred in connection with general corporate and commercial matters. During the 2023 fiscal period, the Company incurred \$13,144 in legal fees in connection with its CSE listing and prospectus.

Office expenses were \$29,093 for the three months ended December 31, 2024 compared to \$13,657 in expenses recorded for the 2023 comparative period. Office expenses increased to support the Company's corporate development. Insurance consists of directors and officers liability and commercial general liability policies purchased upon public listing. Meals and entertainment expenses were incurred in connection with investor relations activities and the Company expanded its office premises rental. The following is a breakdown of the Company's office expenses for the three months ended December 31, 2024 and 2023.

	Three months ended December 31, 2024	Three months ended December 31, 2023
	\$	\$
Bank charges and interest	548	126
Insurance	5,442	2,726
IT and web	2,457	1,546
Meals and entertainment	6,674	1,758
Office supplies and expenses	2,833	1,574
Rent	10,350	5,500
Telephone	789	427
	<u>29,093</u>	<u>13,657</u>

Travel expenses were \$5,475 for the three months ended December 31, 2024 compared to \$nil in expenses recorded for the 2023 comparative period. Travel expenses were incurred to attend trade shows and conferences.

3.3 Total other income and expenses for the three months and year ended December 31, 2024

FT share premium income of \$192,267 (2023: \$175,192) and \$595,919 (2023: \$260,654) was recognized during the three months and year ended December 31, 2024 respectively upon incurrence of qualifying exploration expenditures.

Finance income of \$8,744 (2023: \$8,827) and \$47,148 (2023: \$34,489) recorded during the three months and year ended December 31, 2024 respectively consists of bank interest on savings accounts.

Foreign exchange gains and losses arise from transactions denominated in U.S. dollars, the functional currency of the Company's subsidiary.

Part XII.6 tax of \$952 (2023: \$nil) and \$11,979 (2023: \$nil) was recorded during the three months and year ended December 31, 2024 respectively.

Impairment expense of \$82,417 (2023: \$34,070) and \$101,954 (2023: \$34,070) were recorded during the three months and year ended December 31, 2024 respectively. The following is a breakdown of the Company's impairment expenses for the three months and years ended December 31, 2024 and 2023.

	Three months ended December 31, 2024	Three months ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
	\$	\$	\$	\$
Hatter	-	34,070	-	34,070
Hatter METC recovery	(1,873)	-	(5,795)	-
Peak	-	-	277	-
Ping	-	-	1,717	-
Cooper	(2,389)	-	19,076	-
SP	86,679	-	86,679	-
	<u>82,417</u>	<u>34,070</u>	<u>101,954</u>	<u>34,070</u>

4. CASH FLOWS

The Company is in the exploration and evaluation stage and as such does not earn any revenue from production. Total cash used in operating activities was \$620,103 for the year ended December 31, 2024 compared to cash used of \$534,834 during the 2023 comparative year. The Company incurred a net loss of \$616,863 with adjustments to add back items not involving cash (depreciation, foreign exchange, flow-through share premium income, impairment, share-based payments and deferred income tax expense) and adjustments for non-cash working capital items (amounts receivable, prepaid expenses, trade and other payables) to calculate the cash used in operating activities.

Total cash flows used in investing activities were \$2,190,268 during the year ended December 31, 2024 and consist of \$2,188,768 in expenditures on exploration and evaluation assets and \$1,500 in equipment purchases. Total cash flows used in investing activities were \$1,167,462 during the year ended December 31, 2023 and consist of \$1,045,610 in expenditures on exploration and evaluation assets, \$120,000 paid in deposits for reclamation bonds, and \$1,852 paid for purchase of equipment.

Total cash flows provided by financing activities were \$2,525,084 for the year ended December 31, 2024 and consist of \$2,560,708 in proceeds from share issuances less \$35,624 in share issuance costs. Total cash flows provided by financing activities were \$2,402,524 for the year ended December 31, 2023 and consist of \$2,440,457 in proceeds from share issuances less \$37,933 in share issuance costs.

5. SELECTED ANNUAL INFORMATION

The table below presents selected financial data for the Company's annual financial statements for each of the three most recently completed financial years. The financial data provided is prepared in accordance with IFRS Accounting Standards ("IFRS") and is presented in Canadian dollars.

	December 31, 2024	December 31, 2023	December 31, 2022
	\$	\$	\$
Total revenue	-	-	-
Net loss for the period	(616,863)	(237,504)	(258,879)
Comprehensive loss for the period	(628,316)	(235,166)	(261,486)
Loss per share, basic	(0.02)	(0.01)	(0.01)
Loss per share, diluted	(0.02)	(0.01)	(0.01)
Total assets	5,192,410	3,098,288	1,321,317
Total long term liabilities	-	-	-
Cash dividend declared per share	-	-	-

During the year ended December 31, 2022, the Company realized a net loss of \$258,879. Employee costs totalled \$160,244 which includes \$30,000 in strategic consulting fees paid to NewQuest and \$30,482 in share-based payments for the grant of 200,000 stock options to consultants of the Company. A further 150,000 stock options were granted to a geological consultant and the fair value of \$22,764 was capitalized to exploration and evaluation assets.

During the year ended December 31, 2023, the Company realized a net loss of \$237,504, which is comparable to the previous year's loss. Employee costs totalled \$237,531 which includes \$37,307 in share-based payments for the grant of 250,000 stock options to a director and an employee of the Company. Employee costs increased in general to support the Company's development into a public company with active exploration programs. Legal fees and filing fees were also incurred in connection with the Company's prospectus filing and listing application. FT share premium income of \$260,654 was recognized upon incurring qualifying exploration expenditures.

During the year ended December 31, 2024, the Company realized a net loss of \$616,863, which is significantly wider than the previous year's loss due to the recording of deferred tax expense of \$424,444 (2023: \$nil), a non-cash item that reflects the temporal difference between the carrying value and the tax value of the Company's exploration and evaluation assets that arose from the Company's flow-through renunciations. Total expenses of \$823,108 incurred during the current financial year is \$345,550 wider than the total expenses of \$477,558 incurred during the 2023 comparative year. There were notable increases to share-based payment expense (+\$153,786), investor communication expenses (+\$62,849), office costs (+\$60,925) and OTCQB related listing expenses (+\$33,305), offset by the lower legal fees (-\$51,034). Other income of \$630,689 during the year ended December 31, 2024 is \$390,635 higher than other income of \$240,054 recorded during the 2023 comparative year and largely consists of increases to flow-through share premium (+\$335,265) and unrealized foreign exchange (+\$122,574) offset by lower impairment expenses (-\$67,884).

Comprehensive loss includes cumulative translation adjustments on the translation of the US functional currency subsidiary into the presentation currency.

During the 2022 financial year, the Company raised gross proceeds of \$212,200 from private placements. The Company's mineral property acquisition and exploration activities during the year contributed to the \$1,015,386 in exploration and evaluation assets at December 31, 2022.

