

QUANTUM CRITICAL METALS CORP. (FORMERLY DURANGO RESOURCES INC.)
(An Exploration Stage Company)

**MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE MONTH
PERIOD ENDED APRIL 30, 2025**

1. This management's discussion and analysis ("MD&A") is provided to enable the reader to assess material changes in the financial condition and results of operations Quantum Critical Metals Corp. (formerly Durango Resources Inc.) (the "Company" or "Quantum") for the period ended April 30, 2025. This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company for the nine month period ended April 30, 2025, and the condensed consolidated annual financial statements of the Company for the financial year ended July 31, 2024, prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements but does not form part of the Company's condensed consolidated interim financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs and the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language statement on page 12. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of June 30, 2025.

2. Overall Performance

Nature of Business

Quantum was incorporated on August 21, 2006 under the British Columbia Business Corporations Act and is listed on the TSX Venture Exchange ("TSXV") under the symbol "LEAP". The Company's business is the exploration for precious and base mineral resources within Canada. Accumulated operating losses for the Company to date total \$11,073,406 (July 31, 2024 – \$10,801,424). At April 30, 2025, the Company is considered an exploration stage company. The head office mailing address of the Company is PO Box 31880, Richmond, BC, V7E 0B5.

Results of Operations

The Company is in the mineral exploration business and has no revenues. To date, the funding of the Company's exploration activities has been provided by private and public equity offerings of its shares.

Listing and transfer agent fees for the period ended April 30, 2025 were \$39,181 compared with \$33,399 for the same period in 2024. Business Consultants for the period ended were \$110,250 compared to \$91,500 for the same nine month period in the prior year due to the addition of a strategic advisor. Professional fees for this period were \$42,069 compared to \$62,033 for the same period in the prior year as a result of cost savings for annual audit and tax filings. Costs related to changing the name of the Company from Durango Resources Inc. to Quantum Critical Metals Corp. resulted in increased Listing and Transfer Agent Fees during the period ending April 30, 2025 compared to the same time period last year.

Current assets were \$650.45 as at April 30, 2025 compared to \$172,089 as at July 31, 2024. Total current liabilities were \$863,967 compared with \$602,166 as at July 31, 2024. The Company will need to raise additional capital to maintain capacity beyond nine months and conduct any further exploration. There can be no assurance as to the availability or terms upon which such financing might be available. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

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3. EXPLORATION PROPERTIES

General

The Qualified Person(s) responsible for the technical and scientific information contained in this Management Discussion and Analysis (MD&A) is George Yordanov and Melanie Mackay, P. Geo's, and both are consultants with the Company and are considered "qualified persons" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Mayner's Fortune claims, British Columbia

On July 29, 2015, the Company entered into an agreement for the acquisition of the Mayner's Fortune limestone property situated in northwestern British Columbia. The property is located in the Skeena Mining Division approximately 7.5km southwest of Terrace, BC and 4km west of Lakelse Lake on the Lakelse River. Consideration for the acquisition consisted of the issuance of 1,400,000 common shares to two arm's length vendors (issued). Finder's fees of 125,000 common shares were also issued in relation to this transaction to an arm's length party. In 2021, the Company applied for and was granted permits for drilling, blasting and removal of up to 10,000 tonnes of limestone from the property. During the year ended July 31, 2024, \$9,768 (2023 - \$2,388) in exploration expenditures were incurred for the property. During the period ended April 30, 2025, \$nil in exploration expenditures were incurred for the property.

As at July 31, 2024 and 2023, the Company holds a total of \$10,000 in reclamation bonds for the Mayner's Fortune Claims.

BC Minerals, British Columbia

In November 2022, the Company acquired land packages totaling over 2,500 hectares in the Babine copper-gold district of west-central British Columbia. The properties border American Eagle Gold's NAK property. During the year ended July 31, 2024, \$nil (2023 - \$92,500) in acquisition costs were incurred for the property as well as \$7,077 (2023 - \$2,784) in exploration expenditures. During the period ended April 30, 2025, \$76,048 in exploration expenditures were incurred for the property.

Decouverte claims, Quebec

The Company owns a 100% interest in the Decouverte Property situated in Quebec. During the year ended July 31, 2024, \$50,345 (2023 - \$138,676) in exploration expenditures were incurred for the property. During the period ended April 30, 2025, \$49,307 in exploration expenditures were incurred for the property.

Nemaska claims/NMX East, Quebec

During the years ended July 31, 2016 and 2015, the Company staked 353 hectares directly adjoining Nemaska Lithium Inc.'s Whabouchi lithium deposit in northern Quebec. The NMX East property has all season road access via the Route Nord and is located within a few kilometres of Nemaska Lithium Inc.'s proposed Whabouchi mining pit. During the year ended July 31, 2024, \$384,144 (2023 - \$17,816) in exploration expenditures were incurred for the property. During the period ended April 30, 2025, \$14,007 in exploration expenditures were incurred for the property.

