



**DIOS**  
EXPLORATION

**DIOS EXPLORATION INC.  
ANNUAL MANAGEMENT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024**

This Management Discussion and Analysis dated April 7, 2025, provides an analysis of operations and financial position of Dios Exploration Inc. (the "Company" or "Dios") for the year ended December 31, 2024. This discussion and analysis of the financial position and results of operations should be read in conjunction with Dios' audited financial statements for the years ended December 31, 2024, and 2023. These audited financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards").

*Our report contains "forward-looking statements" not based on historical facts. Forward-looking statements express, as of the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable but involve number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Company to obtain financing.*

## **ABOUT DIOS**

Dios focuses on gold-copper-silver and lithium exploration in James Bay Eeyou Istchee, Quebec, Canada, along a major greenstone belt and geological province contact. Gold prices are currently at a very rare high.

Dios' wholly-owned **Heberto Gold** discovery and several other gold occurrences are hosted on AU33, adjacent to Hydro-Quebec EM-1 hydropower facilities. Several significant lithium acquisitions were completed in 2024 and 2023.

Wholly owned K2 gold-copper-silver property is adjacent south-west in strike of Azimut's Elmer gold discovery property. Dios is looking for a partner to further develop that property.

Dios is evaluating its gold projects for further work to enhance its value and potential. Lithium metal remains critical in universal fight against global warming, core component of lithium-ion batteries for powering electric vehicles & large-scale energy storage.

Dios' shares are traded on the TSX Venture Exchange under the symbol "DOS" and 121,282,066 shares were issued and outstanding at the end of 2024. Additional information may be available through [www.sedarplus.ca](http://www.sedarplus.ca) website, under the Company's profile or at [www.diosexplo.com](http://www.diosexplo.com).

## RESULTS OF OPERATION

### Summary of acquisition activities

During the year ended December 31, 2024, Dios paid \$5,728 for mining rights (claim renewal and acquisitions) compared to \$129,087 for the same period last year.

#### Mining Right Additions

Properties	\$
K2	4,654
Clarkie East	179
Lithium33-AU33	895

### Summary of exploration activities

During the year ended December 31, 2024, the Company incurred \$221,807 in exploration and evaluation expenses compared to \$429,400 for the same period last year.

#### Exploration and evaluation expenses analysis

Description	K2	Lithium North	Nemiscau North	Pontax North	AU33	LeCaron	Clarkie East	Total
Geology	684	59,582	2,707	24,120	11,930	27,655	21,767	148,445
Transportation, lodging	-	790	-	15,546	-	25,933	26,759	69,028
Office and others	2,403	1,173	-	-	209	286	263	4,334
	<b>3,087</b>	<b>64,545</b>	<b>2,707</b>	<b>39,666</b>	<b>12,139</b>	<b>53,874</b>	<b>48,789</b>	<b>221,807</b>

## DIOS EXPLORATION 2025 PROPOSED BUDGET

### GOLD EXPLORATION

Gold exploration is to be pursued on Au33-Lithium33 (Hebertoeast- northeast extent). Further financings will be needed for such gold exploration.

#### Dios' gold properties, Lower Eastmain Greenstone Belt: K2, AU33 (Heberto), LeCaron, Clarkie

Hole 19 hit 3.65 grams gold per tonne over 13 m (**71 m-84 m**) within 64 m true thickness interval grading 1.21 g/t gold on HEBERTO.

DD-19 is located 50 m south of DD-1 (2.13 g/t gold/22.9 m), of DD-9 (2 g/t gold/22 m) and of DD-10 (1.8g/t gold/18.45 m). DD- 19 is located 112 m west of DD-1 and 50 m north of DD-06 (1.94 g/t gold/7.75 m).

A deformation zone striking EW-NE was enhanced on the property and should be the focus of future work.