During the 2023 financial year, the Company raised gross proceeds of \$1,969,222 from private placements. The Company's mineral property acquisition and exploration activities during the year contributed to the \$1,920,710 in exploration and evaluation assets at December 31, 2023.

During the 2024 financial year, the Company raised gross proceeds of \$2,182,412 from share issuances. The Company's mineral property acquisition and exploration activities during the year contributed to the \$4,188,623 in exploration and evaluation assets at December 31, 2024.

6. MAJOR OPERATING MILESTONES

6.1 Period from January 1 to December 31, 2024

Effective February 27, 2024, the Company entered into an Exploration Lease and Option to Purchase Agreement with an arm's length party under which the Company is granted exclusive mineral and surface rights to certain private lands within the boundaries of the Scraper Springs property for a 30-year term with an option to purchase the Property.

On March 21, 2024, 25,000 stock options exercisable at \$0.10 per share were cancelled.

On May 1, 2024, the Company's common shares commenced trading on the OTCQB under the symbol "REDRF".

On May 17, 2024, the Company entered into an Exploration Lease and Option to Purchase Agreement of the Oxford property located in Lyon County, Nevada.

On May 27, 2024, the Company issued 100,000 common shares pursuant to the exercise of 100,000 stock options priced at \$0.10 for gross proceeds of \$10,000.

During May 2024, the Company staked 50 mineral claims totalling 418 hectares in Lyon County, Nevada that comprise the Gray Hills property.

On June 4, 2024, the Company completed a non-brokered private placement (the "2024 Unit Offering") consisting of 7,259,728 units priced at \$0.22 (each, a "Unit") for gross proceeds of \$1,597,140. Each Unit is comprised of one common share and one-half of a share purchase warrant, with each whole warrant exercisable at \$0.30 per share for a two year term.

On June 13, 2024, the Company completed a non-brokered private placement (the "2024 Charity FT Unit Offering") consisting of 2,580,000 charity flow-through units (each, a "2024 CFT Unit") of the Company priced at \$0.3696 for gross proceeds of \$953,568. Each 2024 CFT Unit is comprised of one flow-through common share and one-half of a share purchase warrant, with each whole warrant exercisable at \$0.30 per share for a two year term. The Company recorded a flow-through premium liability of \$385,338.

During the second quarter of 2024, the Company drilled four first pass diamond drill holes totalling 1,310 metres at the Company's Peak copper-gold project in central British Columbia.

On August 1, 2024, 25,000 options exercisable at \$0.10 per share were cancelled.

On August 3, 2024, the Company allowed its Cooper project claims in central British Columbia to forfeit.

On August 30, 2024, 200,000 options exercisable at \$0.20 per share were cancelled.

On August 30, 2024, the Company granted 2,015,000 stock options exercisable at \$0.20 per share for a five year term to officers, directors, employees and consultants of the Company. The options vested immediately.

In August 2024, the Company initiated a diamond drill program at its 100% owned Kendal project in west-central British Columbia.

On September 5, 2024, the Company entered into two property option agreements to acquire 100% interest, subject to retained royalty, in four mineral claims totalling 539 hectares that comprise a portion of the Inzana project.

On September 6, 2024, the Company staked 9 mineral claims totalling 9,642 hectares in British Columbia that comprise a portion of the Inzana project.

In October 2024, the Company completed its diamond drill program at Kendal, drilling five holes totalling 2,562 metres. All drill holes intersected significant porphyry-style alteration, multiple vein sets and variable visual copper and molybdenum mineralization throughout.

On November 4, 2024, the Company staked an additional three mineral claims totalling 844 hectares at the Kendal project.

On November 6, 2024, the Company allowed its SP project claims in central British Columbia to forfeit.

On December 9, 2024, the Company staked one mineral claim totalling 656 hectares in British Columbia that comprises the Limonite project.

6.2 Period from January 1, 2025 to the Date of this Report

In March 2025, the Company staked an additional six mineral claims totalling 5,266 hectares at the Inzana project.

On April 7, 2025, the Company completed a non-brokered private placement (the “2025 Unit Offering”) consisting of 9,377,750 units priced at \$0.16 (each, a “Unit”) for gross proceeds of \$1,500,440. Each Unit is comprised of one common share and one-half of a share purchase warrant, with each whole warrant exercisable at \$0.24 per share for a two year term.

7. Exploration and Evaluation Activities

7.1 Exploration and Evaluation Activities for the Year Ended December 31, 2024

The Company is in the mineral exploration stage and as such has no revenues. Mineral interests in the form of exploration and acquisition costs totalled \$4,188,623 as at December 31, 2024 (December 31, 2023: \$1,920,710).

Total costs incurred on exploration and evaluation assets for the years ended December 31, 2024 and 2023 are summarized as follows:

	British Columbia	Nevada	Utah	Total
	\$	\$	\$	\$
Acquisition costs				
Balance, December 31, 2022	33,611	233,248	143,058	409,917
Additions	12,490	45,176	15,874	73,540
Impairment	(3,236)	-	-	(3,236)
Foreign exchange	-	(6,157)	(3,599)	(9,756)
Balance, December 31, 2023	42,865	272,267	155,333	470,465

Additions	31,123	211,298	19,425	261,846
Impairment	(18,108)	-	-	(18,108)
Foreign exchange	-	35,518	14,713	50,231
Balance, December 31, 2024	55,880	519,083	189,471	764,434
Exploration costs				
Balance, December 31, 2022	449,584	155,764	121	605,469
Additions				
Community relations	7,587	-	-	7,587
Drilling	388,123	5,525	-	393,648
Geology	146,935	29,178	9,079	185,192
Geophysics	162,307	-	-	162,307
Prospecting, mapping, sampling	71,050	-	-	71,050
Project manager	42,692	-	-	42,692
Reports	1,600	16,204	-	17,804
	820,294	50,907	9,079	880,280
Impairment	(30,834)	-	-	(30,834)
Foreign exchange	-	(4,527)	(143)	(4,670)
Balance, December 31, 2023	1,239,044	202,144	9,057	1,450,245
Additions				
Administration	73,229	16,924	-	90,153
Community relations	4,679	-	-	4,679
Drilling	1,460,739	-	-	1,460,739
Geology	283,145	48,347	9,207	340,699
Geophysics	-	148,608	-	148,608
Prospecting, mapping, sampling	29,879	14,714	6,595	51,188
Project manager	60,493	-	-	60,493
Reports	4,250	-	-	4,250
Recovery	(124,939)	-	-	(124,939)
	1,791,475	228,593	15,802	2,035,870
Impairment	(89,640)	-	-	(89,640)
Foreign exchange	-	26,450	1,264	27,714
Balance, December 31, 2024	2,940,879	457,187	26,123	3,424,189
Total acquisition costs and exploration expenditures				
December 31, 2023	1,281,909	474,411	164,390	1,920,710
December 31, 2024	2,996,759	976,270	215,594	4,188,623

7.2 Peak (Cariboo Regional District, British Columbia)

As at December 31, 2024, Peak was comprised of 14 mineral claims totalling 6,560 hectares located in south central British Columbia, approximately 30 km northeast of Williams Lake. The claims were acquired by staking with the exception of one claim purchased from an arm's length vendor for \$575 and a 1% net smelter return ("NSR") royalty that the Company may purchase for \$1,000,000 at any time. During the year ended December 31, 2024, the Company elected not to maintain one claim totalling 158 hectares and it was forfeited on May 11, 2024, resulting in the write off of \$276 in acquisition costs.

