Management's Discussion and Analysis
For the Six Months Ended February 28, 2025 and February 29, 2024

Date: April 29th, 2025

This Management Discussion and Analysis ("MD&A") relates to the financial position and results of operations of M3 Metals Corp. ("M3 Metals" or the "Company") for the six months ended February 28, 2025. This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements for the six months ended February 28, 2025 and audited consolidated financial statements for the years ended August 31, 2024 and 2023 (the "Financial Statements"). The Financial Statements and related notes have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Unless otherwise noted, all references to currency in this MD&A are in Canadian dollars.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

Certain statements in this document contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's properties; the future price of iron ore and other minerals; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology 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", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

OVERVIEW OF THE COMPANY

M3 Metals Corp. is a Canadian listed company, focused on the exploration and development of its mineral projects in North America. The Company currently holds interest in the Great Texas Spring property in Nevada, USA, and the Lakshmi property in California, USA.

In March 2024, the Company entered into a consulting agreement with Capital Analytica. Pursuant to the agreement, Capital Analytica has agreed to provide services to the Company and the Company will pay Capital Analytica a fee of $60,000, upon exchange approval, for a term of three months, with an option to renew the agreement for an additional three-month term for a fee of $60,000. The services will include continuing social media consultation regarding engagement and enhancement, social sentiment reporting, social engagement reporting, discussion forum monitoring and reporting, corporate video dissemination, and other related investor relation services.

In April 2024, the Company's joint venture partner, Surge Battery Metals Inc. announced its intention to begin drilling on the Company's land. Drilling commenced in May 2024.

On October 24, 2024, the Company extended five million share purchase warrants issued on February 7, 2023, with an expiry date of February 7, 2025, and exercisable at 32 cents per common share. The new expiry date will be February 7, 2028, and the exercise price shall remain the same.

For a more detailed description of the Company's interest in its exploration and evaluation assets along with current and future exploration plans, refer to the section "Summary of Properties".

Management Changes

On December 2, 2024, the Company announced the resignation of Adrian Smith as President of the Company. Mr. Smith will remain as a director of the Company. Additionally, Robert Meister has been appointed as a director of the Company and Kosta Tsoutsis will act as the President and CEO. The Company will now have two independent directors, Marco Montecinos and Robert Meister. The three non-independent directors will be Brian Morrison, Adrian Smith and Kosta Tsoutsis. The Companies Audit Committee will now consist of Kosta Tsoutsis, Robert Meister and Marco Montecinos.

SUMMARY OF EXPLORATION AND EVALUATION ASSETS

Exploration and Evaluation Assets

As at February 28, 2025, the Company did not incur any exploration and evaluation expenditures, including acquisition costs as compared to $1,306,512 (before proceeds from sales of exploration and evaluation properties and recovery) in the comparative period.

The total cumulative acquisition and deferred exploration costs of the Company's current projects to February 28, 2025 are summarized as follows:

	Great Texas Spring $	Lakshmi Property $	Total $
Property acquisition costs:	-	1,366,153	1,366,153
Staking and claim maintenance costs	175,027	-	175,027
Exploration expenditures:			
Geological	60,550	16,407	76,957
	235,577	1,382,560	1,443,110
Value of option payment received	(500,000)	-	(500,000)
Value of common shares received	(1,180,000)	-	(1,180,000)
Gain from sale of asset	1,467,355	-	1,467,355
Write-off of exploration and evaluation assets	(22,932)	-	(22,932)
Balance, February 28, 2025	**-**	**1,382,560**	**1,382,560**

Current Projects:

Great Texas Spring

In April 2023, the Company staked 292 mining claims for a lithium project in the Elko County region of Nevada. The Company incurred $175,027 in staking and claim maintenance costs. Of these 292 claims, 39 claims had previously been staked by another company, and as a result of title disputes, during the year ended August 31, 2023, the Company wrote-off $22,932 of costs relating to the disputed claims. The Company holds title to 253 claims ("Great Texas Springs Claims").

On October 24, 2023, the Company obtained regulatory approval from the TSX-V for a mineral property option and joint venture agreement (the "Surge Agreement") with Surge Battery Metals Inc. ("Surge") entered into in July 2023.