Dios' Historical 2015-2017 Drilling Results (Heberto channel graded 5.18 g/t gold on 5 meters):

<b>Diamond Drill Hole</b>	<b>Depth from</b>	<b>To (m)</b>	<b>Length (m) True width</b>	<b>grams/ton gold</b>
2015-1	18	26.65	<b>8.65</b>	<b>4.79</b>
<i>within</i>	7.50	30.40	<b>22.9</b>	<b>2.13</b>
2015-9	65	87	<b>22</b>	<b>2.00</b>
2015-10	77.25	87.25	<b>10</b>	<b>2.47</b>
<i>within</i>		95.70	<b>18.45</b>	<b>1.8</b>
2016-19	71	84	<b>13.00</b>	<b>3.65</b>
<i>within</i>	68	132	<b>64.00</b>	<b>1.21</b>
2016-13		63.50	<b>7.25</b>	<b>2.05</b>
<i>Within</i>	56.25	76.50	<b>20.25</b>	<b>1.00</b>
			41.50	0.63
2015-5	62.35	65.70	<b>3.35</b>	<b>3.93</b>
<i>within</i>	61.35	68.40	<b>7.05</b>	<b>1.88</b>
2015-5	83.50	85.70	2.20	3.46
2015-6	96.25	100	<b>3.75</b>	<b>3.36</b>
<i>within</i>	92.25		<b>7.75</b>	<b>2.23</b>
2015-11	212.3	216	<b>3.7</b>	<b>3.23</b>
<i>within</i>	203.4		<b>12.6</b>	<b>1.17</b>
2016-14	108.35	116.45	<b>8.10</b>	<b>1.65</b>
2016-15	148.25	151.25	<b>3.00</b>	<b>2.53</b>
2016-17	183.20	185.50	2.30	1.45
2017-17	310.20	317.4	<b>7.2</b>	<b>1.7</b>
<i>including</i>		275m vert.	<b>3.33</b>	<b>3.3</b>
<i>within</i>			11	1.13
2017-24	40.50	50.50	<b>10.00</b>	<b>0.81</b>

(See 2015-2017 Dios' press releases, as well as April 21, 2016 release)

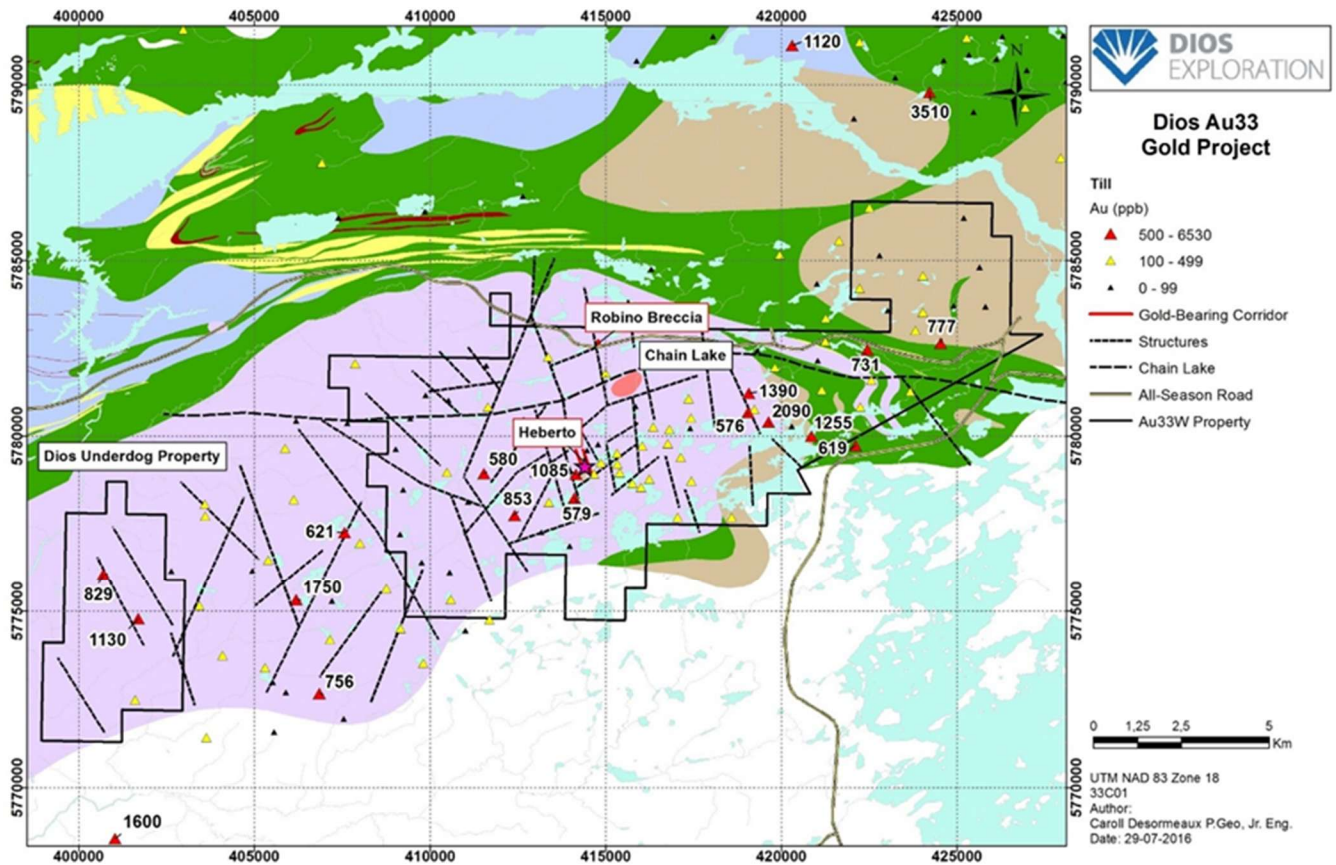
Hole **19** (3.65g/t Au/13m) is 112 m west of Hole **1** and 50 m north of Hole **6** (2,23g/t Au/7.75 m).

