

HANNAN METALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

This discussion and analysis of financial position and results of operation is prepared as at October 28, 2024 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the three months ended August 31, 2024 of Hannan Metals Ltd. ("Hannan" or the "Company"). The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, that the political environment in which the Company operates will continue to support the development and operation of mining projects, the threat associated with outbreaks of viruses and infectious diseases, risks related to negative publicity with respect to the Company or the mining industry in general, unexpected geological conditions, local community relations, dealings with non-governmental organizations, delays in operations due to permit grants, environmental and safety risks. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedarplus.ca or the Company's website www.hannanmetals.com and readers are urged to review these materials.

Company Overview

The Company is a reporting issuer in British Columbia and Alberta. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") and trade under the symbol "HAN". The Company's principal, registered and records office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

Hannan holds a significant tenure position in Peru, a country that is dominated by some of the world's largest exploration and mining companies. Hannan is one of the few juniors to acquire such a significant land position. The Company is focussed on two new frontier areas in Peru. Both are in the sub-Andean zone which is characterized by highland jungle in the transition between the Cordillera and Amazon Basin.

San Martin Discovery History

In late 2018 at San Martin in Peru, Hannan recognized the significant potential for large copper-silver deposits and aggressively staked a commanding tenure position. In 2020 the Company signed a significant US \$35,000,000 earn-in and Joint Venture on one third of our ground holding at San Martin (the "San Martin JV Project") with the Japan

Organization for Metals and Energy Security (“JOGMEC”). JOGMEC is an independent administrative agency within the Japanese government which, among other things, seeks to secure stable resource supply for Japan.

The San Martin Project covers a new, basin-scale high-grade sediment-hosted copper-silver system that extends over 200 km x 100 km along the foreland region of the eastern Andes Mountains. Mineralization is geologically similar to the vast Kupferschiefer deposits in Eastern Europe. Sediment-hosted stratiform copper-silver deposits are among the two most important copper sources in the world, the other being copper porphyries.

Valiente Discovery History

Hannan’s Valiente Project is located 300 km south of the San Martin Project. Here the Company is targeting Miocene age porphyry copper-gold in a back-arc setting in Central Eastern Peru. Hannan considers the belt to be a potential new metallogenic province of Peru. Located far inboard of the conventional porphyry settings, the Valiente Project shows regional similarities to deposits such as the large Bajo de Alumbra copper-gold porphyry in Argentina.

In 1984 Ingemmet, the Peruvian Geological Survey, conducted mapping in the central part of the Central Cordillera in the Departments of Huanuco and Ucayali. The area was sporadically explored during the 1990’s by Gitennes, Newcrest, BHP, WMC and others but records are sparse. At this time, access to the area was restricted because of unpredictable security conditions and poor infrastructure.

From 2020 to 2021, Hannan launched a greenfields exploration program for porphyry and epithermal gold deposits in the high jungle areas of the Eastern Cordillera of Peru, which included regional database compilation, target generation, and field mapping. Hannan also conducted regional stream sediment sampling (fine clay fraction). The target generation permitted definition of prospective area, one of which was the Valiente block located along the eastern flank of the Central Cordillera, Department of Ucayali.

In 2022, field work started in the Belen area which represents a small proportion (4%) of Hannan’s total landholding at Valiente. In this area, several geochemical anomalies were found, with boulders of diorite porphyry containing quartz-sulfide and magnetite veinlets. Subsequent mapping, soil and rock sampling at Belen during the last two months has identified porphyry-style alteration and veinlets.

In May 2024, the Company published a non-independent NI 43-101 technical report for the Valiente Project entitled “Valiente Copper-Gold Project, Peru, NI 43-101 Technical Report” dated May 14, 2024 (the “Technical Report”). The Technical Report was co-authored by Mr. Michael Hudson, FAusIMM, MAIG, Executive Chairman and CEO of the Company, and Mr. Lars Dahlenborg, MAIG, President of the Company. Each of Messrs. Hudson and Dahlenborg are non-independent Qualified Persons as the term is defined in NI 43-101.

Permitting

Hannan’s exploration programs are funded in 2024 with a Peru-wide exploration project budget of CDN \$2,300,000, of which US \$924,000 will be funded by JOGMEC for the San Martin JV Project. At San Martin, the focus is to continue to build a basin-scale project and work towards drilling in fiscal 2024. A drill application submitted in April 2022 for drilling 40 platforms at Tabalosos was approved in January 2024. At Valiente, the Company is permitting drilling of the most advanced areas (Belen zone) and continues with soil sampling, mapping and trenching in new target areas. During 2022 Hannan completed a high resolution airborne magnetic survey.

Field and social teams are actively engaged in the area, with Hannan’s policy to undertake exploration activities only within areas where full support from local stakeholders exists.

Management believes Hannan is uniquely leveraged to make significant grassroots discoveries in two prospective, yet unexplored terrains in Peru. If successful, these will be compelling targets for the major gold and copper mining houses in the years to come.

Properties Update

Peru

Valiente Project (Copper-Gold, Peru, 100 mining concessions for 920 sq km, 100% Hannan)

Hannan holds 920 sq km of mineral tenure prospective for back-arc porphyry copper-gold systems (the “Valiente Project”) in central eastern Peru. These new areas will be explored alongside Hannan’s existing projects in San Martin, located approximately 250 kilometres north of Valiente. A total of 99 granted mining concessions for 905 sq km have been granted, while the remainder remain under application.

The Company completed and submitted its environmental instrument known as DIA on the Valiente Project for approval for 40 drill platforms covering an area approximately 932 hectares as is awaiting final approval. The DIA is the primary environmental certification required to allow low impact mineral exploration programs, that includes drilling programs, to proceed in Peru. Final DIA and other approvals are anticipated during Q4 of calendar 2024.

At the 100% owned Valiente Project, Hannan has found a new Miocene age porphyry copper-gold belt in the Peruvian back-arc where the Company has discovered seven mineralizing systems over 140 km x 50 km area. Control of the Valiente and San Martin Hannan Projects is held 100% through Hannan subsidiaries or in trust via other private companies.

The Belen prospect, 100% owned and explored by Hannan Metals Ltd, is located 19 km east of the city of Tingo Maria, in central Peru. The deposit site is characterized by steep topography on the eastern flank of the Central Cordillera with elevations between 800 and 2000 m above sea level (“a.s.l.”). The project was discovered in 2021 during an extensive greenfields exploration program initiated by Hannan.

Peru has been a major copper and gold producer since precolonial times. Currently known gold deposits include orogenic gold, porphyry Cu-Au, porphyry Au, transitional porphyry-epithermal, epithermal, and placer gold. The Belen Project may represent a transitional porphyry-epithermal style within the newly discovered Valiente metallogenic belt of the central eastern Andes. The Valiente project is located further east than most of the conventional Andean porphyry settings and shows regional similarities to deposits such as the large Bajo de Alumbra copper-gold porphyry in Argentina. It is interpreted that Valiente was formed in a tectonically favourable area associated with an arc-oblique wrench fault system, that may have aided the ascent of oceanic arc-related magmas into the transfer zone so far inboard from the magmatic arc.