The Surge Agreement grants Surge the right to earn up to an 80% interest in the Great Texas Spring Claims by making the following payments to the Company on or before the date that is five years from the date of the agreement:

i. to earn a 50% percent interest Surge must make a cash payment to the Company of $500,000 (received) and must issue to the Company a total of 2,000,000 (issued at a value of $1,180,000) of Surge's common shares upon Closing:
ii. to earn an additional 20% percent interest in the Great Texas Springs Claims, Surge must make a cash payment to the Company of $250,000, issue to the Company a total of 2,000,000 of Surge's common shares and make $250,000 in exploration expenditures; and
iii. to earn an additional 10% percent interest in the Great Texas Springs Claims, Surge must make a cash payment to the Company of $500,000 and issue to the Company a total of 1,000,000 of Surge's common shares.

In August 2024, the Company entered into a mineral property option purchase and sale agreement ("Surge Purchase Agreement") with Surge for Surge to acquire the remaining 50% interest in the Great Texas Springs Claims for 1,200,000 common shares of Surge. The Surge Purchase Agreement, superseding the Surge Agreement, is subject to Exchange approval, and will terminate if closing of the Surge Purchase Agreement has not occurred on or before June 30, 2025.

Lakshmi Property

On October 19, 2023, the Company obtained regulatory approval from the TSX-V of a mineral property option agreement entered into in May 2023 (the "Lakshmi Option Agreement") with IMEx Consultants Inc. ("IMEx") to acquire up to an eighty (80%) percent interest in the Lakshmi Property (the "Lakshmi Property") located in California.

To obtain a 60% interest in the Lakshmi Property, the Company must:

i. Issue 2,000,000 shares (issued) to IMEx and pay a sum of US$150,000 (paid) upon regulatory approval of the Lakshmi Option Agreement; and
ii. Incur US$400,000 in exploration expenditures on the Lakshmi Property within twelve months of regulatory approval of the Lakshmi Option Agreement (see below).

The Company can acquire the additional twenty (20%) percent interest in the Lakshmi Property by issuing an additional 2,000,000 shares to the Vendor and incurring an additional US$2,000,000 in exploration expenditures on the Lakshmi Property within thirty-six months of regulatory approval of the Lakshmi Option Agreement.

On November 1, 2024, the Company and IMEx amended the Lakshmi Option Agreement to eliminate the US$400,000 exploration expenditure requirement resulting in the Company earning the 60% interest in the Lakshmi Property.

Previous Projects

The Schefferville Property (Block 103)

The Block 103 iron ore property ("Block 103 Project") covers 7,245 hectares within the Labrador Trough, 30 kilometres northwest of the mining town of Schefferville near the border of Quebec, Canada. Block 103 lies immediately north and parallel to Tata Steel/New Millennium Iron Corp.'s LabMag magnetite deposit and southeast of their KeMag magnetite deposit, which have a combined mineral resource of approximately 8 billion tonnes of measured and indicated resources and 2 billion tonnes of inferred resources. Block 103 is strategically located close to an existing railway that runs south linking to the shipping port of Sept Iles, Quebec.

In May 2022, the Company entered into a Tenement Sale Agreement ("TSA") with Labrador Iron Pty Ltd. ("Labrador"), a private Australian company, whereby the Company will sell its 100% right, title and interest in Block 103 in exchange for:

- cash payment of AUS$500,000 on closing (received $442,000);
- cash payment of AUS$1,000,000 on or before May 12, 2023. In the event Labrador does not make this cash payment, Labrador must issue to the Company, for no consideration, that number of common shares of Labrador that is equal to 70% of the fully diluted issued and outstanding share capital of Labrador; and
- Labrador must incur at least AUS$250,000 in eligible exploration expenses on Block 103 to keep the properties in good standing to December 31, 2022.

Should Labrador be acquired by an entity listed on a stock exchange ("Listco") prior to May 12, 2023, Listco must issue to the Company:

- That number of fully paid common shares in the capital of Listco that is equal to AUS$500,000, divided by the 10-day VWAP of Listco's common shares as traded on the stock exchange prior to the closing date, to be issued within three business days of completion of the transaction with Listco; and
- That number of fully paid common shares in the capital of Listco that is equal to AUS$500,000, divided by the 10-day VWAP of Listco's common shares as traded on the stock exchange prior to the closing date, to be issued upon the earlier of either:
    - 12 months from the date of completion of the transaction with Listco; or
    - upon definition of a JORC inferred resource on Block 103 of not less than 5 Billion tonnes containing iron ore at a grade not less than 28% within 12 months of the execution of the TSA.