During the year ended December 31, 2024, the Company expended \$1,624 in acquisition costs (2023: \$1,901) and \$393,616 in exploration costs (2023: \$168,674) on Peak which included a drill program. During the year ended December 31, 2024, the Company recorded a British Columbia Mining Exploration Tax

Credit ("METC") of \$56,631 which reduced the carrying value of the project. As at December 31, 2024, total acquisition and exploration expenditures recorded on Peak was \$787,922 (2023: \$449,589).

About the Peak Property

The Peak property is located in the Cariboo region of southcentral British Columbia, approximately 30 km northeast of the City of Williams Lake. Peak is a large, 6,560-hectare, strategic land position situated in a copper district with active large scale mining operations and excellent infrastructure. The Project is located approximately 28 km southwest of the Mount Polley copper-gold mine and 20 km southeast of the Gibraltar copper-molybdenum mine.

A series of complex magnetic highs spanning over approximately 15 km of interpreted Quesnellia Island Arc Terrane have been identified using magnetic inversion modeling and are considered by the Company to be prospective for copper-gold. Project wide soil geochemistry has outlined anomalous areas of copper associated with magnetic features that may reflect the presence of porphyry-type intrusions in the bedrock. An IP geophysical survey, which focused on coincident magnetic features with elevated copper in soils, was completed by the Company in 2023. Four of the seven targets tested show IP chargeability highs coincident with elevated copper geochemistry and interpreted intrusion related magnetic features.

A previous IP survey at Peak Central outlined a large chargeability zone and a deep resistive centre, west of outcropping copper bearing porphyritic rocks grading up to 2% copper.

Additional information on the Peak project can be found in the NI 43-101 Technical Report dated May 1, 2023, as filed on SEDAR+ at www.sedarplus.ca.

2024 Work Program - Peak

Work completed during the year ended December 31, 2024 includes compilation of data and report writing relating to the Peak project assessment report and the completion of an initial diamond drill program.

The Company drilled four first pass diamond drill holes totaling 1,310 metres. This initial program tested the main Peak Central target with three holes and the 6S target with one hole.

Drill holes at Peak Central intersected a series of mixed sediments including black graphitic shales, sandstones, and polymictic conglomerates. The sedimentary package is intruded throughout by a series of porphyry dykes. The highly chargeable zone outlined by IP geophysics is likely due to graphitic sediments and zones with up to 5% pyrite. In addition, a deep resistive centre targeted in RC-PG-02 is interpreted to be caused by quartz-rich sandstones, conglomerates and late porphyry dykes. Both the high chargeability and high resistivity anomalies targeted by drilling are not considered to be associated with an intrusive centre at Peak Central. A source of copper mineralization found on surface to the east of recent drilling by Red Canyon remains unknown. However, drill hole RC-PC-01 intersected an altered megacrystic alkaline porphyry dyke that contains quartz veining and minor sulphides. This rock is encouraging in that the intense sericitic alteration and associated veining is typical of that associated with a possible mineralized porphyry system.

The Company tested the 6S target north of Peak Central with one drill hole. Graphitic sediments with sulphides, predominately pyrite with trace chalcopyrite are interpreted to be the cause of the associated chargeability high at 6S. Elevated copper geochemistry surrounding the 6S area is possibly related minor chalcopyrite identified in the sediments. No further work is planned on the 6S target.

For more information on the Peak drill program, refer to the Company's news releases dated May 30, 2024 and August 15, 2024.

7.3 Kendal (Kitimat-Stikine Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Kendal property, which it acquired by way of staking. At December 31, 2024, Kendal was comprised of eight mineral claims totalling approximately 3,582 hectares located in west central British Columbia approximately 25 km northeast of Terrace.

During the year ended December 31, 2024, the Company expended \$1,477 in acquisition costs (2023: \$nil) and \$1,493,403 in exploration costs (2023: \$125,568) on Kendal, which includes a diamond drill program. The Company recorded a METC of \$48,948 which reduced the carrying value of the project. As at December 31, 2024, total acquisition and exploration expenditures recorded on Kendal was \$1,639,535 (2023: \$193,603).

About the Kendal Property

As at the date of this Report, the Kendal Project comprises eight mineral claims totalling 3,582 hectares located in west-central British Columbia, approximately 25 km northeast of the city of Terrace, a regional infrastructure hub with a well-serviced airport. Infrastructure is excellent with four intersecting highways, hydroelectric power and rail corridors and port facilities approximately 120 km to the west at Prince Rupert. The project has direct road access, only 3.5 km from Highway 16. The project area lies within the traditional territory of the Kitselas First Nation.

2024 Work Program - Kendal

In fall of 2024, the Company completed the first ever diamond drill program at its 100%-owned Kendal project consisting of five drill holes totalling 2,562 m. Drilling targeted the northeastern portion of the Kendal copper-moly porphyry system, represented by significantly altered and mineralized andesitic volcanic and porphyritic intrusive rocks exposed over 2.5 km x 1.5 km. Based on alteration, vein density and assays, drill holes RCKD-24-001 and 002 are interpreted to be within the inner propylitic zone of the porphyry and associated with areas of sericite-chlorite ± clay (SCC) alteration, suggesting a close association with a more central part of the system. Drill holes RCKD-24-003 and 004 exhibit weaker, more peripheral outer propylitic alteration manifest as anomalous, but lower grade in copper and moly. Based on these two drill holes, the north and northeast edge of the system appears constrained. RCKD-24-005 exhibits some areas of higher temperature alteration but is interpreted to have deflected along an ENE structural zone with mixed structurally controlled porphyry intrusions and altered volcanics. Overall, copper and moly tenor is highly anomalous, suggesting either an edge to a hotter part of the system or potentially structurally confined mineralization due to the drill hole orientation.

Early vectoring work by the Company suggests Kendal could have several porphyry centres within a 2.5 km by 1.5 km area. Work suggests numerous areas remain open to high grade potential to depth and based on alteration, magnetic susceptibility and vein densities in drill holes RCKD-24-001 and 002, the system is open laterally to the south, southwest and southeast and to depth.

Based on historical understanding of the variability of mineral systems, the Company believes the project remains open in multiple directions and the potential for Kendal to host a substantial, economic mineral system is significant.

The 2024 drilling program at the Kendal project confirmed the discovery of a large, mineralized porphyry system with an extensive alteration footprint spanning a minimum of 2.5 km by 1.5 km. Drilling consistently intersected a succession of highly altered and mineralized volcanics and multiple cross-cutting quartz diorite and microdiorite porphyry intrusions. Multiple generations of hydrothermal veins cut across the porphyry intrusions and volcanic host rocks. Based on the vein mineralogy and cross-cutting

relationships, at least seven vein generations have been identified, including multiple sets that host chalcopyrite and moly mineralization.