A 5,176-line kilometre airborne magnetic and radiometric survey has been completed and processed at the Valiente Project. The survey covers the entire 94,500 ha of Hannan’s 100%-owned mining concessions across the project area. Hannan’s preliminary evaluation of the airborne data demonstrates at least 18 magnetic anomalies of significance across the project. Magnetic and radiometric data were recorded simultaneously during the survey. Both data sets are instrumental for targeting porphyry deposits due to the presence of magnetic minerals (such as magnetite) and potassic alteration (from minerals such as biotite and K-feldspar), often associated with the core of porphyry mineral systems. A strong correlation is observed with known mineralized areas and magnetic and potassic radiometric anomalies such as at the Belen prospect with two porphyry targets at Ricardo Herrera and Sortilegio and Valiente Norte, where four magnetic targets have been identified.

Belen

The Belen Cu-Au porphyry is the most advanced prospect at Valiente and described below in more detail

The Company is currently conducting a 64 km long geophysical survey on three porphyry-epithermal targets at Belen covering the following targets:

1. **Ricardo Herrera Porphyry Copper 3D survey:** A 28 line km offset array 3D IP survey crossing the Riccardo Herrera outcropping Miocene calc-alkalic porphyry target where copper mineralization on surface coincides with strong phyllic and intermediate argillic alteration over 800 m x 250 m. A 2D orientation survey in 2023 mapped the Riccardo Herrera porphyry to at least 500 m depth ([reported here](#)). The survey covers the area where the company is currently permitting 14 drill platforms.
2. **Vista Alegre Epithermal Gold and Porphyry Copper 3D survey:** A 23 line km offset array 3D IP survey over the Vista Alegre multi-signature target with strong similarities to both high-sulphidation epithermal gold

and porphyry copper mineralization. Sampling of soil and mineralized boulders has outlined a 1.7 km long gold trend with boulders assaying up to 2.69 g/t Au ([reported here](#)). Surface mapping has also identified zones of porphyry related alteration with strong supergene overprint. The survey covers the area where the company is currently permitting 13 drill platforms.

3. **Sortilegio Copper-Gold Porphyry 3D survey:** A 13 line km offset array 3D IP survey over the Sortilegio 1.8 km x 1 km alkalic porphyry target. The porphyry is cut by goethite veinlets stockworks where 26 channels averaged 3.3 m @ 687 ppm Cu and with a maximum of 4,365 ppm Cu and minimum of 258 ppm and high grade copper gold boulders assayed up to 16% Cu and 4.39 g/t Au ([reported here](#)). The survey covers the area where the company is currently permitting 13 drill platforms.

Ricardo Herrera Copper-Gold Porphyry Target

A linked porphyry copper-gold and epithermal gold mineral system has been identified at Belen within an 8 km by 2 km trend. Recent detailed field work has identified a leached copper-gold porphyry with well-developed quartz veining at upper topographic levels and evidence for an enriched chalcocite blanket sampled over 1 km within lower lying creeks at the Ricardo Herrera Copper-Gold Porphyry Target. This coincides with a highly anomalous Cu-Au-Mo soil anomaly over a 1,600 m by 800 m area above a mapped and radiometrically dated Miocene-age porphyry intrusion.

The Ricardo Herrera porphyry stock was intruded in several stages, broadly termed early, intermineral, and late, all interpreted within a relatively short time interval. The early stages are hornblende feldspar porphyries of andesitic composition, whereas the late stages consist of unaltered feldspar porphyries of andesitic composition. The intrusions caused contact metamorphism and hydrothermal alteration that partially obliterated the original texture and composition of the sedimentary country rocks. Two early porphyries are identified. The first being an intermediate argillic (chlorite from secondary biotite-white micas) with relicts of potassic alteration (secondary biotite-magnetite) with “EB” type veinlets (early biotite), M-type (magnetite) veinlets and few A-type veinlets (quartz). The second early porphyry intrusion is characterized by A-type veinlets, jarosite-goethite iron oxide veinlets with phyllic alteration (quartz-white sericite), argillic alteration (kaolinite). The intermineral stock is dominated by supergene argillic alteration and propylitic alteration (chlorite, epidote).

In porphyry copper systems, the area with the highest copper grade often corresponds to the early porphyries. The focus of the detailed geological mapping has therefore been to identify this area and to sample it with systematic rock sampling.

At Ricardo Herrera the combined early hornblende feldspar porphyry is at least covering an area of 850 m x 250 m on the surface. But limited exposures, that are mostly constrained to creeks and rare outcrops, make it difficult to define the true area. Observed copper minerals include pyrite, chalcopyrite, chalcocite, molybdenite, neotocite and chrysocolla mineralization. The intermineral hornblende feldspar porphyry contains supergene argillic alteration and minor neotocite. Moderate to pervasive secondary biotite alteration is common throughout the host rock. Strong chloritization and pyritization is observed replacing the secondary biotite.

At this initial stage of exploration at the Ricardo Herrera porphyry target, the early porphyry occupies a surface area of 0.21 km² which is comparable to the 22.37 Moz gold La Colosa deposit in Colombia where the early diorite porphyry occupies a surface area of 0.35 km².

Channel sampling at Ricardo Herrera has been focused on creeks where outcrop exposures are good. In many places access is a limiting factor of what can be sampled. Most channels have to date been taken from zones peripheral to what is interpreted to be the core of the system. The results are summarized in Table 1. Results from 34 individual channels include 5 m @ 0.11% Cu and 5 ppm Mo. This channel is open to either side and is from the strongly leached and weathered exposure of the early diorite porphyry. Fractures are rich in jarosite and goethite after pyrite and chalcopyrite. Importantly, the best and highest-grade results have been achieved from the leached early porphyry. The results are also low in manganese therefore interpreted to be representative of a leached porphyry system. Channel sampling continues.

Results from 13.7 km Induced Polarization (“IP”) geophysical survey at Ricardo Herrera prospect were released during the period. The survey identified two chargeable zones corresponding to two mapped porphyry units. Each represents a significant exploration target. The second target demonstrates the greatest potential with a chargeable zone over 800 m x 600 m and to at least 500 m depth which remains open.

Vista Alegre Epithermal Gold Target

Vista Alegre consists of a gold-bearing epithermal target identified by large gold mineralized boulders of quartz-pyrite and iron oxides. Strongly gold anomalous soil samples have been discovered 2.5 km NW of Ricardo Herrera. Infill sampling at 25 m x 25 m on the target has now been initiated.