Hole **19** is 50 m south of Hole **1** (2.13g/t Au/22.9m), of Hole **9** (2 g/t Au/22 m) & of Hole**10** (1.8 g/t Au/18.45 m).

Gold zones can be followed in strike and at depth. Gold is associated with fine grained pyrite and magnetite in several meters thick potassic altered shear zones.

**Heberto Gold** is located at the contact of a *low mag* with a higher magnetic area, seeming to **extend eastward as well as different ENE structures**. Studies are ongoing in that sense.

There lies more overburden east of **Heberto** discovery outcrop, hiding possible gold occurrences, as Dios' geochemical data returned significant gold-in-till values. See cluster of golden triangles:

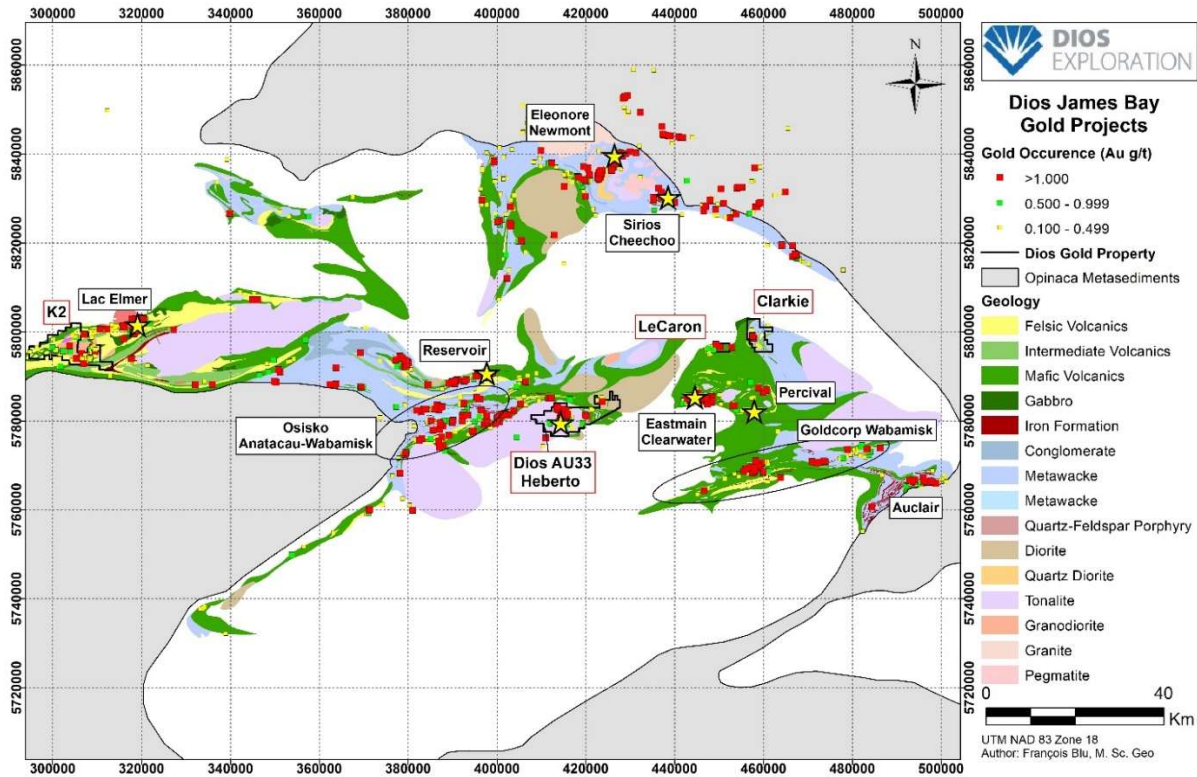


**Heberto** major km scale gold system is located *within a 5 X 8 km highly anomalous gold-in-outcrop area*, near EM hydropower facilities, *50 km south of Newmont Eleonore world class gold mine and 20 km west of Clearwater gold deposit.*

Dios is looking for a significant world class oxidized *IRG* gold deposit. Enriched gold content in association with pyrite and magnetite confirm that model deposit.

Road accessible Au33 property hosting **Heberto Gold** offering strong potential is underexplored.

Dios is therefore evaluating its gold and gold-silver-copper projects for further work to enhance its value and potential, with gold prices currently at a rare high, and the focus will be on ground accessible Heberto Gold this year.