2025 Work Program - Kendal

The Company has completed its first stage planning for additional work at Kendal, subject to financing. To enhance targeting for subsequent drill holes, a program to expand the geochemical coverage in several areas, particularly to the south and west of the first pass drilling, is planned. Also, previous geochemical programs in and adjacent to Kendal creek drainages will be expanded into several new high priority areas.

The Company is currently reviewing several options to conduct IP or EM-based geophysical surveys at Kendal. Given the pervasive pyrite alteration, IP surveys have not been conducted on the assumption that a large chargeability signature would overwhelm more subtle internal responses. With the first pass drill program completed, the Company is reviewing all options.

Early planning suggests an expanded program of 2,500 - 5,000 m of step-out diamond drilling. This program would cover the south and west extension where the Company believes has excellent potential to host a higher-grade mineralized core to the Kendal system. Planning of specific drill collar locations and hole orientations is ongoing.

For additional information on the Kendal drill program including drill results, refer to the Company's news releases dated November 4, 2024 and January 13, 2025.

Qualified Person

The scientific and technical information contained in this section on the Kendal project has been reviewed and approved by Christopher J. Wild, P. Eng, Red Canyon's Exploration Manager and a "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

7.4 Ping (Fraser-Fort George Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Ping property, which it acquired by way of staking. At December 31, 2024, Ping was comprised of five mineral claims totalling approximately 4,427 hectares located in south central British Columbia approximately 50 km northwest of Prince George. During the year ended December 31, 2024, the Company elected not to maintain one claim totalling 981 hectares and it was forfeited on June 1, 2024, resulting in the write off of \$1,717 in acquisition costs.

During the year ended December 31, 2024, the Company expended \$nil in acquisition costs (2023: \$1,060) and \$16,500 in exploration costs (2023: \$462,566) on Ping. The Company recorded a METC of \$12,607 which reduced the carrying value of the project. As at December 31, 2024, total acquisition and exploration expenditures recorded on Ping were \$533,756 (2023: \$531,580).

About the Ping Property

The Ping project, situated in the central British Columbia, in the northern Cariboo region, covers a strategic land position of 4,427 hectares underlain by geology of the Quesnel Terrane. Regional geological mapping situates the Ping Project on the western boundary of the Takla volcanics, which hosts multiple copper porphyry systems in British Columbia. Previous exploration conducted on the property includes MMI (Mobile Metal Ion) soil geochemistry, an extensive aeromagnetic survey, and IP geophysics. The Company has compiled data from these surveys and has identified multiple targets that may represent copper bearing porphyritic intrusive rocks.

Within the Ping project, the Ping South property comprises four contiguous mineral claims covering 3,821 hectares in north-central British Columbia, located approximately 50 km NW of the City of Prince George. Ping South lies within the Quesnellia Island Arc Terrane which hosts numerous deposits of alkalic porphyry gold-copper style mineralization, including Mount Polley and Mt. Milligan. The Company believes this underexplored area of the Quesnellia Terrane presents a significant opportunity to use advanced geoscience to identify new copper deposits masked by the till cover.

The Ping South area is within an elevated magnetic portion of a 25 km long northwest-trending positive magnetic feature. The feature is also partly correlative with the western margin of a 90 km by 15 km north-trending gravity high that is co-spatial with the western margin of a conductivity (VTEM) low. These coincident geophysical features share comparable characteristics to regional geophysical responses from several British Columbia copper deposits.

Access to the property is excellent via a well-maintained logging road network. Main haul roads run to the north and south of the Ping South claims.

In the fourth quarter of 2023, the Company conducted a first pass diamond drill program, completing four diamond drill holes totalling 665 m, and testing one of three interpreted alkalic copper-gold porphyry targets. Drill hole RCPG-23-003, collared on the edge of an interpreted intrusive related magnetic feature, intercepted a sericite/pyrite altered, quartz-rich porphyry intrusion from the beginning of bedrock to the end of the hole. Intersecting a new porphyry intrusion in this glacial till covered area of the Quesnellia Island Arc Terrane is considered technically positive. For more information on the drill program, refer to the Company's news releases dated October 25, 2023 and January 22, 2024.

No significant work was completed during the year ended December 31, 2024.

7.5 Inzana (Bulkley-Nechako Regional District, British Columbia)

The Inzana project consists of 100% interest in fifteen mineral claims totalling 14,908 hectares that the Company staked and four mineral claims totalling 539 hectares that are under two option agreements pursuant to which the Company may acquire 100% interest in the claims for aggregate consideration of \$48,000 over a three-year term, subject to 1.25% NSR royalty with purchase rights. The project is located in northeast/central British Columbia, approximately 160 km northwest of Prince George.

During the year ended December 31, 2024, the Company expended \$26,873 in acquisition costs (2023: \$nil) and \$9,232 in exploration costs (2023: \$nil) on Inzana. The Company recorded a METC of \$1,708 which reduced the carrying value of the project. As at December 31, 2024, total acquisition and exploration expenditures recorded on Inzana was \$34,397 (2023: \$nil).

The Company initiated first pass data compilation during the year ended December 31, 2024, which lead to expanded mineral claim staking peripheral to mineral claims under option. Exploration plans to expand geochemistry, geophysics and possibly diamond drilling are anticipated starting in Q2/2025.

7.6 Limonite (Kitimat-Stikine Regional District, British Columbia)

The Limonite project consists of 100% interest in a single mineral claim totalling 656 hectares located in west central British Columbia, approximately 50 km east-northeast of Terrace, British Columbia. The claim was acquired by staking and is royalty free.

During the year ended December 31, 2024, the Company expended \$1,149 in acquisition costs (2023: \$nil) and \$nil in exploration costs (2023: \$nil) on Limonite. As at December 31, 2024, total acquisition and exploration expenditures recorded on Limonite was \$1,149 (2023: \$nil).

No work was completed during the year ended December 31, 2024.

7.7 SP (Cariboo Regional District, British Columbia)

SP was comprised of four mineral claims totalling 3,763 hectares located in south central British Columbia, approximately 50 km northeast of Williams Lake.

During the year ended December 31, 2024, the Company expended \$nil in acquisition costs (2023: \$nil) and \$3,453 in exploration costs (2023: \$45,193) on SP. The Company recorded a METC of \$2,656 which reduced the carrying value of the project. During the year ended December 31, 2024, the Company elected not to maintain the claims and they were forfeited on November 6, 2024, resulting in the write off of \$86,679 in acquisition and exploration costs. As at December 31, 2024, total acquisition and exploration expenditures recorded on SP was \$nil (2023: \$79,296).

7.8 Cooper (Cariboo Regional District, British Columbia)

Cooper was comprised of eight mineral claims totalling 5,445 hectares located in south central British Columbia, approximately 50 km northeast of the community of 100 Mile House.