Previous work has also included:

- Systematic 100 m x 100 m soil sampling program. Two strong gold anomalous trends that extend for 1,800 m and 970 m respectively have been identified. Assays have been received to date from 376 samples covering an area of 2 km x 1.7 km. Values range from <0.001 ppm to 0.094 ppm, average 0.0056 g/t in soil. The gold anomaly correlates very well with several elements including arsenic.
- Soil anomalies are coincident with gold found in quartz-iron oxide boulders. To date 19 boulders >0.1 ppm Au have been sampled over a trend of 1.6 km that is parallel to the main gold anomaly. A total 43 rock samples from boulders average 0.48 g/t Au, 6 g/t Te and range from below detection limit to 2.69 g/t Au and <DL to 59 g/t Te.
- Two gold mineralized outcrops have also been located 270 m apart. The mineralization is hosted by 5 – 30 cm wide quartz veins in an intrusive host rock with magnetite and iron oxides. The mineralization is correlated with high values of copper and molybdenum. The outcrops assayed:
 - Grab sample: 1.17 g/t Au, 0.67 % Cu and 33.4 ppm Mo.
 - Channel sample: 30 cm @ 3.21 g/t Ag, 0.57 % Cu and 22 ppm Mo

Sortilegio

The bedrock of the Sortilegio area is characterized by a multistage intrusive event with complex intercutting relationships. The event was dated (U-Pb) by Hannan in May 2023 to belong to the fertile Miocene epoch (21.8-21.2 Ma). The rocks are composed of diorite to monzonite intrusions, gabbro pyroxenite/lamprophyre and a late stage of megacryst k-feldspar rich monzonite. The intercutting relationships are mostly gradational, and the youngest rocks are the gabbro pyroxenite/lamprophyre and monzonite. The monzonite is mostly K-feldspar megacrystic with a pegmatitic texture. The youngest rocks mapped are thin porphyritic dykes and veins and they are inferred to be contemporary with the mineralization.

The mineralization overprints all rocks in the area. It is characterized by a zoned stockwork of goethite-hematite veinlets with relicts of sulphides. The zoning is marked by the intensity of the veinlets/metre and vein brecciation in the contact of the k-feldspar megacrystic monzonite. The goethite-hematite veins have formed after primary copper sulfides and represent a leached part of the system, with minor remnants of chalcopyrite-pyrite still present. Magmatic-hydrothermal breccias are often important hosts in alkalic systems.

Detailed mapping at Sortilegio has demonstrated a leached alkalic porphyry style copper mineralization over an area of 1800 m by 1000 m area. Most notable is a stockwork of goethite veinlets overprinting all phaneritic rocks with six core zones with >20 veinlets/metre. Lower intensity veining, marked by 10-20 veinlets/metre envelope the core zone and form a halo to the higher-grade mineralization. High-grade copper-gold bearing massive goethite boulders with remnants of secondary biotite with one boulder assaying 16.0% Cu and 4.4 g/t Au are interpreted to be sourced from structurally controlled mineralization within these core zones.

Strong indications are also emerging of a 4 km long skarn hosted gold-base metal target (the Belen Skarn zone) north and east of Sortilegio, expanding the footprint of the mineral system to cover 10 km. The soil anomalous trend is parallel to an Andean thrust fault and initial soil data suggest a strike >4km. 190 soil samples have been analyzed with pXRF and 90 samples with fire assay from the area with results ranging from 6 ppm Zn to 2,031 ppm Zn and averaging 109 ppm Zn, 2 ppm Pb to 266 ppm Pb and averaging 18 ppm Pb and <0.001 g/t Au to 0.103 /t Au and averaging 0.008 g/t Au.

Previsto

Previsto Central is defined by a large 10 km by 5 km airborne magnetic and radiometric anomaly. Alteration associated with porphyry intrusions is often magnetic (from magnetite) and potassic (from sericite/biotite/K-feldspar). At Previsto anomalous soil anomalies are associated with areas of elevated magnetics and potassium indicating minerals associated with porphyry alteration. The footprint dimensions of the alteration system at Previsto are considered

significant on a global scale for a porphyry system. This area remains the main focus of the Company's field programs during the dry season.

This Previsto Central prospect is located 2.5 km west of the Previsto East. The style of mineralization observed at both prospects show strong similarities, where alteration assemblages and mineralization styles include hydrothermal breccias, intense phyllic alteration and relics of potassic alteration, roscoelite veining/dissemination and replacement of feldspars, observed sulfide minerals include chalcopyrite, molybdenite, pyrite. Veining is rare and generally only thin quartz and quartz-pyrite-iron oxide veinlets have been observed in boulders. The porphyries intrude Cretaceous sandstones and limestone sediments.

Litho-geochemistry at Previsto shows a clear alkaline composition of the porphyry instructive host. The porphyries intrude sediments (sandstone, limestone, and shale) which show contact metasomatism around dykes and intrusive stocks.

At Previsto, many copper-bearing boulders with different stages of porphyry intrusions have been observed with strong hydrothermal alteration and B-style quartz-sulphide veins relating to porphyry mineralization. Values up to 25.6% Cu and 28 g/t Ag, have been assayed. Gold anomalous boulders are also present with 0.9 g/t Au and 0.12% Cu assayed from a strongly leached hydrothermal breccia with porphyritic clasts. In December 2023 Hannan announced the discovery of a new alkalic porphyry-epithermal target at Previsto East. The target is composed of a 1.2km long alkalic gold epithermal anomaly. 17 soil samples over 1,200m strike ranged from below detection to 0.4 g/t Au in thick scree cover and averaged 0.1 g/t Au. These early-stage samples are highly anomalous.

Two styles of gold mineralized boulders have been described so far: (i) Gossanous polymictic hydrothermal breccias; and (ii) phyllic alteration with thin veins of quartz pyrite and disseminated roscoelite, a vanadium-bearing mica common as a marker in alkalic gold systems.

IP geophysics, multi-element soil sampling and mapping of the Previsto mineral system shows a mineral system that covers an area of 6 km by 6 km. The recent IP survey has helped contextualize the significant gold in soil anomalies that were previously largely unexplained and highlighted the multiple epithermal gold target areas within the project.

Previsto Central

During April 2024, Hannan announced the discovery of a large porphyry target at Previsto. Rock chip and soil sampling at Previsto East have identified an 1,800 m by 400 m porphyry-epithermal target defined by strongly gold anomalous soil samples and a large local copper and gold mineralized boulder field with up to 0.64 g/t gold ("Au") in soils and up to 1.85 g/t Au in boulders. Large outcrops of copper oxide mineralization of a similar style have been discovered 3.5 km west of the Previsto East target during recent field work. Assays from this outcrop are pending.

In August 2024 the Company announced that 'top of ridge soil' sampling, mapping and prospecting in creeks has expanded the footprint of the porphyry mineralized system at Previsto Central over 5 km x 3 km. The K-feldspar porphyry with meta-crustic K-feldspar porphyry dykes show moderate to pervasive phyllic alteration assemblage with some zones of argillic intermediate alteration. Impressively field teams have started to discover extensive zones of outcropping copper mineralization within creeks traversed for the first time, over 700 m of strike. Copper mineralization is hosted within strongly leached phyllic altered, fractured K-feldspar porphyry with disseminated pyrite-chalcopyrite, malachite, chrysocolla, neotocite, goethite and jarosite. Two channel samples are reported during the period included:

- CH14455: 126 m @ 0.22% Cu, including:
 - 2.5 m @ 0.10 g/t Au and 0.41 % Cu from 50m
 - 3 m @ 0.11 g/t Au and 0.15 % Cu from 82m
- CH15391: 192 m @ 0.16% Cu

The Company reported the first geophysical Induced Polarization survey ("IP") at Previsto Central during October 2024. Together with the multi-element soil sampling and mapping the footprint of the large mineral system covers an area of 6 km by 6 km. The IP survey has helped contextualize the significant gold in soil anomalies that were previously largely unexplained and highlighted the multiple epithermal gold target areas within the project.

Geochemical and geophysical experts have now been engaged to aid in the understanding of this vast system and further detailed information on each new target area will be released as further information is obtained.