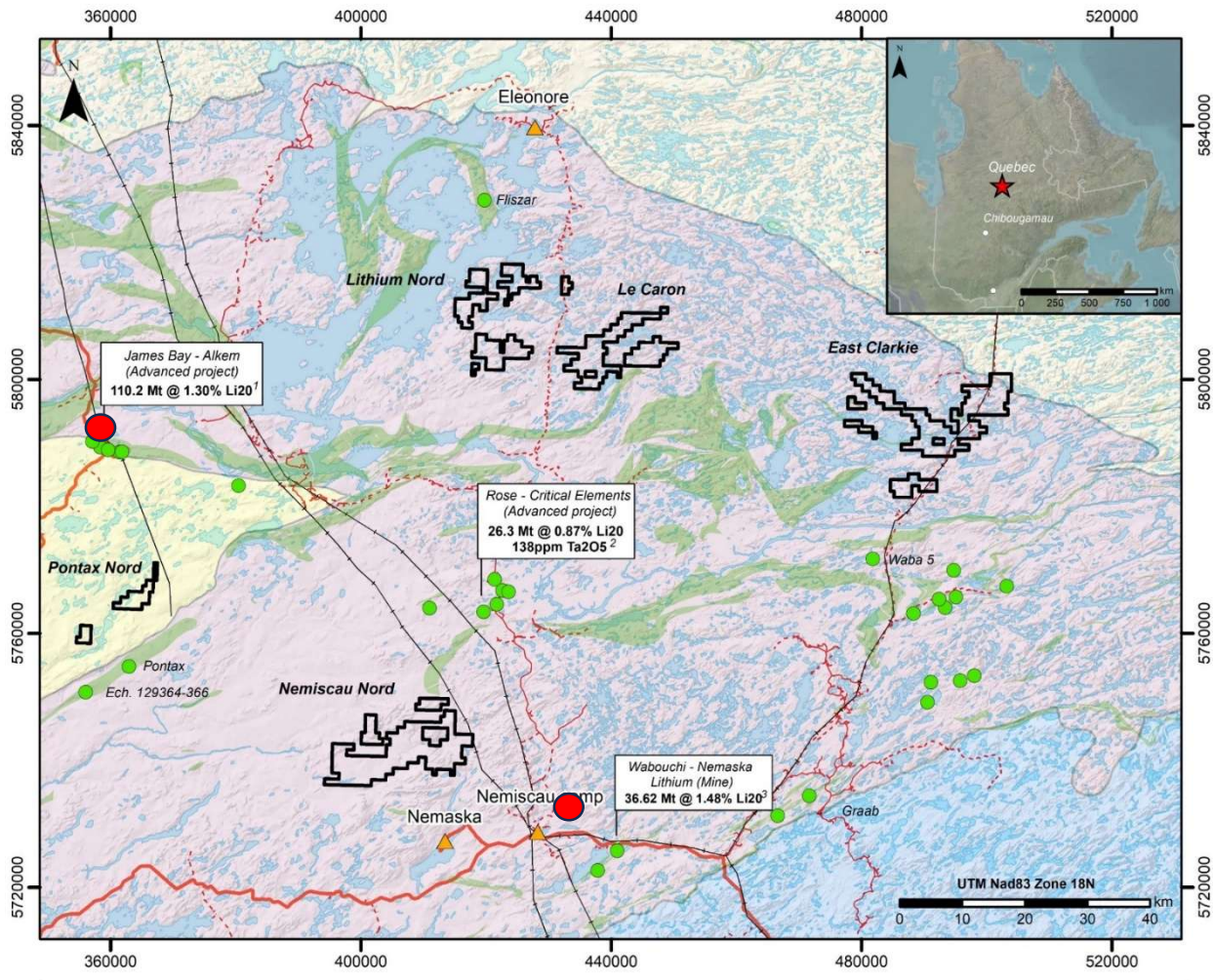


## SUMMARY OF PLANNED EXPLORATION PROGRAMS FOR 2024 AND RESULTS

- Multi-property Geological Mapping and sampling for lithium, James Bay, Quebec
- This field program was helicopter-supported. The program design included target selections, traverse routes and sample grids. (Rock sampling and glacial till sampling)
- Detailed geological mapping and sampling with a focus on defined targets.
  - LeCaron Lithium
  - Lithium Nord
  - Nemiscau Nord
  - Pontax Nord
  - Clarkie Est

Planned Work	Budget (\$)	Results (\$)
Geology, logistics, field program, report, assays	90,600	89,577
Expenses and rentals (incl. trucks, fuel, motels)	20,826	20,800
Total	111,426	110,377
Transportation (Helicopter, fuel)		90,805
Lodging (Cree Construction Camp)		20,625
Total (Transportation and lodging)	152,175	111,430
<b>Total</b>	<b>263,601</b>	<b>221,807</b>

Lithium metal remains critical in universal fight against global warming, core component of lithium-ion batteries for powering electric vehicles & large-scale energy storage.



Physiography	Geology	Superior Subprovinces
<ul style="list-style-type: none"> <li>Power lines</li> <li>Lakes</li> <li>Main roads</li> <li>Secondary roads</li> </ul>	<ul style="list-style-type: none"> <li>Greenstone belts</li> <li>Lithium Showings/ Deposits*</li> <li>Lithium Advanced projects</li> </ul>	<ul style="list-style-type: none"> <li>La Grande</li> <li>Nemiscau</li> <li>Opatica</li> <li>Opinaca</li> </ul>



For this program, Lithium-bearing pegmatites (LCT type) represented the main commodity of interest for the exploration work. The program's goal was to discover new occurrences of mineralized pegmatites within the different claim blocks while conducting prospection work and till sampling.

