

# ZincX Resources Corp.

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2024 and 2023

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The Quarterly Highlights of ZincX Resources Corp. (the “Company” or “ZincX”) provide a summary of the activities, results of operations and financial condition of the Company as at and for the nine months ended March 31, 2024. The Quarterly Highlights have been prepared by management as of May 27, 2024 and should be read in conjunction with the condensed consolidated interim financial statements and related notes thereto of the Company for the nine months ended March 31, 2024 and 2023, the audited consolidated financial statements and related notes thereto of the Company for the years ended June 30, 2023 and 2022, which were prepared in accordance with International Financial Reporting Standards (“IFRS”), and the annual Management Discussion and Analysis (“MD&A”) for the years ended June 30, 2023 and 2022 of the Company.

The Company’s shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol ZNX. The Company’s shares also trade in U.S. under the ticker symbol “ZNCXF” and on the Frankfurt Exchange under the symbol “M9R”.

## Exploration Programs

The Company’s flagship Akie Project is host to the Cardiac Creek deposit. The Company holds a 100% interest in the Akie Property, which is located approximately 260 kilometers north-northwest of the town of Mackenzie in northeastern British Columbia.

The Akie zinc-lead-silver property is situated within the Kechika Trough, the southernmost extension of the regionally extensive Paleozoic Selwyn Basin, one of the most prolific sedimentary basins in the world for the occurrence of sedimentary exhalative (SEDEX) zinc-lead-silver deposits and stratiform barite deposits. Drilling on the Akie property by the Company since 2005 has identified a significant body of barite rich zinc-lead-silver SEDEX mineralization known as the Cardiac Creek deposit. The deposit is hosted by siliceous, carbonaceous, fine-grained clastic rocks of the Middle to Late Devonian Gunsteel Formation.

The Company updated the estimate of mineral resources at Cardiac Creek in early 2018, which is presented below:

### ESTIMATE OF MINERAL RESOURCES – CARDIAC CREEK DEPOSIT

Category	5% zinc cut-off grade				Contained metal		
	Tonnes (million)	Zn (%)	Pb (%)	Ag (g/t)	Zn (B lbs)	Pb (B lbs)	Ag (M oz)
Indicated	22.7	8.32	1.61	14.1	4.162	0.804	10.3
Inferred	7.5	7.04	1.24	12.0	1.169	0.205	2.9

Note: Mineral resources are not mineral reserves because the economic viability has not been demonstrated.

The updated mineral resource estimate was prepared by Robert Sim, P.Geo with the assistance of Bruce Davis, FAusIMM. Mr. Sim is an independent Qualified Person within the meaning of NI 43-101 for the purposes of mineral resource estimates and was responsible for the 2008 maiden resource and the 2012 and the 2016 updated mineral resource estimates.

The updated mineral resource estimate and the results of a Preliminary Economic Assessment (“PEA”) for the Cardiac Creek deposit were filed in a report entitled “*NI 43-101 Technical Report Akie Project British Columbia, Canada*” with an effective date of June 20, 2018 and report date of August 1, 2018. The report can

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be found under the Company's profile at [www.sedar.com](http://www.sedar.com) and on the Company's website, [www.zincxresources.com](http://www.zincxresources.com).

The Kechika Regional Project consists of 11 properties including the Mt. Alcock, Bear & Spa, Pie, Yuen, and Cirque East properties that extend northwest from the Akie property for approximately 140 kilometres along the strike of the highly prospective Gunsteel Formation shale. The Gunsteel Formation shale is the main host rock for known SEDEX zinc-lead-silver deposits in the Kechika Trough of northeastern British Columbia.

The Pie, Yuen, Cirque East properties (known as the "Pie Properties") are the subject of a joint venture arrangement with the Cirque Operating Corporation (a 50/50 joint venture with Teck Resources Limited (TSX: TECK.B) and Korea Zinc Co. Ltd) to jointly explore the Pie Option Properties on a 49%-51% joint venture basis, with Teck acting as the operator. The Cirque Operating Corporation acquired 51% interest in the Pie Properties by incurring cumulative aggregate exploration expenditures of \$3,500,000 by December 31, 2017.

In August 2023, the Company announced that the Kechika North Project had been optioned to an arm's-length third party (the "Optionee") based in British Columbia. The Optionee has been provided an option to acquire 100% ownership of 103 contiguous mineral claims that make up the Kechika North Project; the northern extension of the Company's contiguous, district-scale land holdings that cover 140 kilometers northward from the Company's flagship Akie Property. The deal grants the Optionee an option to acquire an undivided 100% legal and beneficial right, title and interest in and to the Kechika North Project for a cash payment of \$3 million dollars; to be made within two (2) years from the effective date of the agreement.