During the year ended December 31, 2024, the Company expended \$nil in acquisition costs (2023: \$9,529) and \$210 in exploration costs (2023: \$11,726) on Cooper. The Company recorded a METC of \$2,389 which reduced the carrying value of the project. During the year ended December 31, 2024, the Company elected not to maintain the claims and they were forfeited on August 3, 2024, resulting in the write off of \$19,076 in acquisition and exploration costs. As at December 31, 2024, total acquisition and exploration expenditures recorded on Cooper was \$nil (2023: \$21,255).

7.9 Scraper Springs (Elko County, Nevada)

The Company holds a 100% interest in the Scraper Springs property, which at December 31, 2024 was comprised of 190 mineral claims totalling approximately 1,589 hectares located in Elko County, Nevada. The property was originally acquired pursuant to a property purchase and sale agreement dated February 22, 2021 for consideration of \$100,000 and is subject to a 2% NSR royalty. The Company has staked additional claims on Federal Bureau of Land Management ("BLM") land to expand the property.

The Company has entered into an Exploration Lease and Option to Purchase Agreement (the "Agreement") with an arm's length party effective February 27, 2024 (the "Effective Date") under which the Company is granted exclusive mineral and surface rights to certain private lands (the "Property") within the boundaries of the Scraper Springs property for a 30-year term with an option to purchase the Property for US\$2,375,000, for consideration of US\$10,000 paid upon execution of the letter of intent and the Agreement, annual lease payments ranging from US\$5,000 to US\$80,000 over the term of the lease, a surface disturbance fee, and a NSR royalty of 4% which the Company may purchase the first 2% for US\$500,000 and the second 2% for US\$1,000,000 at any time prior to commercial production.

During the year ended December 31, 2024, the Company expended \$63,170 in acquisition costs (2023: \$45,176) and \$163,919 in exploration costs (2023: \$50,907) on Scraper Springs which included geophysics. As at December 31, 2024, total acquisition and exploration expenditures recorded on Scraper Springs was \$752,408 (2023: \$474,411).

About the Scraper Springs Property

Scraper Springs is in northern Nevada approximately 125 km from the cities of Winnemucca and Elko. The project is 100% owned, subject to a 2% NSR royalty and consists of 190 unpatented mining claims, spanning 1,589 hectares. The approximate 4 x 4 km alteration footprint surrounding the Scraper Springs

target is comparable in scope to some of the world's largest copper deposits. Access is considered excellent with maintained paved and packed gravel year-round road access.

Previous operators at Scrapper Springs mostly targeted shallow, high-grade gold systems or Carlin-related gold systems. A reinterpretation of the alteration and geology at the Project by Red Canyon and third-party consultants suggests high-temperature, low-pH clays and Eocene-aged intrusions at Scrapper Springs could be associated with a deeper, large-scale copper system.

In 2022, the Company completed a single line deep IP survey at the project, which outlined a significant, chargeable zone near the limit of the survey penetration depth not previously drill tested. One historical drill hole approximately 1.5 km east of this chargeability target intersected propylitic alteration and anomalous copper mineralization with values of 0.17% copper over 10.7 metres. This zone is interpreted to be a distal skarn mineralization driven by a porphyry related hydrothermal feeder.

2024 Work Program – Scrapper Springs

In Q4/2024, Zonge International, Inc. completed three additional Induced Polarization (IP) and Resistivity survey lines at the Scrapper Springs project. This survey was to follow up the single IP line completed by Red Canyon in 2022. The 2024 Time-Domain survey used a dipole-dipole array configuration with an a-spacing of 300 m on three lines for a total of 7.2 line-kilometres of electrode coverage. A two-dimensional inversion was completed to produce a section representative of an image of the electrical properties of the subsurface. The program identified an expanded zone of chargeability identified in 2021 with increased depth resolution, as well as several new centres of high chargeability. Several features identified represent chargeability highs corresponding with conductive zones (low resistivity).

Based on geological and alteration mapping, the Company believes the Scrapper Springs area is underlain by a large intrusive complex with causative intrusions responsible for the large 4 by 4 km hydrothermal alteration cell seen at surface. The alteration footprint is characterized by widespread distribution of an advanced argillic alteration mineral assemblage that indicates formation from hot, acidic and oxidized fluids. High temperature minerals such as pyrophyllite and zunyite in steep structures, as well as abundant dickite and alunite, indicate that the current erosional surface is close to the base of the lithocap. This further suggests a possible porphyry system remains intact and at moderate depths.

In Q3/2024, Magee Geophysical Services LLC conducted a detailed gravity geophysical survey covering the Scrapper Springs area. The survey included 429 new stations spaced 200 m apart. The central area of Scrapper Springs is represented by a 10 by 5 km north – south trending gravity high. This high is interpreted to represent a deep, intrusive complex likely associated with causative intrusions responsible for the large hydrothermal alteration footprint at Scrapper Springs.

In 2024, the Company also engaged Fathom Geophysics to conduct a Magnetic Vector Inversion study on the Scrapper Springs 2005 ground magnetics survey data. Fathom work identified that the moderate magnetic high, central at Scrapper and associated with the North and South intrusive stocks, appears to coalesce at depth suggesting a larger, intrusive body continues to depth.

The Company, together with independent consulting geologist Dr. Mike Sepp, undertook a review of Scrapper Springs geophysics, geological and alteration mapping, geochemistry and hyperspectral work. In particular, Dr. Sepp is considered an expert in high temperature minerals (zunite and pyrophyllite) associated with porphyry systems.

The following are some important conclusions developed previously and as part of Dr. Sepp's review work:

- Scrapper Springs has a Tier-one size alteration cell (4 x 4 km) analogous to world's largest porphyry deposits.
- Favorable project magnetics with a large property scale magnetic low (hydrothermal alteration) and associate bullseye magnetic high.
- New IP geophysics outline a series of large anomalies (chargeable and conductive zones) that underlie the favorable deep lithocap alteration.
- The large footprint of Alunite alteration at Scrapper Springs likely indicates strongly oxidized magmas, which are important to develop porphyry systems worldwide.
- North and South stock diorite intrusions at Scrapper Springs are the same age as Bingham Canyon in Utah (38 Ma).
- Strong high temperature zunyite alteration indicates high chlorine magmatic fluids favorable to porphyry formation.
- Late zunyite alteration in high-temperature feeders indicate potential for an upgraded potassic core (>1% Cu), as seen at the Resolution deposit in Arizona and the Oyu Tolgi mine in Mongolia.
- Surface alteration and indicator geochemistry model the system at base of the lithocap, suggesting high preservation potential of system while also suggesting reasonable exploration target depths.
- Reprocessing of hyperspectral SWIR data discovered the presence of mixed muscovite and pyrophyllite in high-temperature feeder structures, characteristic of the lithocap-porphyry transition at: Yerington-USA, Pebble-USA, KSM-Canada, Oyu Tolgoi-MNG, Far Southeast-Lepanto-PHL, El Salvador-CHL, Los Helados-CHL, Valeriano-CHL.
- One historical deep drill hole approximately 1.5 km east of the current target area intersected propylitic alteration and anomalous copper mineralization with values of 0.17% copper over 10.7m. This drill intercept possibly represents a hydrothermal exoskarn zone interpreted to be associated with an adjacent copper porphyry system.