Target areas defined after the IP survey include:

- **Two porphyry targets:** have been identified within a 5 km long and up to 1 km wide intrusive trend ([reported here](#)). These targets are subdivided into PC1 and PC2 (Figure 3):
 - **PC1 - Outcropping porphyry mineralization:** with up to 126 m @ 0.22% Cu have been identified in the northern part of 5 km long and up to 1 km wide intrusive trend.
 - **PC2 – Two zones of high chargeability:** correlating with outcropping phyllic alteration zones and potential feeder structures.
- **Five epithermal targets:** a significant advancement this season is the characterization of four epithermal gold targets which correlate with the extensive gold in soil anomalies at Previsto.
 - **HR1:** 1,700 m x 1,000 m Au-As soil anomaly open to the East and South. Gossan and siliceous boulders are present on surface. High chargeability anomalies >15mv/v with shoulders of high resistivity interpreted to represent disseminated sulfides and silicification.
 - **HR2 and HR3:** Two subvertical high chargeability anomalies with high resistivity shoulders. Mapped by IP to depth and remains open down-dip. Extensive gold in soil anomalies >0.1 g/t Au associated with As. At surface vuggy silica alteration and advanced argillic alteration is observed within rock samples.
 - **HR4:** >3 km long and 1 km wide intrusive trend dominated by alkalic dykes and small intrusive bodies. Widespread gold anomalies in soil >0.1 to 0.3 g/t Au. Source unexplained to date but inferred association with breccia gossans and micro quartz veinlets in intrusions.
 - **PE -Alkalic epithermal gold target:** Gold-copper mineralization in boulders of all sizes over an 1,800 m by 450 m area. The strongest mineralization is associated with roscoelite (Figure 8 for vanadium in soils), hydrothermal breccias and lattice bladed quartz ([first reported here](#)). Multi-element soil anomaly of Au-Cu-V-Hg-Te-As-Mo-Zn-Pb with two distinct centers and a broad anomalism over 1,800 m strike and 450 m width. Two IP lines were surveyed (L100 and L200) over the target but the electrical signal failed to penetrate the highly conductive thick surficial clay-rich scree at surface (Figure 9).

Previsto East

This Previsto Central prospect is located 2.5 km west of the Previsto East. The style of mineralization observed at both prospects shows strong similarities, where alteration assemblages and mineralization styles include hydrothermal breccias, intense phyllic alteration and relics of potassic alteration, roscoelite veining/dissemination and replacement of feldspars, observed sulfide minerals include chalcopyrite, molybdenite, pyrite. Veining is rare and generally only thin quartz and quartz-pyrite-iron oxide veinlets have been observed in boulders. The porphyries intrude Cretaceous sandstones and limestone sediments.

At Previsto East mineralization and alteration mapping of boulders, up to 5m³ in size, across the entire 1,800 m by 400 m target area have been identified. The observed styles of mineralization and alteration in boulders supports previous interpretation of an alkalic gold-rich porphyry epithermal target. Trace element association of gold and copper mineralized boulders are Cu-Au-Te-V-Pb-Mo. Alteration assemblages and mineralization styles from boulders in the 1.8 km long area include: hydrothermal breccias, intense phyllic alteration and relics of potassic alteration, roscoelite veining/dissemination and replacement of feldspars, vuggy silica textures and possible lattice bladed quartz. Observed sulfide minerals includes chalcopyrite, bornite, covellite, molybdenite, pyrite. Veining is rare and generally only thin quartz and quartz-pyrite-iron oxide veinlets have been observed in boulders. Trace element associations to copper and gold mineralized boulders shows a Cu-Au-Te-V-Pb-Mo correlation. Phyllic alteration is strong and is characterized by quartz-pyrite-sericite/illite. Roscoelite and locally fuchsite selectively replaces K-feldspar phenocrysts. Both minerals have been identified by portable XRF. Roscoelite also occurs in veins, veinlets and disseminations, whereas fuchsite only been observed in one location.

Grab rock chip sampling of surface boulders and scree at Previsto East has identified an 1,800 m by 400 m porphyry-epithermal target defined by strongly gold anomalous large local copper and gold mineralized boulder fields with up to 1.85 g/t Au in boulders. A total of 84 rock samples from large local boulder fields and boulders in metre deep pits ranged from 1.85 g/t Au to <0.001 g/t Au and averaged 0.15 g/t Au and 0.73% Cu to 0.01 % Cu and averaged 0.08 % Cu. Au and averaged 0.15 g/t Au and 0.73% Cu to 0.01 % Cu and averaged 0.08 % Cu.

San Martin JV Project (Copper-Silver, Peru, 85 mining concessions for 560 sq km)

The San Martin JV Project is in north-eastern Peru. Project access is excellent via a proximal paved highway, while the altitude ranges from 400 metres to 1,600 metres in a region of high rainfall and predominantly forest cover. Hannan has staked a total of 85 mineral concessions for a total of 560 sq km, covering multiple trends within a 120 km of combined strike for sedimentary-hosted copper-silver mineralization. A total of 71 granted mining concessions for 510 sq km have been granted, while the remainder remain under application.

On November 27, 2020, as amended April 17, 2023 and April 17, 2024, Hannan signed a binding letter agreement for an Option and Joint Venture Agreement (the “JOGMEC Agreement”) with JOGMEC. Under the JOGMEC Agreement, JOGMEC has the option to earn up to a 75% beneficial interest in the San Martin JV Project by spending up to US \$35,000,000 to deliver to the joint venture (“JV”) a feasibility study. Details of the agreement are below - see “*JOGMEC Agreement*”.

The San Martin JV Project covers a new, basin-scale high-grade sediment-hosted copper-silver system situated along the foreland region of the eastern Andes Mountains. Geologically, analogues include the Spar Lake sediment hosted copper-silver deposit in Montana and the vast Kupferschiefer deposits in Eastern Europe where KGHM Polska Miedz (“KGHM”) operates the largest silver producing mine in the world, more than twice the production of any other operation, and also the sixth biggest copper miner on earth. Sediment-hosted stratiform copper-silver deposits are among the two most important copper sources in the world, the other being copper porphyries.

Hannan recognized the significant potential for large copper-silver deposits in this part of Peru and has aggressively staked a commanding position of prospective where mineralized outcrops and boulders have been discovered in context with a consistent mineralized horizon geology over 120 kilometres of combined strike.

Since 2021, the Company has focussed on the Tabalosos Project in the northwest of the project area where high-grade copper and silver mineralization has been discovered over 15 kilometres of strike within at least 2 structural corridors. At San Martin outcrop is extremely poor with <1% exposed rock in the area. Individual outcrops were located with the aid of soil samples and LiDAR surveying. Nevertheless, Hannan’s detailed geological facies analysis across the project has identified the economic geological implications for high-grade stratabound sediment hosted copper mineralization that may have significant lateral continuity across the Huallaga basin.