In April 2023, Labrador was acquired by Cyclone Metals Ltd, an entity listed on the stock exchange. As a result, in May 2023, Cyclone issued 20,000,000 common shares to the Company with a fair value of AUS$800,000 to acquire a 100% interest in the Schefferville Properties. M3 and Cyclone mutually agreed that the sale was completed, and Cyclone was relieved of any further commitments as outlined in the TSA.

Mohave Mine Gold Property

On September 21, 2019, the Company entered into an option agreement with DDS Resources LLC and Mohave Mine Partnership LLC (collectively, "Optionors") to acquire, by way of option, up to 100% of certain mining claims in the Weaver mining district, Mohave County, Arizona, USA (collectively, the "Mohave Mine Gold Property"). Under the terms of the agreement, the Company had the option to earn up to a 100% interest in the Mohave Mine Gold Property by making cash payments of US$3,575,000 (US$225,000 paid) and incurring exploration expenditures of US$1,300,000 (US$250,000 incurred) over the period ending on or before March 31, 2025.

Upon the completion of all payments, the Company would grant a 1.5% NSR to the Optionors. In July 2020, and later amended, the Company entered into a mineral property option agreement (the "Definitive Agreement") with Millennial Potash Corp ("MLP"). Under the Definitive Agreement, MLP could earn up to a 90% interest in the Mohave Mine Gold Property by making cash payments of $6,100,000 ($450,000 received) and incurring exploration expenditures of $3,000,000 over the period ending on or before November 4, 2025.

On March 2, 2023, MLP and the Company mutually agreed to terminate the definitive agreement dated July 4, 2020 and as amended in April and October 2022 between MLP and the Company with respect to the Mohave Mine Gold Property. MLP forfeited its right to earn a 90% interest in the Mohave Mine Gold Property. In April 2023, the Company forfeited its right to acquire a 100% interest in the Mohave Mine Gold Property by terminating its agreement with the Optionors dated September 21, 2019.

G-South Property

On April 21, 2022, the Company entered into a mineral claims purchase and sale agreement to acquire 100% of the G-South property, located in the Central Cariboo Region of South Central British Columbia (the "G-South Property").

Under the terms of the agreement, the vendor is to receive a total of $20,000 (paid) and 200,000 common shares of the Company (issued at a value of $140,000) as consideration for the purchase.

The Company will pay a 2% NSR to the vendor on commencement of commercial production which the Company will have the right, at any time prior to the commencement of commercial production, to purchase 50% of the NSR for $1,000,000.

The G-South Property covers an area of 929.68 Hectares of within the prolific Quesnel terrane, located approximately 30 kilometers north of Quesnel, British Columbia, Canada. The G-South Property is considered prospective for gold and has seen historical exploration beginning in the 1960's with the largest percentage of work completed in the mid to late 1980's. Historical drill intercepts on the Property include 38.13 grams per tonne gold over 0.9 metres (drill hole P-87-29, ARIS 17309) and 6.87 grams per tonne gold over 4.5 metres at the bottom of the one of the deepest holes ending at 94.5 metres (drill hole P-87-41, ARIS 17309). Additional historical drilling and trenching on the G-South Property also encountered highly anomalous gold values and as such the Company plans to begin a detailed compilation and modeling program to better define the areas which have not been adequately followed and have only been tested with shallow (<100 meters) drilling.

The regional geology consists of Upper Triassic Takla Group mafic to intermediate flows, pyroclastic volcanics and argillaceous sedimentary rocks. These are intruded by coeval plutonic rocks of the Naver Intrusive Suite. Locally the Property is underlain by augite porphyry, basaltic breccias and argillites which have been intruded by several rhyolite dikes. Sulphide mineralization occurs disseminated in the country rocks and in stockworks and breccia infillings with quartz, calcite, epidote, and chlorite. There are two main types of mineralization historically identified; disseminated and fracture-controlled pyrite, pyrrhotite and rare chalcopyrite in volcanics or along contacts with rhyolite dikes and; massive sulphide mineralization within gouge zones up to 1.9 meters wide consisting of pyrite, arsenopyrite and sphalerite and occasionally chalcopyrite and galena.