Fieldwork was conducted by two sampling teams doing either short (<5 km) field traverses or multiple helicopter stops in the vicinity of targeted sectors. The teams collected a total of 197 rock samples, including both grab and chip samples in 2024. Additionally, 26 observation points (mapping, with no samples collected) and 10 structural measurements were recorded.

The primary focus of the 2024 program was on pegmatite outcrops, which were extensively sampled across all properties. Glacially transported boulders were described and sampled when deemed prospective. Felsic intrusive rocks, including tonalitic and granitic varieties, were sampled to evaluate their geochemistry as potential parental magma sources for pegmatites. Additionally, amphibolites and metasediments were also sampled, as LCT pegmatites are known to generate anomalous concentrations of LCT-type elements in the surrounding host rocks.

Till sampling was conducted on the Le Caron Property, where teams collected a total of 42 till samples.

The rock samples mainly consisted of pegmatitic material. Pegmatite samples were either associated with granitic melt (anatexis) or occurred as dykes, occasionally reaching the metric scale. Most of the observed and sampled pegmatitic material had a granitic composition, typically containing biotite, or biotite and magnetite, while muscovite was observed in very few samples.

No mineralized pegmatites were sampled during the 2024 exploration program; however, anomalous values in LCT-type elements were still noted, contributing to the understanding of this unit geochemistry and potentially identifying regional targets for a follow-up exploration program. To assess the anomalous nature of these results, the same threshold used for the 2023 exploration program was applied.