Detailed mapping of outcrops with correlating stratigraphic columns demonstrates that copper mineralization is hosted by an organic rich shale facies within an approximately 10m thick bleached/ altered and copper anomalous package of shaly siltstones. This sequence represents a different depositional environment of lower energy that has facilitated the deposition of a consistent organic-rich, reduced shale facies located at the base of a transition between the Sarayaquillo Formation and the Cushabatay Formation. This transition has previously been recognized in the district in academic literature but is not well documented. The mineralized zone is located in the transition between fluvial-aolian sediments and the onset of marine sedimentation. Copper mineralization is hosted in well-sorted sediments with the main reductant consisting of carbonized plant fragments varying in size from silt to several decimetres, at the top of a red-bed unit. Furthermore, initial observations suggest that the mineralization is mineralogically very simple with the dominant hypogene copper minerals being chalcocite and minor cuprite. Overall, the mineralization is extremely sulphur poor and very little sulfides can be observed in hand specimens. Leaching of the copper mineralization by supergene processes has been observed by Hannan geologists in some zones of Tabalosos and it is possible that the mineralization will show higher grades at depth due to the absence of surface leaching.

Systematic surface channel sampling from 92 channels from the subcropping mineralized copper shale over a 9 km long and 1 km wide area at Tabalosos East returned averaged 0.9 metre @ 1.9% copper and 28 g/t silver using a lower cut of 0.5% copper and minimum width of 0.2 metres and range from 2.0 metres @ 4.9% copper and 62 g/t silver to 0.2 metres @ 0.8% copper and 18 g/t silver. The channel sampled area at Tabalosos East represents only 1% of Hannan’s tenure at the San Martin JV area.

Sediment-hosted stratiform copper-silver deposits are among the two most important copper sources in the world, the other being copper porphyries. They are also a major producer of silver. KGHM Polska Miedz’s (“KGHM”) three copper-silver sediment-hosted mines in Poland (the “Kupferschiefer”) were the leading silver producer in the world and seventh largest global copper miner in 2020. Quoted resources in 2019 for KGHM were 1,518 Mt @ 1.86% copper and 55 g/t silver from a mineralized zone that averages 0.4 metres to 5.5 metres thickness.

To provide context, Hannan's widths and grade (1.0 metre @ 1.9 % copper and 28 g/t silver) from 91 channel surface samples reported here at San Martin (lower cut 0.5% copper), within an area about 8 km long and 1 km wide, compare with those found during the initial modern-day drill discovery of the Kupferschiefer copper-silver deposits.

- In 1957 the discovery drillhole (Sieroszowice IG 1) intersected 2.0 metres @ 1.5% copper at the depth of 657 metres.
- In 1959 the Lubin-Sieroszowice deposit, based on the results from 24 drillholes contained 1,365 Mt @ 1.4% copper and 26 g/t silver in indicated resources, with a thickness ranging between 0.2–13.1 metres in an area about 28 kilometres long and 6 kilometres wide between 400 to 1000 metres depth.

Channel samples are considered representative of the in-situ mineralization and sample widths quoted approximate the true width of mineralization, while grab samples are selective by nature and are unlikely to represent average grades on the property.

On January 25, 2024 the Company announced that it had received final approval of the Declaración de Impacto Ambiental ("DIA") from the Ministry of Mines in Peru. The DIA is the primary environmental certification required to allow low impact mineral exploration programs, that includes drilling programs, to proceed in Peru.

- (i) The area for the DIA allows for 40 drill platforms and covers an area approximately 9 kilometres long and 3 kilometres wide (2,700 hectares), at Tabalosos East.
- (ii) The DIA allows for hand carried and helicopter supported drill testing.
- (iii) Next steps are to apply for the Authorization to Initiate activities from the General Directorate of Mining from the Ministry of Mines ("DGM"), a process that has been delayed. During the quarter Hannan resubmitted the application for the easement of the surface land ("servidumbre") with the regional government of San Martin. This application is now in process. The Company has legal permission from the local landholders from the hamlets of Pucayoc and Cunchiyacu who have lived on the land for decades, however approval of the Authorization to Initiate activities is now not anticipated before the end of 2024 due to opposition from a minority group from outside the exploration area. Once the Authorization to Initiate activities is received, the Water Use Permit (1 month duration) from the Peru National Water Authority ("ANA") would be sought. Drilling would then expected to commence during 2025.

During March 2024 the Company announced the discovery of a new thicker style of high-grade sediment hosted copper mineralization at the project. Mineralization is hosted by a 10 m to 30 m thick stratigraphic unit composed of medium to coarse grained sandstone and sedimentary breccia which has been traced for >2.3 km that remains open along strike to the North. All channels are exposed on surface and the host rock is partially to strongly leached of copper minerals.

The unit hosts rich disseminated iron oxide concentrations after carbonates (siderite and ankerite). The concentration varies from 10% to >50% of the volume of the host rock. Stratigraphically it is situated some 50 m from the contact to the Cretaceous Cushabatay Formation. Both the hanging-wall and the foot-wall of the sandstone is composed of fine-grained red siltstone of the Sarayaquillo Formation.

Carbonate concretions may form under a variety of geological conditions. However, the mapped outcrop shows a composition and texture similar to mapped paleoflows of ancient carbon dioxide (CO₂) driven gas systems (Loope 2015). Therefore, Hannan interprets the concretions to be remnants of methane and CO₂ rich gases that have participated carbonates in a water saturated host rock. Reduction of the host rock occurred during gas and host rock interaction resulting in bleaching of a red oxidized sandstone to the current white and reduced sandstone host.

Supergene copper mineralization is common and dominated by neotocite, tenorite and malachite. Hypogene copper minerals are dominated by chalcocite, but locally bornite, chalcopyrite and pyrite are observed in hand samples. Copper sulfides have precipitated on the rims of carbonate concretions and on organic carbon clasts within the host rocks. Paleomicrobial activity feeding on the primary carbonate concretions may have formed an important part of the trap for the oxidized copper rich fluids and explain why chalcocite is rimming the carbonate concretions.

The copper mineralization at surface is strongly leached and copper sulfides are dominantly preserved in weathering resistant silicified zones. The Company expects that high grade copper mineralization extends into zones of less intense weathering at depth.

JOGMEC JV Agreement

The JOGMEC JV Agreement grants JOGMEC the option to earn an initial 51% ownership interest by funding US \$8,000,000 in project expenditures at San Martin by March 31, 2027, subject to acceleration at JOGMEC's discretion. JOGMEC, at its election, can then earn:

- an additional 16% interest for a total 67% ownership interest by achieving either a prefeasibility study or funding a further US \$12,000,000 in project expenditures in amounts of at least US \$1,000,000 per annum (for a US \$20,000,000 total expenditure); and
- subject to owning a 67% interest, a further 8% interest for a total 75% ownership interest by achieving either a feasibility study or funding a further US \$15,000,000 in project expenditures in amounts of at least US \$1,000,000 per annum (for a US \$35,000,000 total expenditure).

Should JOGMEC not proceed to a prefeasibility study or spend US \$20,000,000 in total, Hannan shall have the right to purchase from JOGMEC for the sum of US \$1, a two percent (2%) Participating Interest, whereby Hannan's Participating Interest will be increased to fifty-one percent (51%) and JOGMEC's Participating Interest will be reduced to forty-nine percent (49%). At the completion of a feasibility study, JOGMEC has the right to either:

- purchase up to an additional ten percent (10%) Participating Interest from Hannan Metals (for a total 85% maximum capped Participating Interest) at fair value as determined in accordance with internationally recognized professional standards by an agreed upon independent third-party valuator; or
- receive up to an additional ten percent (10%) Participating Interest from Hannan (for a total 85% maximum capped Participating Interest) in consideration of JOGMEC's agreement to fund development of the project, by loan carrying Hannan until the San Martin JV Project generates positive cash flow.