The G-South claims expired in February 2024, and the Company currently does not have intention to renew these claims. As a result, the Company recorded a write of exploration and evaluation assets of $176,135 during the year ended August 31, 2023.

Quality Control and Quality Assurance

The scientific and technical content and interpretation contained in this MD&A gave been reviewed, verified and approved by Adrian Smith, P. Geo., B.Sc., a Qualified Person as defined by NI 43-101, Standards of Disclosure for Mineral Projects.

OVERALL PERFORMANCE

Operating expenses for the six months ended February 28, 2025 were $265,075 versus $422,105 for the six months ended February 28, 2024. The lower operating expense in the comparative period is the result of reduced consulting fees during the quarter.

The Company recognized a net and comprehensive loss of $122,663 in the current period versus a net and comprehensive income of $959,415 in the comparative period. In the current period, the net loss was mainly attributable to the operating expenditures. The net loss in the comparative period is attributable to the gain recognized in connection with the option payment made by Surge for the Great Texas Spring property.

RESULTS OF OPERATIONS

The following table sets forth selected financial information from the Financial Statements for the three and six months ended February 28, 2025 and February 29, 2024:

	For the three months ended		For the six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	**$**	**$**	**$**
Expenses				
Consulting and director fees	**76,380**	174,565	**152,843**	297,918
Depreciation	**186**	307	**383**	614
Investor relations	**770**	485	**1,155**	3,265
Marketing	**1,501**	2,767	**3,628**	5,400
Office and administration	**12,120**	26,067	**31,570**	66,304
Professional fees	**(5,386)**	15,245	**53,079**	41,952
Transfer agent and filing fees	**10,927**	-	**21,660**	
Travel and related	**446**	1,514	**757**	6,652
	(96,944)	(220,950)	**(265,075)**	(422,105)

As an exploration company, the Company has yet to generate any revenue from its planned operations and has, to date, incurred annual net losses from operating and administrative expenses.

All of the Company's projects are at the exploration stage and, to date, the Company has not generated any revenues other than sales of exploration and evaluation properties, option payments received from join ventures, sales of marketable securities, and interest income. At February 28, 2025, the Company had not yet achieved profitable operations and has accumulated losses of $42,844,914 (August 31, 2024 - $42,718,173) since inception. The loss generated during the current period resulted in loss per share (basic and diluted) for the six months ended February 28, 2025 of $0.01 (February 29, 2024 – income per share of $0.10).

The table below details the change in major expenditures for the six months ended February 28, 2025 as compared to the six months ended February 29, 2024.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting and director fees	Decrease of $145,075	Decreased due to fewer consultants engaged during the current period.

The table below details the change in major expenditures for the three months ended February 28, 2025 as compared to the three months ended February 29, 2024.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting and director fees	Decrease of $98,185	Decreased due to fewer consultants engaged during the current period.

QUARTERLY INFORMATION

	Three months ended			
	28-Feb-25	30-Nov-24	31-Aug-24	31-May-24
Income (loss) and comprehensive income (loss)	(34,892)	(91,849)	(503,785)	(395,417)
Basic and diluted earnings (loss) per share	(0.00)	(0.01)	(0.05)	(0.04)

	Three months ended			
	29-Feb-24	30-Nov-23	31-Aug-23	31-May-23
Income (loss) and comprehensive income (loss)	(306,751)	1,266,166	(346,912)	(261,139)
Basic and diluted earnings (loss) per share	(0.03)	0.14	(0.04)	(0.03)

Significant variances quarter over quarters can be explained as follows:

- Subsequent to the quarter ended November 30, 2023, with the exception of the quarter ended August 31, and May 31, 2024, the Company's losses have been showing declining trend dropping from $306,751 during the quarter ended February 29, 2024 to a loss of $34,892 during the quarter ended February 28, 2025. The increase losses during the quarter ended August 31, and May 31, 2024 was mainly due to the loss due to fair value of the marketable securities.
- During the quarter ended November 30, 2023, the Company recorded a gain of $1,603,953 in relation to the option payment made by Surge for the Great Texas Spring property.
- During the quarter ended August 31, 2023, the Company recorded a write off of exploration and evaluation properties of $199,067.
- During the quarter ended May 31, 2023, the Company recorded consulting and director fees of $323,819, and share-based compensation of $320,000.
- During the quarter ended February 28, 2023, the Company recorded an unrealized loss on net change in fair value of marketable securities of $23,420.