The Company views Scrapper Springs as an important, high-profile copper project with excellent discovery potential. Scrapper Springs is drill ready and the Company is currently working through project and finance planning, and budgeting for 2025.

7.10 Oxford (Lyon County, Nevada)

The Oxford property is comprised of 80 mineral claims totalling 670 hectares located in Lyon County, Nevada. The Company has entered into an Exploration Lease and Option to Purchase Agreement with an arm's length party effective May 17, 2024 (the "Effective Date") under which the Company is granted the exclusive right to explore for and develop minerals on the property for a 20-year term.

During the year ended December 31, 2024, the Company expended \$111,689 in acquisition costs (2023: \$nil) and \$59,492 in exploration costs (2023: \$nil) on Oxford. As at December 31, 2024, total acquisition and exploration expenditures recorded on Oxford was \$180,111 (2023: \$nil).

2024 Work Program – Oxford

During the year ended December 31, 2024, the Company completed a 305-line km airborne magnetic and radiometric survey, detailed third party geological mapping, hyperspectral studies and age dating at Oxford.

7.11 Gray Hills (Lyon County, Nevada)

The Company holds a 100% interest in the Gray Hills property, which is comprised of 50 mineral claims totalling 418 hectares located in Lyon County, Nevada that the Company acquired by staking.

During the year ended December 31, 2024, the Company expended \$36,439 in acquisition costs (2023: \$nil) and \$5,405 in exploration costs (2023: \$nil) on Gray Hills. As at December 31, 2024, total acquisition and exploration expenditures recorded on Gray Hills was \$43,751 (2023: \$nil).

7.12 Keg (Juab County, Utah)

The Company holds a 100% interest in the Keg property, which at December 31, 2024 was comprised of 63 mineral claims on BLM land and two Utah State leased sections totalling approximately 1,049 hectares located in Juab County, Utah. The property was acquired pursuant to a property purchase and sale agreement dated March 22, 2021 for consideration of \$100,000 and is subject to a 2% NSR royalty.

During the year ended December 31, 2024, the Company expended \$19,425 in acquisition costs (2023: \$15,874) and \$15,802 in exploration costs (2023: \$9,079) on Keg. As at December 31, 2024, total acquisition and exploration expenditures recorded on Keg was \$215,594 (2023: \$164,390).

About the Keg Property

The Keg Property is located in Juab County, 100 kilometres south of Salt Lake City, in central Utah's Great Basin. The property is considered to have potential for porphyry copper and related skarn mineralization. Previous work includes geological mapping and sampling and airborne and surface geophysical surveys.

2024 Work Program – Keg

The Company completed a rock and soil geochemistry program across a zone of pyritic volcanoclastic and Eocene-aged porphyritic rocks associated with a magnetic low. Assays returned weak copper values and sporadically anomalous molybdenum and arsenic values. Overall results are considered inconclusive. Previous grab samples in the area returned up to 300 ppm copper.

7.13 Qualified Person

The scientific and technical information contained in this document has been reviewed and approved by Wendell Zerb, P. Geol, a "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

8. SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed fiscal quarters as presented in the unaudited condensed interim consolidated financial statements. The financial data provided is prepared in accordance with IFRS and is presented in Canadian dollars.

	Q4	Q3	Q2	Q1
	Dec 31,	Sep 30,	Jun 30,	Mar 31,
	2024	2024	2024	2024
	\$	\$	\$	\$
Total revenue	-	-	-	-
Net loss for the period	(404,765)	(50,884)	(30,556)	(130,658)
Comprehensive loss for the period	(414,442)	(48,685)	(31,807)	(133,382)
Net loss per share, basic	(0.009)	(0.001)	(0.001)	(0.004)
Net loss per share, diluted	(0.009)	(0.001)	(0.001)	(0.004)
	Q4	Q3	Q2	Q1
	Dec 31,	Sep 30,	Jun 30,	Mar 31,
	2023	2023	2023	2023
	\$	\$	\$	\$

Total revenue	-	-	-	-
Net loss for the period	(19,454)	(39,618)	(113,182)	(65,250)
Comprehensive loss for the period	(16,926)	(41,166)	(111,859)	(65,215)
Net loss per share, basic	(0.001)	(0.001)	(0.003)	(0.003)
Net loss per share, diluted	(0.001)	(0.001)	(0.003)	(0.003)

Because the Company is in the exploration stage, it did not earn any revenue.

The net loss of \$404,765 for 2024 Q4 arose due to a deferred tax expense of \$424,444, a non-cash item. FT share premium income of \$192,267 and unrealized foreign exchange gain of \$83,928 are partially offset by impairment expense of \$82,417 and audit, investor communication and office expenses that are on whole slightly higher than previous quarters.

The net loss of \$50,884 for 2024 Q3 includes share-based payments expense of \$191,093 for the grant of stock options and \$17,543 recorded for the write off of the Cooper project, net of a \$3,922 BC METC recovery for Hatter expenditures. These expenses are partially offset by FT share premium income of \$268,574.

The net loss of \$30,556 for 2024 Q2 is narrower than other periods due to recognition of \$119,498 in FT share premium income.

The net loss of \$130,658 for 2024 Q1 is wider than other periods. Included in the loss is \$42,047 incurred in connection with the Company's OTCQB listing and DTC eligibility application. General exploration expenditures also increased as the result of project generation activities. The Company paid \$15,000 in quarterly director's fees commencing September 1, 2023.

The net loss of \$19,454 for 2023 Q4 is narrower than other periods. Offsetting the loss is \$175,192 in FT share premium income. Contributing to the loss are \$34,070 in mineral property impairment on the Hatter property, \$40,250 in audit fee provision and \$23,144 in legal and filing fees incurred in connection with the Company's CSE listing. The Company also commenced paying \$15,000 in quarterly director's fees effective September 1, 2023.

The net loss of \$39,618 for 2023 Q3 is narrower than other periods. The Company recorded FT share premium income of \$85,462.

The net loss of \$113,182 for 2023 Q2 is wider than other periods. Included in the loss is \$37,307 in share-based payments.

9. LIQUIDITY

The Company's Financial Statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations. Management has been successful in raising equity financing in the past. However, there is no assurance that it will be able to do so in the future.

Factors that could impact on the Company's liquidity are monitored regularly and include market changes, copper price changes, and economic upturns or downturns that affect the market price of the Company's securities for the purposes of raising financing. World economic and geopolitical events and resulting inflation has created uncertainty in the equity and commodity markets, which makes it a challenge to raise financing. Management believes that this condition will continue over the next twelve months.

Cash was \$688,031 at December 31, 2024 (December 31, 2023: \$968,620). Restricted cash was \$20,342 at December 31, 2024 (December 31, 2023: \$20,763) and consists of a savings account held at a financial institution as security against a company credit card.