After US \$35,000,000 has been spent by JOGMEC and before a feasibility study has been achieved, both parties will fund expenditures pro rata or dilute via a standard industry dilution formula. If the Participating Interest in the Joint Venture of any party is diluted to less than 5% then that party's Participating Interest will be automatically converted to a 2.0% net smelter royalty ("NSR"), and the other party may at any time purchase 1.0% of the 2.0% NSR for a cash payment of US \$1,000,000. Hannan will manage exploration at least until JOGMEC earns a 51% interest, after which the majority participant interest holder will be entitled to act as the operator of the joint venture.

JOGMEC has indicated a US \$2,050,000 budget for the San Martin JV Project as part of the Second Base Earn-in Period for the April 2024 to March 2025 Japanese fiscal year.

Clare Project, Ireland

The Company maintains prospecting licences (the "Clare Project") in County Clare, Ireland. The western edge of the prospect area is 1.5km east of the town of Ennis.

In July 2017 Hannan announced a maiden resource of 2.7 million tonnes at 8.8% zinc equivalent ("ZnEq"), including 1.4 million tonnes at 10.8% ZnEq indicated and inferred resources of 1.7 million tonnes at 8.2% ZnEq, including 0.6 million tonnes at 10.4% ZnEq. for Kilbricken. The zinc equivalent (ZnEq) value was calculated using the following formula: $ZnEq\% = Zn\% + (Cu\% * 2.102) + Pb\% * 0.815 + (Ag\ g/t * 0.023)$ with assumed prices of Zn \$2587/t; Cu \$5437/t; Pb \$2108/t and Ag \$18.44/oz. The NI 43-101 Technical Report filed in support of this announcement was authored by Mr. Geoff Reed of Reed Leyton Consultants, and Dr. John Colthurst, who are independent "qualified persons" as defined by NI 43-101. The NI 43-101 Technical Report may be found on the Company's website at www.hannanmetals.com or under the Company's profile on SEDAR+ at www.sedarplus.ca

Hannan subsequently drilled at Kilbricken from May 2017 and completed 16 holes for a total of 7,189.3 metres. Hannan's drilling initially focused around Kilbricken with many holes intersecting significant mineralization and extending both the Fort and Chimney Zones. The true thickness of mineralized intervals at Kilbricken is interpreted to be greater than 95% of the sampled thickness.

During January 2018 the Company announced completion of a 40.6 line kilometre 2D seismic survey at the Clare Project. The regional seismic survey is a first for the area and has delivered a critical new set of subsurface data across the Company's 35,444 ha PLs, which will form the basis for current and future drill targeting and prioritization. The survey traversed the most prospective parts of the Clare Basin within the Company's PLs and was used to identify and map geological structures that may host and control base metal mineralization.

The current focus in Ireland is the Kilmurry prospect which has the indicators of a significant drill target. The Kilmurry fault zone, mapped by seismic surveys, gravity and supported by historic drilling, has been traced over 10 kilometres of strike.

In April 2024 the Company reassessed its exploration budget and due to its focus in Peru, has determined that it will relinquish certain non-core PLs when they come due for renewal. While the Company's two core PLs remain in good standing through 2025, the Company has determined to record an impairment provision of \$4,080,608 for all exploration and evaluation costs capitalized on the Clare Project.

Cerro Rolando Project, Chile

In March 2023 the Company announced that it has entered into a Letter of Agreement with arm's length private parties that provide an option for Hannan to acquire up to 100% of the Cerro Rolando Copper Porphyry Project, located within the Paleocene metallogenic belt about 100 km northwest of Calama, in Region 2 of northern Chile. The project consists of 16 contiguous exploration concessions covering a total of 48 km². Elevation in the area ranges from 1290m in the east to 1050m in the west. The project is accessible using existing roads and tracks.

The Cerro Rolando Copper Porphyry Project is a high value porphyry copper target in the Paleocene Belt of Region 2, Chile. Around 80% of Chilean copper production comes from copper-gold porphyry deposits, with most situated in northern Chile. The Paleocene Belt hosts important porphyry copper deposits and mines such as Cerro Colorado (BHP), Spence (BHP), Sierra Gorda (KGHM & Sumitomo) and Relincho (part of Nueva Union - Teck-Goldcorp), yet the belt has seen less exploration as it is mostly under pampa cover.

Regional magnetics shows Cerro Rolando to be located on a major north-south trending structure. This structure is thought to be the control for a regional basement high. Historic airborne EM data models a 1.2 km long conductor at the base of 200-metre-thick pampa cover (overburden defined by seismic surveys), just above a modelled magnetic body from historic airborne data. This is interpreted to be a potential conductive chalcocite enrichment blanket above the magnetic potassic core of a copper-bearing porphyry.

In June 2023 ground magnetics and 7.2 km² of fixed loop transient electromagnetic ("TEM") surveys have been successfully completed. A large coherent, deep (1.2 km) sourced magnetic target (over a 1 km x 1 km area) was observed, coincident with both shallow and deeper electromagnetic anomalies. Hannan is in the process of permitting a small drill program to test if the shallow conductor, modeled to a depth of 60m depth, is caused by a perched supergene blanket indicating enrichment from a mineralization porphyry at depth.

Future Developments

A US\$924K annual budget to March 30, 2025, is planned for the San Martin JV Project where social work continues with engagement with all key stakeholders from local communities to provincial leadership, over the large area. Hannan aims to have a transparent approach prior to, during and after technical field work. Hannan speaks to all stakeholders to gain authorization to conduct surface exploration. The Company has a dedicated social team and has hired local representatives and used local radio to inform a wider audience on the Company's plans.

Specific plans across all areas include:

Valiente Peru (Hannan 100%)

- The DIA application for the Belen area was submitted in late January 2024 and has been progressing through the bureaucratic system much faster than previously expected. Hannan has already started to receive observations and feedback from the relevant authorities. Drill permitting times in Peru appears to be improving and the social support from the Valiente Project remains strong and the Company completed the last observation to the application.
- The DIA application includes professional archaeological investigations, environmental and socio-economic baseline studies, community workshops and liaison activities such as environmental monitoring programs to collect appropriate information necessary to make the submittal for approval to the DGAAM ("General Directorate of Mining Environmental Affairs - of the Ministry of Energy and Mines, Peru"). The work program includes:

- 40 drilling platforms with 79 drillholes.
- Total area to be disturbed including drilling platforms and access routes of 2.08 hectares (20,826 sq meters)
- Public participation meetings outlining Hannan’s exploration plans were held in the hamlets of Ricardo Herrera, Santa Rosa de Vista Alegre, Sortilegio, Topa, San Pablo, Porvenir de Marona, Micaela Bastidas, San Isidro, Capitan Marino Bustamante, San Pedro and Huayhuantillo, where the hamlets are on record as approving of the company’s mineral prospecting for the proposed drill program.
- (iv) Water Consumption: 41,040 m³ for a period of 41 months from implementation to the end of the drilling campaign.
- (v) Workforce of 35 people.
- (vi) Environmental monitoring programs for soil, water, noise and air.
- The permit area contains two outcropping porphyry targets (Ricardo Herrera and Sortilegio) and one zone with signatures of both porphyry-epithermal and skarn mineralization (Vista Alegre).
- Ricardo Herrera Porphyry Copper 3D survey: the geophysical survey crew have already moved to the next survey area, Ricardo Herrera within the Belen target area. An initial 28 line km offset array 3D IP survey is mapping the outcropping Miocene age calc-alkalic porphyry target where copper mineralization on surface coincides with strong phyllic and intermediate argillic alteration over 800 m x 250 m.
- Large geological and support teams continue to explore the extremely large and multiple copper-gold targets at Previsto. The first geophysical Induced Polarization (“IP”) survey completed during the quarter coupled with field mapping and soil sampling has confirmed a 6 km x 6 km large copper (“Cu”) – gold (“Au”) porphyry and epithermal Au mineral system characterized by seven high priority targets that are now being evaluated for drill permitting:
 - Two porphyry targets: have been identified within a 5 km long and up to 1 km wide intrusive trend ([reported here](#)).
 - Five epithermal targets: a significant advancement this season is the identification of five epithermal gold targets that correlate with the extensive gold in soil anomalies at Previsto.

San Martin (JOGMEC JV - Peru)

- The environmental permit, the DIA for 40 drill platforms was received from the Ministry of Mines in Peru during January 2024. The DIA is the primary environmental certification required to allow low impact mineral exploration programs, that includes drilling programs, to proceed at the San Martin copper-silver project in Peru.
- Next steps are to apply for the Authorization to Initiate activities from the General Directorate of Mining from the Ministry of Mines (“DGM”), a process that has been delayed. During the quarter Hannan resubmitted the application for the easement of the surface land (“servidumbre”) with the regional government of San Martin. This application is now in process. The Company has legal permission from the local landholders and communities who have lived on the land for decades, however approval of the Authorization to Initiate activities is now not anticipated before the end of 2024 due to opposition from a minority group from outside the exploration area. Once the Authorization to Initiate activities is received, the Water Use Permit (1 month duration) from the Peru National Water Authority (“ANA”) would be sought. Drilling would then expected to commence during 2025.
- A two-stage drill program is planned:
 - First stage: A 2,000 m diamond drilling program over a 2 km strike of mapped surface mineralization down to 800 m depth.
 - Second stage: Subject to Stage 1, a further 1,500 m drill program to test the continuity of mineralization
 - Subject to results in Stage 1 or Stage 2 additional areas may be tested within the 7 km long permitted area.

San Martin West (JOGMEC JV - Peru)

- Environmental data collection to support a new DIA application at San Martin West over an outcropping copper-silver mineralization trend that has been mapped for over 2.3 km of strike including 5.8 m at 3.1% copper and 65 g/t silver from a surface channel sample ([previously reported](#)) has been temporarily put on hold while the Company awaits timing clarity of drill permitting from the San Martin main project area.

Cerro Rolando Chile (Hannan has option to earn 100%)

- Hannan is in the process of permitting a small drill program to test a shallow conductor at the Cerro Rolando Project in Chile. The conductor has been modeled to a depth of 60 m and may represent a perched supergene blanket from a mineralized porphyry at depth.
- A community contract was recently signed, and final drill approval from the authorities is anticipated during November 2024. Permitting for 3 platforms has been made with a minimum contract requirement for one 100 m deep hole to test the shallow conductor. The conductor is 10 m to 15 m thick and open to the E and W. It directly overlays a magnetic anomaly that is modeled to 450 m depth. The drill target is located at a regional significant NNW lineament that controls the emplacement of the giant Chuquicamata deposit.

Qualified Person

The qualified person for the Company's projects, Mr. Michael Hudson, the Company's Chairman and CEO, a Fellow of the Australasian Institute of Mining and Metallurgy, has reviewed and verified the contents of this document.

Selected Financial Data

The following selected quarterly financial information is derived from the unaudited condensed consolidated interim financial statements of the Company and prepared using IFRS.

	Fiscal 2025	Fiscal 2024				Fiscal 2023		
Three Months Ended	Aug 31/24 \$	May 31/24 \$	Feb 29/24 \$	Nov 30/23 \$	Aug 31/23 \$	May 31/23 \$	Feb 28/23 \$	Nov 30/22 \$
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(277,142)	(169,094)	(242,369)	(282,459)	(1,073,202)	(295,427)	(877,420)	(309,936)
Other Items	36,303	51,859	(4,076,270)	36,947	39,842	(273,081)	70,573	43,729
Net loss	(240,839)	(117,235)	(4,318,639)	(245,512)	(1,033,360)	(568,508)	(806,847)	(266,207)
Basic and diluted loss per share	(0.00)	(0.00)	(0.04)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)
Statement of Financial Position:								
Working capital	3,391,564	737,851	1,038,377	1,585,092	2,216,885	3,092,758	2,060,155	2,487,300
Total assets	10,411,714	6,878,744	6,958,248	11,372,420	11,474,318	11,698,066	10,469,430	10,636,157
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended August 31, 2024 Compared to Three Months Ended May 31, 2024

During the three months ended August 31, 2024 ("Q1/2025") the Company reported a net loss of \$240,839 compared to a net loss of \$117,235 for the three months ended May 31, 2024 ("Q4/2024"), an increase in loss of \$123,604. The increase in loss is attributed to:

- a \$108,048 increase in general and administrative expenses, from \$169,094 reported in Q4/2024 compared to \$227,142 in Q1/2025. Significant variances were due to \$56,274 recorded in Q1/2025 pertaining to the statutory audit and an increase of \$36,226 to general exploration activities conducted in Chile; and
- recognition of a foreign exchange gain of \$43,434 in Q4/2024 compared to a foreign exchange loss of \$548 in Q1/2025.

The above increases were partially offset by a \$24,771 an increase in interest income, from \$12,080 in Q4/2024 compared to \$36,831 in Q1/2025, due to significant funds held on deposit from the Company's \$3,707,730 private placement financing conducted in June 2024.

Three Months Ended August 31, 2024 Compared to Three Months Ended August 31, 2023

During the three months ended August 31, 2024 (the "2024 period") the Company reported a net loss of \$240,839 compared to a net loss of \$1,033,360 for the three months ended August 31, 2023 (the "2023 period"), a decrease in loss of \$792,521. The Company recognized a decrease in general administration expenses of \$796,060, from

\$1,073,202 during the 2023 period to \$277,142 during the 2024 period. Significant variances in expenses are as follows:

- (i) a decrease of \$825,752 in share-based compensation, from \$838,724 in the 2023 period compared to \$12,972 in the 2024 period;
- (ii) Swiss Resources Capital AG (“SRC”) provided investor relations services to the Company. Effective July 1, 2023 the monthly fees paid to SRC were reduced from €5,000 to €1,000. Accordingly, investor relations expenses decreased and SRC was paid \$4,494 in the 2024 period compared to \$10,347 in the 2023 period;
- (iii) incurred legal fees of \$15,563 in the 2024 period compared to \$117 in the 2023 period. During the 2024 period the Company incurred legal fees of \$11,500 for review of property agreements in Chile;
- (iv) incurred audit fees of \$45,000 in the 2024 period compared to \$27,382 in the 2023 period due to the timing of billings for the audit of the Company’s year-end financial statements;
- (v) incurred general exploration of \$49,055 in the 2024 period compared to \$24,517 in the 2023 period primarily for the on-going due diligence exploration program on the Cerro Rolando Project; and
- (vi) incurred \$49,500 (2023 - \$67,501) for director and officer compensation for services provided by officers and directors of the Company. The variance was primarily attributable to compensation amounts capitalized to exploration and evaluation assets. See also “Transactions with Related Parties”;

The Company holds its cash in interest bearing accounts in major financial institutions. Interest income is generated from the deposits and fluctuates primarily with the levels of cash on deposit. During the 2024 period the Company recorded interest income of \$36,851 compared to \$32,709 during the 2023 period.