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4. Summary of Quarterly Results

	30-Apr	31-Jan	31-Oct	31-Jul	30-Apr	31-Jan	31-Oct	31-Jul
	Fiscal 2025			Fiscal 2024			Fiscal 2023	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net gain (loss)	\$ (101,644)	\$ (73,096)	\$ (97,242)	\$ (91,004)	\$ (94,908)	\$ (53,961)	\$ (50,227)	\$ (81,022)
Gain (loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

Administrative expenses for the quarter ended April 30, 2025, were \$101,644, compared to \$94,908 in the comparable quarter ended April 30, 2024. Listing and transfer agent fees were \$39,181 compared with \$33,399 for the same quarter in 2024 due to the increase in TSXV fees, corporate name change and property acquisition. Losses in the quarters above remain consistent with an exploration stage company.

5. Liquidity and Capital Resources

The ability of the Company to meet its obligations as they come due is mainly dependent on its ability to continue to fund operations through equity and/or debt financings. The Company has a cash balance of \$20,411 and GST/QST recoverable of \$42,175, and a working capital deficiency of \$798,921 as at April 30, 2025.

To undertake any additional exploration and maintain corporate capacity it will be necessary for Quantum to raise money through share issuances, suitable debt financing and/or other financing arrangements. In the meantime, the Company has reduced corporate activity and expenditures to a minimum. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to do so in the future. If the Company is unable to obtain the requisite amount of financing, it will be required to continue to defer planned exploration activities and/or and/or sell assets (or and interest in assets) to raise funds, each of which would have a material adverse effect on its business and ability to continue as a going concern. The annual financial statements for the year ended April 30, 2025, do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company is actively looking for sources of funding, including the option and/or selling of properties.

Over the past year, global stock markets have experienced volatility and a significant weakening and geo-political turmoil. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Company's business financial condition and results of operations have been negatively affected by these economic issues and other consequences from various regional conflicts and climate change, including in particular regional forest fires. The duration and impact of the higher inflationary environment, as well as the effectiveness of government and central bank responses, remains unclear at this time however, continued volatility in financial markets will likely have a significant impact on the Company's financial position.

6. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed to as at April 30, 2025.

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7. Transactions with Related Parties

The following transactions with related parties have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties:

Key management personnel compensation

For the period ended April 30,	2025	2024
Consulting fees with a company controlled by the President of the Company	\$ 90,000	\$ 90,000
Consulting fees with the CFO of the Company	16,000	16,000
Director's Fees	11,000	12,000
	\$ 117,000	\$ 118,000

As at April 30, 2025 and 2024, amounts due to related parties were owed to the CEO, CFO and directors of the Company. The amounts due are non-interest bearing, unsecured, and due on demand.

The Company entered into a contract on June 1, 2017 with Steveston Finance Inc., a corporate entity, wholly owned by the President (Marcy Kiesman) of the Company. The contract obligates the Company to pay Steveston Finance Inc. \$10,000 per month for management services until terminated. In the case of a change of control, the officer is entitled to an amount equal to \$175,000.

The Company entered into a consulting agreement on December 5, 2018 with the CFO of the Company that includes change of control clause. In the case of a change of control, the officer is entitled to an amount equal to twelve times the monthly cash payment. As at April 30, 2025, the monthly cash payment under the agreement is \$2,000 per month.

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8. Critical Accounting Estimates

The preparation financial statements require management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities if actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of the exploration and evaluation assets.
- ii) The estimated amounts of reclamation and environmental obligations.

9. Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant risks arising from exposure to interest rate, currency rate or commodity prices arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification and measurement
Cash, Amounts receivable, Reclamation bond	Amortized cost
Accounts payable and accrued liabilities, due to related parties	Amortized cost

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Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For accounts receivable, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows for the asset expire, or when it transfers the final asset and substantially all the risks and rewards of ownership to another entity.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or they expire.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk, commodity price risk, and currency risk.

Credit risk

The Company is exposed to credit risk by holding cash. The maximum exposure to credit risk is equal to the carrying value of the financial assets. This risk is minimized by holding the investments in large Canadian financial institutions or with Canadian governments. The Company has minimal accounts receivable exposure, and its various refundable credits are due from Canadian governments and accordingly the Company has minimal credit risk.

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9. Financial Instruments and Other Instruments (continued)

Interest rate risk

The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. As at April 30, 2025, the Company had a cash balance of \$20,411, GST/QST recoverable of \$42,175, and a working capital deficiency of \$798,921.