## **Overall performance**

### **2024 Exploration Program**

The Company is evaluating plans for the 2024 exploration season across its highly prospective base metal projects in the Kechika Trough. The Company's efforts will remain focused on its flagship Akie property that hosts the premier Cardiac Creek Zn-Pb-Ag deposit and prioritize future exploration efforts on the highly prospective Mt. Alcock property located approximately 40 kilometres to the northwest of Akie.

### **2022 Exploration Program**

Eagle Mapping Ltd. of Langley, British Columbia successfully completed a high-resolution airborne LiDAR survey over the Akie and Mt. Alcock Properties in 2022. The final report and data have been received by the Company. These data include a high-resolution 0.5m Digital Elevation Model (DEM) and digital surface model (DSM), a bare earth point dataset, and a fully detailed topographical dataset including contours.

The Akie and Mt. Alcock properties remain high-priority exploration targets for the Company and the datasets from this survey will be used extensively in future exploration programs to assist in a variety of exploration activities ranging from geological mapping and interpretation, exploration drill hole planning and targeting, to the proposed geophysical ground gravity surveys over the Cardiac Creek deposit on the Akie property; and the Zn-Pb-Ag rich barite showing present on the Mt. Alcock property located approximately 40 kilometres to the northwest of the Akie Property.

The data is expected to provide a solid foundation for any future surface infrastructure (e.g., road and bridge works, site infrastructure), engineering design plans (e.g., planned portal site, waste rock dump and sedimentation ponds), and geotechnical programs (e.g., geotechnical drill holes, trail construction), related to the development of the Cardiac Creek deposit as outlined in the Company's 2018 Preliminary Economic Assessment.

The Company received an update from strategic shareholder Tongling Non-Ferrous Metals of China (Tongling) regarding the ongoing metallurgical test work on Cardiac Creek drill core samples collected from

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the 2021 diamond drilling program. The test work is being conducted at the Hunan Research Institute and is being overseen by Tongling.

## 2021 Exploration Program

### 2021 Akie Drill Result Highlights

The Company completed a large-diameter HQ diamond drill program in 2021 that focused on the Cardiac Creek deposit. A total of 5 drill holes were drilled on the Cardiac Creek deposit for a total of 2,669 metres. All five holes successfully tested the Cardiac Creek Zone with excellent recovery of thick intervals of sphalerite-galena-barite mineralization displaying the highly mottled textures which generally indicate greater than average zinc grades.

Significant results from the 2021 drill program are tabulated below.

Drill Hole	From (m)	To (m)	True Width (m)*	Zn (%)	Pb (%)	Ag (g/t) <sup>(†)</sup>	Zn+Pb (%)
<b>A-21-155</b>	549.37	602.24	39.67	4.46	0.80	8.46	5.27
<b>CCZ</b>	558.56	602.24	32.76	5.24	0.96	9.61	6.20
including	559.95	586.80	20.14	5.71	1.09	10.89	6.80
including	567.28	586.80	14.64	6.56	1.29	12.56	7.86
including	569.67	586.80	12.85	6.76	1.33	12.92	8.09
including	569.67	583.67	10.50	7.16	1.42	13.25	8.58
<b>including</b>	<b>569.67</b>	<b>577.66</b>	<b>5.99</b>	<b>8.93</b>	<b>1.84</b>	<b>14.55</b>	<b>10.77</b>
FW	593.45	602.24	6.59	7.68	1.31	12.25	9.00
MS	606.11	611.11	3.75	2.17	0.34	2.60	2.51
<b>A-21-156B</b>	615.05	675.11	33.36	2.24	0.34	4.91	2.58
<b>CCZ</b>	652.53	675.11	12.60	4.86	0.83	9.02	5.69
including	658.61	674.44	8.84	5.81	1.06	11.08	6.88
including	668.00	674.44	3.60	7.51	1.46	14.81	8.96
including	668.00	671.75	2.10	7.75	1.36	14.00	9.11
FW	685.65	695.76	5.71	6.60	1.25	10.15	7.85
including	691.91	695.76	2.18	8.18	1.55	8.94	9.72
<b>including</b>	<b>693.83</b>	<b>695.76</b>	<b>1.09</b>	<b>13.14</b>	<b>2.46</b>	<b>9.39</b>	<b>15.60</b>
<b>A-21-157</b>	359.30	412.96	36.54	3.02	0.53	6.23	3.55
including	369.10	405.82	25.00	3.89	0.70	7.42	4.59
<b>CCZ</b>	372.60	405.82	22.61	4.09	0.74	7.72	4.83
including	376.90	405.82	19.68	4.29	0.77	8.09	5.06
including	376.90	398.00	14.36	4.81	0.87	8.53	5.68
including	386.00	398.00	8.17	5.79	1.05	9.10	6.84
including	386.00	390.68	3.18	7.48	1.42	10.40	8.90
<b>including</b>	<b>394.30</b>	<b>398.00</b>	<b>2.52</b>	<b>9.10</b>	<b>1.52</b>	<b>15.07</b>	<b>10.62</b>
<b>A-21-158</b>	275.50	305.23	25.34	4.25	0.57	7.4	4.82
<b>CCZ</b>	288.37	305.23	14.38	5.52	0.69	10.3	6.21
Including	294.42	301.25	5.83	8.20	0.89	14.4	9.09
<b>A-21-159</b>	386.83	440.75	38.53	3.51	0.57	6.9	4.09
<b>CCZ</b>	401.50	428.83	19.55	4.79	0.80	8.7	5.59