LIQUIDITY AND CAPITAL RESOURCES

The Company is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances its exploration activities by raising capital from equity markets from time to time, and by entering into joint venture agreements. The Company's liquidity and capital resources at the following dates are as follows:

	February 28, 2025 $	**August 31, 2024 $**
Cash	137,485	219,979
Marketable securities	948,488	1,003,222
Amount receivable	5,295	5,120
Prepaid expenses	25,559	40,532
Total current assets	1,116,827	1,268,853
Accounts payables and accrued liabilities	(71,754)	(137,847)
Working capital	1,382,560	1,131,006

The Company has financed its operations to date through the issuance of common shares. The Company seeks to raise capital through various means including the issuance of equity and/or debt.

As at February 28, 2025, the Company had working capital of $1,004,648 (August 31, 2024 – $1,131,006) and a cash position of $137,485 (August 31, 2024 – $219,979). During the six months ended February 28, 2025, the Company's working capital position decreased by $126,358. Main difference relates to realized and unrealized gain and losses on the Company's marketable securities.

The total net decrease in cash during the current period was $82,494 compared to a decrease of $147,790 in the comparative period. The Company experienced a decrease in cash as the result of $282,494 cash used in operating activities, and a cash of $451,799 used in investing activities.

The Company does not currently have any revenue generating assets or operations. The Company will require additional financial resources to explore, quantify and develop its exploration and evaluation properties. The continued operations of the Company and the recoverability of the amounts reported for resource property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development programs, and upon future profitable production.

RELATED PARTY TRANSACTIONS

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

On May 1, 2019, the Company entered into a consulting agreement with the CFO and Director of the Company. The agreement requires monthly payments of $3,000 for a period of 60 months. Included in the agreement is a provision for a one year payout in the event of termination without cause.

On May 1, 2019, the Company entered into a management agreement with a Director of the Company. The agreement requires monthly payments of $10,000 for a period of 60 months. Included in the agreement is a provision for a one year payout in the event of termination without cause. In February 2023, a new agreement was entered and the monthly payments were revised to $5,000 for a period of 12 months.

On May 1, 2019, the Company entered into a consulting agreement with the President, CEO and Director of the Company. The agreement requires monthly payments of $10,000 for a period of 60 months. Included in the agreement is a provision for a one year payout in the event of termination without cause.

During the six months ended February 28, 2025, the Company entered into the following transactions with related parties, not disclosed elsewhere in the Financial Statements:

i. Paid or incurred consulting fees of $Nil (2024 - $30,000) to Divitiae Resource Ltd., a company controlled by Adrian Smith, director of the Company.
ii. Paid or incurred consulting fees of $30,000 (2024 - $55,000) to Brian Morrison, an officer and director of the Company. Included in accounts payable and accrued liabilities at February 28, 2025 is $1,397 (August 31, 2024 - $Nil) owing to Mr. Morrisson
iii. Paid or incurred consulting fees of $60,000 (2024 - $85,000) to Kosta Tsoutsis, an officer and director of the Company. Included in accounts payable and accrued liabilities at February 28, 2025 is $481 (August 31, 2024 - $602) owing to Mr. Tsoutsis.
iv. Incurred rent expense of $8,250 (2024 - $7500) to Millennial Potash Corp. (formerly Black Mountain Gold USA Corp.), a company related by way of a common officer.

Summary of key management personnel compensation:

	For the six months ended	
	February 28, 2025	February 29, 2024
	$	$
Consulting and directors' fees	90,000	170,000
Total	**90,000**	**170,000**

In addition, the following amounts were incurred with respect to companies related by common officers and directors:

	For the six months ended	
	February 28, 2025	February 29, 2024
	$	$
Office and administration – Rent	8,250	7,500
Total	**8,250**	**7500**

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As at February 28, 2025 and the date of this report, the Company had no proposed transaction.