Of the 191 samples analyzed, eight displayed anomalous values relevant to lithium-pegmatite exploration. These anomalous values were obtained from samples of felsic to intermediate intrusive outcrops.

The 2024 exploration program was built upon the 2023 program, which was shortened due to forest fires. As in 2023, most of the rocks observed and sampled in 2024 consisted of granites, granodiorites, and tonalites, often interpreted as products of partial melting (i.e., anatectic granites). In 2024, pegmatites with favourable mineralogy, including muscovite and tourmaline, were observed on the Pontax Property. However, this favourable composition was not associated with any enrichment in LCT elements. Samples from both the 2023 and 2024 programs did not yield significant values for tantalum, cesium, rubidium, or tin in the host rocks, which could suggest the proximity of a mineralized pegmatite due to metasomatic alteration.

As presented in the 2023 field report and reiterated in the 2024 report, geochemical ratios such as Mg/Li, K/Rb, and Nb/Ta suggest that rocks with a "fertile" signature are located on the periphery of the Uskawasis3 pluton, within the Lithium Nord and Le Caron properties. Results from the 2024 field program further support the hypothesis that this area may be favourable for the occurrence of LCT pegmatites or more evolved magmas.

## OPERATION RESULTS AND SELECTED ANNUAL INFORMATION

Net loss for the year is \$4,012,117 (net loss of \$128,814 for 2023) whereas operating expenses for the year totalled \$99,258 (\$177,243 for 2023).

	As of December 31, 2024 \$	As of December 31, 2023 \$
Net loss	(4,012,117)	(128,814)
Operating loss	(4,088,706)	(286,528)
Devaluation of exploration and evaluation assets	(3,863,899)	-
Write-off of exploration and evaluation assets	(84,983)	-
Reversal of write-off of exploration and evaluation assets	-	30,000
Share-based payments	(34,609)	(53,734)
Provision for compensation (see note below)	(5,442)	(84,977)
Expense without reversal, share-based payments and provision	99,773	177,817
Net loss per share (basic and diluted)	(0.03)	(0.001)
Total assets	3,258,504	7,303,938

Under a flow-through financing agreement entered into with subscribers during 2022, the Company committed to spending \$650,000 in exploration expenses in Canada ("CEE") before December 31, 2023. The Company incurred an amount of \$428,856 on this date. Consequently, a balance of \$221,144 in expenses renounced to investors was not incurred in CEE as of December 31, 2023. The reason for the work not carried out is due to forest fires which made access to the mining sites impossible during the spring-summer 2023 period. At the provincial level a request for an additional twelve months to carry out the missing exploration work was accepted on February 16, 2024, while at the federal level the same request was made but no response on December 31, 2024. Amended renunciation forms have been filed with the federal tax authorities, which could result in the issuance of new assessment notices for affected subscribers for the 2022 tax year. In this regard, the Company has recorded, on December 31, 2024, a provision of \$90,419 (\$84,977 on December 31, 2023) as a provision for compensation and an expense of \$5,442 (\$84,977 on December 31, 2023) was recognized in the results.

### Net loss and expenses

#### 2024 compared to 2023

- Decrease in Employee benefits expense from \$68,084 to \$34,609.
- Decrease in Office expenses from \$11,114, to \$2,142.
- Decrease in Part XII.6 taxes due to the inability to complete certain exploration costs in 2023.
- Devaluation and write-off of exploration and evaluation assets of \$3,863,899 and \$84,983 respectively for 2024.

#### 2023 compared to 2022

- Increase in audit fees in 2023 from \$36,400 to \$43,188.
- Increase in Part XII.6 taxes due to the inability to complete certain exploration costs due to forest fires.
- Deferred income taxes (non-cash item) recovered of \$128,657 in 2023 compared to \$372,715 in 2022.
- Provision for compensation of \$84,977

## Total assets

### 2024 compared to 2023

- Exploration and evaluation assets
  - Acquisition and claim renewal costs of \$5,728.
  - Exploration expenses of \$221,807.

### 2023 compared to 2022

- Exploration and evaluation assets
  - Acquisition and claim renewal costs of \$129,087.
  - Exploration expenses of \$429,400.
  - Payment of the \$40,000 loan (Canada Emergency Business Account).