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Including	409.75	428.83	13.66	5.49	0.94	9.5	6.43
Including	424.50	428.83	3.10	7.62	1.30	10.3	8.92
FW	432.40	440.75	5.98	4.31	0.75	9.1	5.06
including	432.40	437.70	3.80	6.04	1.12	10.2	7.16

(\*) The true width in metres is calculated using the Geovia GEMS software package. The orientation of the mineralised horizon is estimated to have an azimuth of 130 degrees and a dip of -70 degrees. (CCZ) = Cardiac Creek Zone; (HW) = Hangingwall Zone; (FW) = Footwall Zone; (MS) = Massive Sulphide. (†) Ag values below detection were given a value half of the detection limit for the purposes of weighted averaging.

The primary objective of the 2021 drill program was to acquire mineralized Zn-Pb-Ag drill core samples for advanced metallurgical testing. This material will be used to further investigate previous metallurgical testing of the mineralization with a focus on enhancing the recoveries and boosting concentrate grades for both zinc and lead; using a state-of-the-art metallurgical testing facility owned by key strategic shareholder Tongling Non-Ferrous Metals of China (Tongling). A total of six individual metallurgical samples were selected, two from hole A-21-156B and one from each of the remaining drill holes. Individual samples averaged 228 kilograms and the total combined weight is in excess of 1,350 kilograms. The samples were shipped from Vancouver by air freight to the Hunan Research Institute for Non-Ferrous Metals Co. Ltd., the metallurgical laboratory located in Changsha, China. The lab will conduct the metallurgical testing on behalf of Tongling.

### Kechika Trough Target Initiative Update

Detailed work has identified numerous Areas of Interest (AOIs) of which 19 have been classified as high-priority targets across the Kechika Trough tenure including key properties such as Akie, Pie, Mt. Alcock, and Bear/Spa. A set of district specific exploration criteria have been established based on the study of past discoveries in the region (e.g. Cardiac Creek deposit, Cirque, Driftpile, etc.).

One of the highest priority targets is the Mt. Alcock prospect located approximately 40 kilometres northwest of the Akie property and 20 kilometres northwest of Teck Resources/Korea Zinc's Cirque property. The Mt. Alcock prospect, discovered in the late 1970s, is defined by a prominent massive barite cap ("kill zone) which hosts abundant coarse-grained galena and sphalerite on surface. Limited and shallow drilling by previous operators intersected mineralisation with significant grade such as 9.30% combined Zn+Pb and 1.20 oz/t Ag over 8.8 metres in drill hole AK-89-3 including 14.20% combined Zn+Pb and 1.60 oz/t Ag over 3.6 metres hosted in Gunsteel formation shale. Facies models recently derived by the Company from close examination of the Cardiac Creek deposit can be applied to the Mt. Alcock prospect and greatly assist in vectoring future targeted drilling at depth and down dip of prospective lithology. The tenor and style of mineralization at Cardiac Creek is a close analog and serves as an exploration model going forward. Mineralization in the district, including Cirque, and Driftpile, along with historical drilling, geochemical data and geophysical EM trends all support the exploration model.