To conduct any exploration in the 2025 year and maintain corporate capacity it will be necessary for Quantum to raise money through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that management's efforts to raise additional funds will be successful.

Commodity price risk

The Company's ability to raise capital to develop its mineral properties is subject to risks associated with fluctuations in the market prices of precious metals, graphite, base metals, and rare earth elements.

Currency rate risk

The Company's functional currency is the Canadian dollar. There is no significant foreign exchange risk to the Company. The Company does not engage in any form of derivative or hedging instruments.

10. Risks and Uncertainties

The Company is in the mineral exploration business and as such is exposed to many risks and uncertainties that are not uncommon to other companies in the same type of business. Some of the possible risks include the following:

- The industry is capital intensive and is subject to fluctuations in metal and commodity prices, market sentiment, foreign exchange, and interest rates.

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10. Risks and Uncertainties (cont.)

- The Company has a working capital deficiency. The only source of future funds for further exploration programs and to maintain corporate capacity, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties. The Company has no assurance that it will be successful in raising additional capital when it is required.
- Any future equity financing by the Company for raising additional capital may result in substantial dilution to the holdings of existing shareholders.
- The Company must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.
- The Company is in the mineral exploration business and as such is exposed to many risks and uncertainties that are not uncommon to other companies in the same type of business. Some of the possible risks include the following:
 - The industry is capital intensive and is subject to fluctuations in metal and commodity prices, market sentiment, foreign exchange and interest rates. The duration and impact of the higher inflationary period remains unclear at this time however, continued volatility in financial markets may have a significant impact on the Company's financial position.
 - The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production therein, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. The Company has no assurance that it will be successful in raising additional capital when it is required.
 - The Company must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.
 - The operations of the Company require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue its exploration activities in the future.
 - There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded.

Should one or more of these risks materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in its forward-looking statements. The Company has not completed a feasibility study on any of its deposits to determine if it hosts a mineral resource that can be economically developed and profitably mined.

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11. Outstanding Share Data

Authorized Capital:

Unlimited common shares without par value

Issued Common Shares:	<u>Number</u>
Balance, April 30, 2025	<u>95,056,872</u>
Balance, June 30, 2025	<u>109,347,872</u>

Commitments:

Options: 7,300,000 outstanding as at April 30, 2025 and 9,600,000 as at June 30, 2025

As at June 30, 2025:

- a) 109,347,872 common shares were issued and outstanding.
- b) Option balances are:
 - 2,050,000 exercisable at \$0.125 expiring September 9, 2025
 - 200,000 exercisable at \$0.10 expiring January 18, 2026
 - 2,250,000 exercisable at \$0.05 expiring October 23, 2028
 - 2,100,000 exercisable at \$0.05 expiring October 31, 2027
 - 3,000,000 exercisable at \$0.12 expiring June 9, 2030

12. Subsequent Events

The Company announced a non-brokered private placement financing (the "Offering") to raise gross proceeds of between \$2,000,000 to \$3,000,000 pursuant to the sale of between 20,000,000 to 30,000,000 units ("Units") at a price of \$0.10 per Unit. Each Unit will consist of one common share of the Company (each, a "Share") and one warrant (each, a "Warrant"). Each Warrant will entitle the holder to acquire one Share at a price of \$0.20 per Share for a period of 24 months from closing of the Offering.

On June 10th, 2025 the Company announced the grant of 3,000,000 options to directors and consultants at an exercise price of \$0.12 for a period of five years expiring June 9th, 2030.

The Company issued 4,000,000 common shares pursuant to the property agreement as per announced on January 16th, 2025.

700,000 outstanding options with a price of \$0.10 per option expired on June 29th, 2025 unexercised.

On June 28th, 2025 the Company announced closing the first tranche of \$1,029,100 at a price of ten cents per unit pursuant to the issuance of 10,291,000 shares.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible” or variations of such words and phrases or the negative connotation thereof, or statements that events, conditions or results “will”, “may”, “could” or “should” occur or be achieved. The forward-looking statements may include statements regarding the ability of the Company to raise additional funds to maintain corporate capacity and advance its properties, exploration results and budgets, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Important factors that could cause actual results to differ materially from the Company’s expectations include the ability of the Company to raise additional capital in the near term, uncertainties relating to disputes; fluctuations in commodity prices and foreign currency exchange rates; uncertainties relating to interpretation of drill results and the geology; the need to obtain additional financing to develop properties and uncertainties as to the availability and terms of future financing; uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies and other factors such as those described above and discussed under “Risks and Uncertainties”. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. It is the Company’s policy that all forward-looking statements are based on the Company’s beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are based on information available as at June 30, 2025 and are subject to change after this date. The Company assumes no obligation and has no policy for updating or revising forward-looking information or statements to reflect new events or circumstances, except as may be required under applicable securities laws.