## SUMMARY OF QUARTERLY RESULTS

(\$ 000 except loss/share)	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income	1	-	6	3	7	8	7	7
Net earnings (net loss)	4,074	37	(35)	(64)	(122)	24	8	(39)
Net earnings (net loss) per share (basic and diluted)	(0.029)	0.0002	(0.0003)	(0.001)	(0.001)	-	-	-

Variation in quarterly (loss) income can be explained by the following:

<b>2024-Q4</b>	Stock based payments of \$11,692 Deferred income taxes of \$1,930 Devaluation of exploration and evaluation assets of \$3,863,899 Write-off of exploration and evaluation assets of \$84,983 Income taxes of section XII.6 and III.14 of \$22
<b>2024-Q3</b>	Stock based payments of \$11,340 Deferred income taxes of \$4,277 Income taxes of section XII.6 and III.14 of \$335
<b>2024-Q2</b>	Stock based payments of \$7,324 Deferred income taxes of \$54,097 Income taxes of section XII.6 and III.14 of \$1,554
<b>2024-Q1</b>	Stock based payments of \$4,253 Deferred income taxes of \$6,038 Income taxes of section XII.6 and III.14 of \$1,638
<b>2023-Q4</b>	Deferred income taxes of \$21,118 Stock based payments of \$30,179 Income taxes of section XII.6 and III.14 of \$14,119 Provision for compensation of \$84,977
<b>2023-Q3</b>	Stock based payments of \$11,083 Deferred income taxes of \$23,873 Income taxes of section XII.5 and III.14 of \$15,630
<b>2023-Q2</b>	Stock based payments of \$4,968 Deferred income taxes of \$20,315 Reversal of write-off of exploration and evaluation asset of \$30,000
<b>2023-Q1</b>	Stock based payment of \$7,504 Deferred income taxes of \$22,576 Increase in Professional fees due to the timing of audit fees invoiced

## FOURTH QUARTER

Highlights of the fourth quarter of 2024 are as follows:

- Exploration expenses totalling \$20,159
- Administrative expenses of \$4,142
- Income interest of \$983
- Income taxes of section XII.6 and III.14 of \$22
- Devaluation of exploration and evaluation assets of \$3,863,899
- Write-off of exploration and evaluation assets of \$84,983

## CASH FLOW SITUATION

Working capital decreased by \$255,646 on December 31, 2024, going from \$187,740 on December 31, 2023, to \$(67,906) on December 31, 2024. This decrease can be explained by the absence of equity investments in 2024 and 2023.

Cash and term deposit amounted to \$55,965 on December 31, 2024, compared to \$371,529 on December 31, 2023.

The Company is considered to be in the exploration stage, thus is dependent on obtaining regular financings to continue exploration. Despite previous successes in acquiring sufficient financing, there is no guarantee of obtaining any future financings.

The Company considers it will have to finance itself in 2025 to carry out planned exploration work while having a reasonable working capital. On December 31, 2024, the Company did not have any debts or any financial commitments for upcoming quarters. The product of unspent funding related to flow-through financing on December 31, 2024, is \$0.

On December 31, 2024:

- 121,282,066 common shares were issued
- 5,555,000 options were outstanding and 5,409,500 can be exercised at price ranging between \$0.10 and \$0.12 expiring between May 26, 2025, and July 3, 2028. Each option can be exchanged by its holder thereof for one common share of the Company.
- 250,000 warrants were outstanding, entitling their holders thereof to subscribe for the same number of common shares of the Company at a price of \$0.10 and expiring August 12, 2026.