### Permitting

The Company has been advised by the Ministry of Energy, Mines and Petroleum Resources that the surface drilling permit for the Akie property has been renewed for an additional 5-year period that now extends exploration activities to December 31<sup>st</sup>, 2026.

The Company has also filed an annual Statement of Cost with the Ministry of Energy, Mines and Low Carbon Innovation based on exploration expenditures incurred during the 2021 drill program. The filing has extended the entire contiguous claim package in good standing to September 13, 2030.

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## Exploration Objectives

### Akie Project:

- Continue definition drilling to expand the known extent of the Cardiac Creek deposit; update the current geological and resource models to NI 43-101 standards with all new drill results. Continue to examine trade-off studies to enhance the PEA including additional metallurgical lab testing and targeted geotechnical data acquisition to improve understanding of mine design parameters used in the PEA.
- Continue to evaluate outlying coincident geological/geophysical/geochemical targets for drill target definition.
- Continue to refine the design and costs of the planned underground exploration program. The underground exploration program was conceived to allow tightly spaced infill drilling from an underground decline in order to upgrade the current mineral resource to the Indicated and Measured levels of confidence. This would provide sufficient data for a pre-feasibility level of economic assessment of the ore body to be completed and investigate future viability of bulk sampling and mining. The Company is currently working on a new and updated underground permit application to extend the duration date of the existing permit to 2025.
- Continue environmental baseline sampling as required to maintain all related exploration permits in good standing.

### Kechika Regional Project:

- Continue regional synthesis of all historical and modern exploration data to assist with gap analysis and drill target definition.
- Continue to evaluate high priority greenfield targets.
- Continue to refine target selection to identify drill targets.

### Kechika Regional Project (Pie Option Properties):

- Continue to work closely with Teck to review and advise on plans for ongoing exploration on the properties.
- The next planned phase of exploration on the optioned properties is expected to include drill testing of key high priority targets.

Exploration and evaluation assets costs are set out below:

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	<b>Akie Property</b>		<b>Kechika Regional</b>		<b>Total</b>
<b>Acquisition Costs:</b>					
<b>Balance, June 30, 2023 and March 31, 2024</b>	\$ 24,165,241	\$	192,768	\$	<b>24,358,009</b>

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The table below is a summary of exploration expenditures recognized in profit or loss for the period ended March 31, 2024 and 2023

	Akie Property	Kechika Regional	Total
<b>Cumulative exploration expenditures</b>			
<b>Total balance, June 30, 2022</b>	<b>\$ 48,717,412</b>	<b>\$ 4,431,370</b>	<b>\$ 53,148,782</b>
Camp equipment, depreciation	20,340	–	20,340
Drilling	9,351	–	9,351
Geology	73,160	–	73,160
Environmental studies and permit compliance	11,816	–	11,816
METC recoverable	(49,032)	–	(49,032)
Total exploration expenditures for the period ended March 31, 2023	65,635	–	65,635
<b>Total balance, March 31, 2023</b>	<b>48,783,047</b>	<b>4,431,370</b>	<b>53,214,417</b>
Camp equipment, depreciation	10,142	–	10,142
Drilling	50	–	50
Geology	20,160	–	20,160
Environmental studies and permit compliance	4,590	–	4,590
Total exploration expenditures for the period ended June 30, 2023	34,942	–	34,942
<b>Total balance, June 30, 2023</b>	<b>48,817,989</b>	<b>4,431,370</b>	<b>53,249,359</b>
Camp equipment, depreciation	21,157	–	21,157
Drilling	1,670	–	1,670
Geology	68,233	–	68,233
Geophysics	19,406	–	19,406
Environmental studies and permit compliance	44,854	–	44,854
Total exploration expenditures for the period ended March 31, 2024	155,320	–	155,320
<b>Total balance, March 31, 2024</b>	<b>\$ 48,973,309</b>	<b>\$ 4,431,370</b>	<b>\$ 53,404,679</b>

### Results of Operations

#### Nine months ended March 31, 2024 and 2023

During the nine months ended March 31, 2024, the Company reported a loss of \$729,586 or \$0.00 per share compared to a loss of \$402,918 or \$0.00 per share in fiscal 2023, an increase in net loss of \$326,668. The increase in net loss was primarily due to increases in share-based compensation expense on the vested portion of stock options granted to various officers, directors and consultants during the current period and exploration expenses recorded due to the change of accounting policy during the year ended June 30, 2023.