Amounts and other receivable consist of GST input tax credits, METC and office expense recoveries. Prepaid expenses were recorded for ordinary operating expenses and deposits for exploration contractors.

Trade and other payables total \$150,977 at December 31, 2024 compared to \$63,208 at December 31, 2023.

Flow-through premium liabilities total \$nil at December 31, 2024 compared to \$210,581 at December 31, 2023.

Working capital surplus was \$729,762 at December 31, 2024 compared to a surplus of \$781,535 at December 31, 2023.

The Company has no debt or debt arrangements.

As at December 31, 2024, the Company had completed all 2023 and 2024 flow-through financing commitments.

Based on the consolidated financial condition as at December 31, 2024 and the subsequent financing completed in April 2025, the Company anticipates that it has sufficient capital to meet its financial obligations as they become due in the current fiscal year.

10. CAPITAL RESOURCES

The Company does not have any commitments for capital expenditures. The Company does not have any capital resources in the form of debt, equity and any other financing arrangements.

11. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

12. TRANSACTIONS BETWEEN RELATED PARTIES

12.1 Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company. Key management personnel compensation is comprised of the following:

	Year ended December 31, 2024	Year ended December 31, 2023
	\$	\$
Short-term employee benefits and director fees	276,300	209,000
Share-based payments	160,407	22,384
	<u>436,707</u>	<u>231,384</u>

The Company has entered into a Management Agreement with Wendell Zerb, the Chairman, President and Chief Executive Officer (the "CEO") effective January 1, 2022 for no fixed term. As compensation for the services to be provided, the CEO will receive a monthly fee of \$10,800 (increased to \$11,450 effective July 1, 2024) with provisions for severance of (i) six months of compensation plus an additional one month for each completed year of service up to a maximum of twelve months in the event the Company terminates

the Agreement without Cause after twelve months of the effective date; (ii) eighteen times the monthly compensation if the CEO resigns for Good Cause; and (iii) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CEO resigns with or without Good Cause, within twelve months following a change of control of the Company. In the event the CEO participates in activities that lead to (i) the sale of any of the Company's exploration properties or the creation of a new or spin-off company, he will be awarded a Special Bonus in the amount of 0.5% of the sale of any of the Company's exploration properties or the creation of a new or spin-off company; and (ii) a corporate transaction involving a sale of the Company or more than 50% of the Company's issued and outstanding common shares, he will be awarded a Special Bonus of 0.2% of the consideration up to \$50 million of consideration received, and 0.1% of additional value beyond that \$50 million level. During the year ended December 31, 2024, the Company recorded \$133,500 (2023: \$129,600) in fees payable to the CEO, of which \$109,188 (2023: \$83,160) was capitalized to Exploration and Evaluation Assets in the Consolidated Statement of Financial Position and \$24,313 (2023: \$46,440) was expensed to Management in the Consolidated Statement of Loss.

The Company has entered into an Employment Agreement with Sandra Wong, the Chief Financial Officer and Corporate Secretary (the "CFO") effective June 1, 2023 for no fixed term. As compensation for the services to be provided, the CFO will receive a monthly salary of \$6,700 (increased to \$7,100 effective July 1, 2024) with provisions for severance of (i) three months of compensation in the event the Company terminates the Agreement without Cause; (ii) three months of compensation in the event the CFO resigns for Good Cause; and (iii) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CFO resigns with or without Good Cause, within twelve months following a change of control of the Company. During the year ended December 31, 2024, the Company recorded \$82,800 (2023: \$59,400) in fees payable to the CFO, of which \$41,400 (2023: \$29,700) was expensed to Management and \$41,400 (2023: \$29,700) was expensed to Salaries and Benefits in the Consolidated Statement of Loss.

The Company has approved the payment of a director's fee of \$1,000 per month to each of Lauren Roberts, Caleb Stroup and Alistair Waddell and \$2,000 per month to Cecil R. Bond, the chair of the audit committee, effective September 1, 2023. During the year ended December 31, 2024, the Company recorded \$60,000 (2023: \$20,000) in director fees which were expensed to Management in the Consolidated Statement of Loss.

Wendell Zerb, Caleb Stroup and Alistair Waddell are officers and/or directors of the Company and are also directors and shareholders of NewQuest Capital Inc., which holds a 20.09% interest in the Company. Sandra Wong is CFO and Corporate Secretary of the Company and is also CFO, Corporate Secretary and a shareholder of NewQuest.

12.2 Private Placements

In connection with the private placement that closed on March 31, 2023, Wendell Zerb, the Chairman, President, CEO and a director of the Company, purchased a total of 100,000 Units for total proceeds of \$22,000, and Lauren Roberts, a director of the Company, purchased a total of 200,000 Units for total proceeds of \$44,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

In connection with the private placement that closed on April 25, 2023, Mr. Zerb purchased a total of 100,000 FT Units for total proceeds of \$33,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders.

In connection with the private placements that closed on May 5, 2023, NewQuest purchased a total of 80,000 Units for total proceeds of \$17,600 and Cecil R. Bond, a director of the Company, purchased

100,000 FT Units for total proceeds of \$33,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

In connection with the private placement that closed on June 4, 2024, Mr. Zerb purchased a total of 150,000 Units for total proceeds of \$33,000, Caleb Stroup, a director of the Company, purchased a total of 25,000 Units for total proceeds of \$5,500 and NewQuest purchased a total of 100,000 Units for total proceeds of \$22,000.

12.3 Due to Related Parties

As at December 31, 2024, the Company has \$8,943 (December 31, 2023: \$1,491) due to related parties which consists of amounts owed to a director and a significant shareholder for salaries and expense reimbursements, which is due on demand, unsecured and is non-interest bearing. The amounts due to related parties are payable to the following:

	December 31, 2024	December 31, 2023
	\$	\$
Wendell Zerb, President, Chairman, CEO, Director	1,447	149
NewQuest, significant shareholder and common directors	7,496	1,342
	8,943	1,491

13. FOURTH QUARTER

See Sections 3.3 and 3.4 above.

14. PROPOSED TRANSACTIONS

The Company is engaged in the search for potential joint venture partners, mineral property acquisitions and financings, but there are currently no proposed asset or business acquisitions or dispositions other than disclosed in this Report. Other than disclosed in this Report, the Company does not have any proposed transactions.

15. COMMITMENTS, EXPECTED EVENTS OR UNCERTAINTIES

Other than disclosed in this Report, the Company does not have any commitments, expected events, or uncertainties.

As at December 31, 2024, the Company had completed all 2023 and 2024 flow-through financing commitments.

16. SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

Other than disclosed in this Report, there are no significant changes from previous disclosure.