COMMITMENTS

As at February 28, 2025 and the date of this report, the Company did not have any commitments to report that are not disclosed elsewhere in this MD&A.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Financial Statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses during the reporting period. Based on historical experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses.

Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the audited financial statements materially and involve a significant level of judgment by management.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation properties, valuation of share-based compensation, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation properties

Management determined exploration, evaluation, and related costs incurred which are capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expect timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

RECENT ACCOUNTING PRONOUNCEMENTS

The following new standards, amendments to standards and interpretations have been issued but are not effective during the six months ended February 28, 2025. The following amendments will be in effect for annual reporting periods beginning on or after January 1, 2024:

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, 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 that 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 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. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. 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 these amendments on its consolidated financial statements.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company's financial instruments consist of cash, marketable securities, and accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash and marketable securities, approximates their carrying values due to the short-term nature of these instruments. Cash and marketable securities are measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) Currency risk
The Company conducts exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at February 28, 2025, the Company had foreign currency net monetary financial liabilities of US$13,947. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange loss of approximately CDN$2,014.

b) Credit risk
Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and GST receivable is due from the Government of Canada. The Company's financial instrument related to the GST receivable is not exposed to significant credit risk.

c) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is no interest rate risk, as the Company has no interest-bearing debt subject to floating interest rates.

d) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. As at February 28, 2025 the Company had a cash balance of $137,485 to settle current liabilities of $112,179.

e) Commodity price risk
The ability of the Company to explore and evaluate its exploration and evaluation properties and the future profitability of the Company are directly related to the price of gold. The Company monitors iron and gold prices to determine the appropriate course of action to be taken.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

No Revenues
To date the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Liquidity Concerns and Future Financing
The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities. While the Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of operations, there are conditions and events that may cast doubt about the validity of that assumption.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate
There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Title to Properties
The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Licenses and Permits, Laws and Regulations
The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Competition
The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Share Price Fluctuations
The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Lithium Prices
The profitability of the Company's operations will be dependent upon the market price of lithium. Lithium prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of lithium along with the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of lithium has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Dependence on Outside Parties
The Company has relied upon consultants, engineers and others, and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Nature of Mining, Mineral Exploration and Development Projects
Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability. Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore. Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operations costs are greater than projected. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Conflicts of Interest
Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses may exist in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where potential weaknesses existed. The existence of these potential weaknesses is to be compensated for by senior management monitoring which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109.

In particular, the certifying officers filing a Venture Issuer Basic Certificate do not make any representations relating to establishment and maintenance of:

i) 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

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP ("IFRS").

The Company'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 this certificate.

Investors should be aware that inherent limitations on the ability of the Company's certifying officers 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 securities legislation.

CORPORATE GOVERNANCE

Management of the Company is responsible for the preparation and presentation of the Audited Financial Statements and MD&A and other information contained in this report. Additionally, it is Management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

Management is held accountable to the Board of Directors ("Directors"). The Directors are responsible for reviewing and approving the Audited Financial Statements and MD&A. Responsibility for the review and approval of the Company's Audited Financial Statements and MD&A is delegated by the Directors to the Audit Committee, which is comprised of three directors, two of whom are considered independent. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the Audited Financial Statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss the audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has:

a) 10,274,724 common shares outstanding
b) 5,000,000 share purchase warrants
c) 800,000 stock options

Share Options
The following tranches of share options are outstanding as of the date of this report:

Number of options outstanding and exercisable	Exercise price	Expiry date
	$	
800,000	0.47	April 27, 2028
800,000		

Warrants
The following tranches of warrants are outstanding as of the date of this report:

Number of warrants outstanding	Exercise price	Expiry date
	$	
5,000,000	0.32	February 7, 2028
5,000,000		

OTHER MD&A REQUIREMENTS

Additional information relating to the Company can be found on or in:

- the Company's website at www.m3metalscorp.com;
- SEDAR at www.sedarplus.ca; and
- the Company's audited consolidated financial statements for the years ended August 31, 2024 and 2023.