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## Interest income and other items

Income reported for the period ended March 31, 2024 included interest earned on the Company's cash deposits and short-term GIC investments of \$51,212 (2023 - \$26,079), and camp rental income and recoveries of \$21,000 (2023 - \$68,930) for the use of the Company's Akie camp facilities and services by another exploration company. The Company also recognized a gain on loan forgiveness of \$10,000 (2023 - \$Nil) for repaying the CEBA loan of \$30,000 before payment deadline of January 18, 2024.

## General and administration expenses

The following expense categories contributed to the increase in operating expenses by \$313,871 in fiscal 2023:

- Exploration expenses increased by \$89,685 as a result of increased exploration activities incurred in the current period;
- Share-based compensation expense increased by \$302,296 on the vested portion of the 4,180,000 stock options granted to various officers, directors and consultants;
- Professional fees increased by \$1,859 as a result of accounting and corporate income taxes filing services engaged and incurred during this current period;
- Travel and promotion increased by \$5,095 due to increased fares in flights and accommodations to attend and exhibit at PDAC 2024 held in Toronto, Ontario.

Offsetting the increase in expenses were decreases in:

- Management fees decreased by \$15,000 as a result of a relief in management fees of \$15,000 per month on a month-to-month basis effective August 1, 2022;
- Wages and benefits decreased by \$59,272 due to a reduction in payroll costs.

## Three months ended March 31, 2024 and 2023

During the three months ended March 31, 2024, the Company reported a loss of \$149,745 or \$0.00 per share compared to a loss of \$126,430 or \$0.00 per share in fiscal 2023, an increase in net loss of \$23,315. The increase in net loss was primarily due to increases in share-based compensation expense from the grant of stock options to various officers, directors and consultants during the current period and general geological exploration costs.

## Interest income and other items

Income reported for the period ended March 31, 2024 included interest earned on the Company's cash deposits and short-term GIC investments of \$14,573 (2023 - \$10,535), and camp rental income and recoveries of \$nil (2023 - \$37,500) for the use of the Company's Akie camp facilities and services by another exploration company.

## General and administration expenses

The following expense categories contributed to the decrease in operating expenses by \$10,147 in fiscal 2023:

- Consulting fees decreased by \$4,200 as no consulting services were engaged in the current period;
- Marketing and public relations decreased by \$2,696 due to decreased marketing and promotion plans;

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- Wages and benefits decreased by \$16,470 due to a reduction in payroll costs;

Offsetting the decrease in expenses were increases in:

- Exploration expenses increased by \$4,805 due to increased general geological costs for future exploration plans;
- Share-based compensation expense increased by \$6,817 on the vested portion of the 4,180,000 stock options granted to various officers, directors and consultants;
- Travel and promotion increased by \$2,923 due to increased travel costs to PDAC 2024 in Toronto, Ontario.

## Liquidity and Capital Resources

The Company's operations are currently not generating positive cash flow; as such, the Company is dependent on external financing to fund its activities. In order to carry out potential expansion and to continue operations, and pay for administrative costs, the Company will spend its existing working capital, and raise additional amounts as needed. Companies in this stage typically rely upon equity and debt financing or joint venture partnerships to fund their operations. The current financial markets are very difficult and there is no certainty with respect to the Company's ability to raise capital. Management may require to seek additional sources of financing in the form of equity or debt financing in the future. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

At March 31, 2024, the Company reported working capital deficiency of \$607,328 compared to working capital deficiency of \$158,248 at June 30, 2023, representing a decrease in working capital of \$449,080. The decrease in working capital was a result of general operating activities and exploration expenditures incurred during the period.

Net cash decreased by \$501,418 from \$1,255,020 at June 30, 2023 to \$753,602 at March 31, 2024 primarily due to operating and exploration activities.

During the period ended March 31, 2024, the Company utilized its cash and cash equivalents as follows:

- (a) the Company used \$466,118 of its cash in operating activities compared to 379,733 in fiscal 2023;
- (b) the Company spent \$nil (2023- \$1,838) to acquire exploration equipment;
- (c) the Company spent \$5,300 (2023- \$nil) on share issuance cost in connection to the completion of a non-brokered private placement consisting of 10,000,000 common shares at a price of \$0.10 per share; and
- (d) the Company repaid \$30,000 (2023 - \$Nil) of the Government loan.