Exploration and Evaluation Assets

During the 2024 period the Company incurred a total of \$1,286,299 (2023 - \$947,587) on the acquisition, exploration and evaluation of its unproven resource assets of which \$403,823 (2023 - \$302,521) was incurred on its San Martin JV Project and \$882,476 (2023 - \$645,066) on the Valiente and other projects. In addition the Company recorded a cost recovery of \$393,834 (2023 - \$245,722) on its San Martin JV Project as JOGMEC reimbursed the Company for all project related costs and credited management fees billed to JOGMEC of \$23,359 (2023 - \$21,685). See also “Properties Update”.

Exploration and acquisitions costs incurred during the 2024 period are as follows:

	San Martin JV Project \$	Valiente Project \$	Total \$
Balance at May 31, 2024	442,750	5,343,539	5,786,289
Exploration costs			
Community	6,754	-	6,754
Consulting	132,521	283,883	416,404
Geology	-	30,351	30,351
Insurance	799	1,308	2,107
Legal	861	549	1,410
Logistics	43,800	112,411	156,211
Travel	-	2,514	2,514
VAT incurred	15,774	44,183	59,957
	<u>200,509</u>	<u>475,199</u>	<u>675,708</u>
Acquisition costs			
License applications and fees	203,314	407,277	610,591
Other			
Cost recoveries	(393,834)	-	(393,834)
Management fees	(23,359)	-	(23,359)
	<u>(417,193)</u>	<u>-</u>	<u>(417,193)</u>
Balance at August 31, 2024	<u>429,380</u>	<u>6,226,015</u>	<u>6,655,395</u>

Financing Activities

Three Months Ended August 31, 2024

On June 27, 2024 the Company completed a non-brokered private placement of 10,593,513 units at \$0.35 per unit, for total proceeds of \$3,707,730. The Company plans to use the net proceeds from the private placement to fund exploration expenditures at the Company's Valiente Project and continued due diligence on the Cerro Rolando Chile Project, as well as for general working capital and corporate purposes. In addition the Company issued 282,142 common shares on the exercise of share options for proceeds of \$67,750.

Three Months Ended August 31, 2023

During the 2023 period the Company did not complete any equity financings.

Financial Liquidity and Capital Resources

As at August 31, 2024 the Company had working capital of \$3,391,564. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. The Company's San Martin JV Project is funded by JOGMEC under the JOGMEC JV Agreement. Management considers that the Company has adequate resources to maintain its core operations, conduct planned exploration programs on its existing exploration and evaluation assets and discharge its obligations as they become due in the next twelve months.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the May 31, 2024 audited annual consolidated financial statements.

Changes in Accounting Policies

A detailed summary of all the Company's significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the May 31, 2024 audited annual consolidated financial statements.

Transactions with Related Parties

(a) Transactions with Key Management Personnel

The Company has determined that key management personnel consists of the executive members of the Company. During the 2024 and 2023 periods the following amounts were incurred with respect to the Company's CEO (Mr. Hudson), President (Mr. Dahlenborg) and the CFO (Mr. Lim):

	2024 \$	2023 \$
Professional fees - Mr. Hudson	30,000	30,000
Professional fees - Mr. Dahlenborg	42,501	42,501
Professional fees - Mr. Lim	3,750	3,750
	<u>76,251</u>	<u>76,251</u>

During the 2024 period the Company incurred a total of \$76,251 (2023 - \$76,251) to key management personnel for their services which have been allocated based on the nature of the services provided: expensed \$27,750 (2023 - \$43,251) to director and officer compensation; and capitalized \$48,501 (2023 - \$33,000) to exploration and evaluation assets. As at August 31, 2024 \$33,217 (May 31, 2024 - \$33,217) remained unpaid.

During the 2023 period the Company also recorded \$291,650 share-based compensation for share options granted to key management personnel as follows:

	2024 \$	2023 \$
Mr. Hudson	-	139,650
Mr. Dahlenborg	-	104,500
Mr. Lim	-	47,500
	<u>-</u>	<u>291,650</u>

The Company has a management agreement with its CEO which provides that in the event the CEO's services are terminated without cause or upon a change of control of the Company, a termination payment of one year of compensation is payable. If the termination had occurred on August 31, 2024 the amount payable under the agreement would be \$120,000.

The Company has a management agreement with its President which provides that in the event the President's services are terminated without cause or upon a change of control of the Company, a termination payment of one year of compensation is payable. If the termination had occurred on August 31, 2024 the amount payable under the agreement would be \$170,004.

(b) *Transactions with Other Related Parties*

(i) During the 2024 and 2023 periods the following amounts were incurred with respect to current and former non-management directors (Nick DeMare, David Henstridge, Georgina Carnegie and Ciara Talbot) and the Corporate Secretary (Mariana Bermudez) of the Company:

	2024 \$	2023 \$
Professional fees - Mr. DeMare	3,750	3,750
Professional fees - Mr. Henstridge	3,750	3,750
Professional fees - Ms. Carnegie	3,750	3,750
Professional fees - Ms. Talbot ⁽¹⁾	-	2,500
Professional fees - Ms. Bermudez	10,500	10,500
	<u>21,750</u>	<u>24,250</u>

(1) Ms. Talbot resigned as a director effective July 31, 2023.

As at August 31, 2024 \$120,500 (May 31, 2024 - \$115,500) remained unpaid.

During the 2023 the Company also recorded \$323,000 share-based compensation for share options granted to its non-management directors and the Corporate Secretary personnel as follows:

	2024 \$	2023 \$
Mr. Henstridge	-	104,500
Mr. DeMare	-	76,000

	2024 \$	2023 \$
Ms. Carnegie	-	104,500
Ms. Bermudez	-	38,000
	<u>-</u>	<u>323,000</u>

- (ii) During the 2024 period the Company incurred a total of \$8,300 (2023 - \$7,600) to Chase, a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at August 31, 2024 \$5,300 (May 31, 2024 - \$4,300) remained unpaid.

During the 2023 period the Company also recorded \$28,500 share-based compensation for share options granted to Chase.

Risks and Uncertainties

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should consider investing in the Company's common shares.

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at October 28, 2024, there were 120,433,724 issued and outstanding common shares, 8,818,983 warrants outstanding at an exercise prices ranging from \$0.35 to \$0.50 per share and 9,953,200 share options outstanding at exercise prices ranging from \$0.235 to \$0.60 per share.