### Share capital

Variation in share capital as of April 7, 2025, is the following:

Description	Number of shares	Amount \$
<b>As of December 31, 2023, December 31, 2024</b>	<b>121,282,066</b>	<b>24,786,494</b>
Exercise of options	125,000	22,500
<b>As of April 7, 2025</b>	<b>121,407,066</b>	<b>24,808,994</b>

## Options

Variations in outstanding options as of April 7, 2025, is the following:

	Number of options	Weighted average exercise price \$
As of December 31, 2023	6,290,000	0.11
Cancelled	(735,000)	0.11
<b>As of December 31, 2024</b>	<b>5,555,000</b>	<b>0.11</b>
Exercised	(125,000)	0.11
<b>As of April 7, 2025</b>	<b>5,430,000</b>	<b>0.11</b>

Options granted and exercisable as of April 7, 2025:

Expiry date	Number of options	Exercisable	Exercise price \$
May 26, 2025	725,000	725,000	0.10
October 22, 2025	1,675,000	1,675,000	0.12
June 6, 2026	1,030,000	1,030,000	0.10
September 1, 2027	1,030,000	1,030,000	0.10
July 3, 2028	970,000	824,500	0.10
	5,430,000	5,284,500	0.11

An amount of \$34,609 of employee remuneration expense (all of which related to equity-settled share-based payment transactions) were included in profit or loss for the reporting period ended December 31, 2024 (\$53,734 for the reporting period ended December 31, 2023) and credited to contributed surplus.

On February 21, 2025, 125,000 options were exercised at a price of \$0.10,

## Warrants

Variation in outstanding warrants as of April 7, 2025, is the following:

Description	Number of warrants	Weighted average exercise price \$
<b>As of December 31, 2023, December 31, 2024, and April 7, 2025</b>	<b>250,000</b>	<b>0.10</b>

The number of outstanding warrants which could be exercised for an equivalent of common shares is as follows:

Expiry date	Number of warrants	Exercise price \$
August 12, 2026	250,000	0.10

The 2024 financial statements of the Company were prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board as described in Note 4 of 2024 financial statements.

## **CRITICAL ACCOUNTING ESTIMATE, JUDGMENTS AND ASSUMPTIONS**

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

### **Significant management judgment**

Significant management judgments to be made while implementing accounting methods that are the most significant for the Company are discussed hereafter.

#### **Recognition of deferred income tax assets and measurement of income tax expense**

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

#### **Operating continuity**

Determining whether to continue operating requires management's judgment to be able to raise or find sufficient funds for operating expenses and planned exploration programs, among others, to fulfill requirements for the coming period; such judgments are based on past expertise and other factors, including evaluation of probable future events that could be deemed reasonable in said circumstances.

### **Estimation uncertainty**

#### **Impairment of exploration and evaluation assets**

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined.

Determining whether to test for impairment of exploration and evaluation assets requires management's judgment, among others, regarding the following: the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The K2 and Nemiscau North properties were devaluated for a total amount of \$3,863,899 and the K2, 14Karats and Lithium33-Au33 properties were partially write-off for an amount of \$84,983. During the year ended on December 31, 2023, the company recognized a reversal of an exploration and evaluation asset write-down of \$30,000 relating to the 33 Carat property.

The remaining properties have not been tested for impairment. The Company can retain properties as it has sufficient financial resources to meet its short-term obligations and exploration works are planned over next exercises. The rights to prospect for these properties will not expire soon and exploration works has been carried out on these properties over the past three years.

### **Share-based payments**

Estimation of share-based payment costs requires selection of appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

### **Tax credits receivable**

The calculation of the Company's refundable tax credit on qualified exploration expenditure incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notice of assessments and payments have been issued from the relevant taxation authority and a payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit and refundable tax credit, exploration and evaluation assets, and income tax expense in future periods.

### **Provision and contingent liabilities**

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability and provisions involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are source of estimation uncertainty.

### **Off-balance sheet arrangements**

During the year, the Company did not set up any off-balance sheet arrangements.

## **RISK AND UNCERTAINTIES**

### **Risks inherent in the nature of mineral exploration and development**

Mineral exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labor are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation. Numerous external factors influence and may have significant impacts on the operations of the Company and its financing needs.

**Financial risks**

The Company is an exploration company. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

**Tax**

No assurance can be made that Canada Revenue Agency or Quebec Minister of Revenue will agree with Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses.

**Dependence on key personnel**

The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employer.

**Conflicts of interest**

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith of view to the best interests of the Company and to disclose any interest, which they may have on any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

**Environmental risks**

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements are the responsibility of the Company's management and have been approved by the board of directors. The financial statements were prepared by the Company's management in accordance with IFRS. The financial statements include certain amounts based on the use of estimated and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

(Signed) Marie-José Girard, P.Geo M.Sc. President

Montreal, April 7, 2025