The Company's current assets excluding cash consisted of the following:

	March 31, 2024	June 30, 2023
Government Sales Tax credits	\$ 5,649	\$ 5,617
Interest accrued on reclamation deposits	12,732	1,974
Prepaid expenses	31,249	34,033

Current liabilities as at March 31, 2024 consisted of the following:

- trade payables and accrued liabilities of \$11,874 (June 30, 2023 - \$51,787) and were paid subsequent to March 31, 2024; and
- due to related parties of \$1,398,686 (June 30, 2023- \$1,403,105) which consisted of an advance of



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\$1,398,686 received from Tongling, a significant shareholder of the Company, for the Akie Property's 2021 drill program.

The other sources of funds potentially available to the Company are through the exercise of outstanding stock options. See *Item 1.15 – Other Requirements – Summary of Outstanding Share Data*. There can be no assurance, whatsoever, that any or all these outstanding exercisable securities will be exercised.

The Company has and may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund its future operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the above funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company's overall success will be affected by its current or future business activities. The Company is currently in the process of acquiring and exploring its interests in resource properties and has not yet determined whether these properties contain mineral deposits that are economically recoverable. The continued operations of the Company and the recoverability of expenditures incurred in these resource properties are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, obtaining necessary financing to explore and develop the properties, and upon future profitable production or proceeds from disposition of the resource properties.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank deposits of \$753,602 (June 30, 2023 - \$1,255,020). This risk is managed by using major Canadian banks that are high credit quality financial institutions as determined by rating agencies.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes and interest accrued on GIC investments.

### *Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents. As at March 31, 2024, the Company was holding cash of \$753,602 (June 30, 2023 - \$1,255,020) to settle its current liabilities of \$1,410,560 (June 30, 2023 - \$1,454,892). Management may be required to seek additional sources of financing in the form of equity or debt financing in the future. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, has exposure to these risks.

### *Interest Rate Risk*

The Company is exposed to interest rate risk as its bank treasury account and other assets earn interest income at variable rates. The Company is not exposed to significant interest rate risk.

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## *Currency Risk*

The Company operates in Canada and is therefore not exposed to significant foreign exchange risk arising from transactions denominated in a foreign currency.

## *Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors certain commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## **1.8 Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

## **1.9 Transactions with Related Parties**

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company, executive and non-executive, and Vice President of Exploration.

The remuneration of the key management personnel during the periods ended March 31, 2024 and 2023 were as follows:

March 31,		2024		2023
Exploration and evaluation expenditures (geological consulting) (ii)	\$	60,480	\$	74,860
Management fees (i)		-		15,000
Administrative fees (i)		45,000		45,000
Other employment benefits (iii)		19,418		19,312
Total	\$	124,898	\$	154,172

Transactions with key management and other related party transactions:

- (i) Pursuant to a management and administrative services agreement amended effective July 1, 2011 and May 1, 2014 with Varshney Capital Corp. ("VCC"), a company with two common directors, the Company agreed to pay monthly management and administrative fees of \$29,500 and \$5,000, respectively. Effective March 1, 2020, the management fees were reduced to \$15,000 per month. Effective August 1, 2022, VCC provided a six-month relief on management fees of \$15,000 per month expiring January 31, 2023. During the year ended June 30, 2023, VCC agreed to extend the relief on management fees of \$15,000 per month on a month to month basis.

During the period ended March 31, 2024, the Company paid \$nil (2023 – \$15,000) for management fees and \$45,000 (2023 – \$45,000) for administrative fees to VCC;

- (ii) the Company paid or accrued exploration and evaluation costs of \$60,480 (2023 - \$74,860) for geological consulting fees to a company owned by VP of Exploration of the Company. This amount was included in exploration expenses;
- (iii) other employment benefits included life insurance and health benefits for the CEO and health benefits for the CFO of the Company;

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- (iv) the Company owed \$nil (June 30, 2023 - \$4,419) to the CEO of the Company for exploration and office expenses paid on behalf of the Company. This amount was included in trade payables and accrued liabilities; and
- (v) the Company received an advance of \$1,398,686 in fiscal year 2020 from a significant shareholder, Tongling Non-Ferrous Metals ("Tongling"), to fund a drill program on the Akie Property, which remains payable as at March 31, 2024 and June 30, 2023.

## Changes in Accounting Policies including Initial Adoption

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## **Summary of outstanding share data as at May 27, 2024**

Authorized: Unlimited common shares without par value

Issued and outstanding: 187,896,141

Stock options: 12,330,000

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

On behalf of the Board of Directors, thank you for your continued support.

"Peeyush Varshney"

Peeyush Varshney  
Director