In the Company's Non-Offering Prospectus dated October 12, 2023 (the "Prospectus"), the Company disclosed an expected use of exploration funds as follows:

Use of funds available	Amount
Exploration of the Peak Property:	
Phase 1 Work Program	\$287,100
Phase 2 Work Program depending on results of Phase 1	\$660,000

Exploration of the Company's other properties	\$150,000
Total allocation for exploration	\$1,097,100

The Company has completed its Phase 1 Work Program on the Peak property at a cost in excess of the \$287,100 budget previously disclosed. Management has determined that the results of the initial drill program do not warrant immediate follow-up at this time, and accordingly the Company does not plan to complete a Phase 2 Work Program at this time. Instead, the Company plans to prioritize its exploration efforts on the Kendal project, where the 2024 drilling program confirmed the discovery of a substantial mineralized porphyry system with an extensive alteration footprint spanning a minimum of 1.5 km² (see section 7.3 Kendal above).

17. CHANGES IN ACCOUNTING POLICES INCLUDING INITIAL ADOPTION

The following new standards, amendments to standards and interpretations were adopted as of January 1, 2024:

- Presentation of Liabilities (Amendments to IAS 1, Presentation of Financial Statements) – in January 2020, the IASB issued amendments to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.

These amendments:

- specify what the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively. This amended standard did not have a material impact on the Company's consolidated financial statements.

The Company has not early adopted the following new or amended standards with adoption dates subsequent to January 1, 2025 in preparing the consolidated financial statements:

- IFRS 18, Presentation and Disclosure in Financial Statements (Replacement of IAS 1, Presentation of Financial Statements) – IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit and loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. In addition, IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company has not yet determined the impact of this amendment on its consolidated financial statements.
- IFRS 9, Financial instruments – IFRS 9 requires entities to recognize financial assets and liabilities when they become party to the contractual terms and to measure them initially at fair value, adjusted for directly attributable transaction costs where applicable. The standard is being clarified to provide

better guidance on the derecognition of financial liabilities, which can impact bank reconciliation processes, especially during debt restructuring based on the timing of payments on financial liabilities as compared to the actual settlement of those debts. This clarification may result in a change in the derecognition timing of financial liabilities in situations where electronic payments are involved. The amendments to IFRS 9 are effective from January 1, 2026. The Company is currently assessing the impact that the adoption of this clarification of IFRS 9 will have on its consolidated financial statements.

18. KNOWN TRENDS, RISKS OR DEMANDS

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The primary sources of credit risk for the Company arise from its financial assets consisting of cash. The carrying value of cash represents the Company's maximum exposure to credit risk. To minimize credit risk, the Company only holds its cash with chartered Canadian financial institutions. The Company owns restricted cash of \$20,342 which consists of a savings account held by a financial institution as security against a Company credit card. The Company also owns cash reclamation bond deposits of \$120,000 held by the Province of British Columbia. The Company believes that the credit risk of default for these assets is low. As at December 31, 2024, the Company has no financial assets that are past due or impaired due to credit risk defaults. The Company's management of credit risk has not changed during the year ended December 31, 2024, from that of the prior year.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's financial liabilities consist of its trade and other payables. The Company has a working capital surplus of \$729,762 as at December 31, 2024 and anticipates that it can meet its financial obligations as they become due in the current fiscal year. The Company handles its liquidity risk through the management of its capital structure as described in Note 13 of the financial statements. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms. The Company's management of liquidity risk has not changed during the year ended December 31, 2024, from that of the prior year.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of interest rate risk, currency risk and other price risk. The Company is not exposed to significant interest rate risk as the Company has no interest-bearing debt. The Company does not hold any equity securities; as such, the Company is not exposed to material other price risk. The Company's management of market risk has not changed during the year ended December 31, 2024, from that of the prior year.

- **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. A portion of the Company's exploration property expenditures will be incurred in United States dollars. A change in the foreign exchange rate as at December 31, 2024 of +/- 10% would have an impact of \$4,173 on profit or loss.

Risks and Uncertainties

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

The Company has Limited History of Operations

The Company has limited history of operations and is in the early stages of exploration on its mining properties. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High-Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the exploration stage and such exploration is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

The Company is Subject to Substantial Environmental Requirements Which Could Cause a Restriction or Suspension of our Operations

The current and anticipated future operations and exploration activities of the Company on its projects in Canada and the United States require permits from various governmental authorities and such operations and exploration activities are and will be governed by Federal, State and local laws and regulations governing various elements of the extractive industry. It is the Company's intention to ensure that the environmental impact on areas where it operates is mitigated by restoration and rehabilitation of affected areas.

As the Company is presently at the early exploration stage with all of our properties, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will likely require the Company to provide remedial actions to correct the negative effects. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Conflicts of Interest

Certain of our directors and officers are also directors and/or officers and/or shareholders of other natural resource companies. While we are engaged in the business of exploring for and, if appropriate, exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. Our directors are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of our board of directors, any director in a conflict must disclose his interest and abstain from voting on the matter. In determining whether or not we will participate in any project or opportunity, our directors will primarily consider the degree of risk to which we may be exposed and our financial position at the time.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date, the Company has not experienced any material losses related to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attacks, damage or unauthorized access remain a priority. As the threat landscape is ever-changing, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Climate Change

The Company is exposed to physical risks related to climate change including extreme weather events such as floods, longer wet or dry seasons, increased temperatures and drought, increased precipitation and snowfall and wildfires. Such events can temporarily slow or halt operations due to physical damage of assets, shortage of resources and route disruptions that may limit the transportation of materials and personnel. Additionally, regulations and taxes developed to regulate the transition to a low-carbon economy and energy efficiency may result in increased operation costs including environmental monitoring, increased reporting and other costs to comply with such regulations.

Tariffs

The imposition of tariffs or trade barriers by various governments, including the United States, Canada and other countries, could potentially impact the Company's operations, financial performance, and competitive position. The Company's business could potentially be exposed to tariffs on certain exploration supplies, which could lead to increased costs. It is not currently possible to predict the extent that the Company's results may be negatively affected if tariffs persist or escalate, but the effects are not expected to be material.

19. DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at April 23, 2025, the Company has 54,254,937 common shares issued and outstanding.

As at April 23, 2025, 2024, the Company has 4,465,000 stock options outstanding.

As at April 23, 2025, the Company has 13,142,839 warrants outstanding.

As at April 23, 2025, the Company has 10,732,200 common shares held in escrow.

20. BOARD OF DIRECTORS AND OFFICERS

The directors of the Company are Cecil R. Bond, Lauren Roberts, Caleb Stroup, Alistair Waddell and Wendell Zerb.

The officers of the Company are Wendell Zerb (Chairman, President and Chief Executive Officer and Sandra Wong (Chief Financial Officer and Corporate Secretary).

21. CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are

cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

This Management's Discussion and Analysis contains "forward-looking statements, within the meaning of applicable Canadian Securities legislation", that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and copper, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks relating to the integration of acquisitions, risk relating to international operations, the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and copper; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; fluctuations in metal prices; as well as those risk factors discussed or referred to elsewhere in this Management's Discussion and Analysis for the year ended December 31, 2024. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

22. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure Controls and Procedures Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CSE-listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted

under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a CSE issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RED CANYON RESOURCES LTD.

Wendell Zerb

Chairman, President and Chief Executive Officer