Hayasa Metals Inc.
(formerly Fremont Gold Ltd.)
An Exploration Stage Company

INTERIM MD&A – QUARTERLY HIGHLIGHTS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2024

Dated: February 27, 2025

Management Discussion and Analysis

The following Management Discussion and Analysis ("**MD&A**") of Hayasa Metals Inc. ("**Hayasa**" or the "**Company**") has been prepared as at February 27, 2025. It is intended to be read in conjunction with the condensed interim consolidated financial statements of the Company as at and for the nine months ended December 31, 2024.

This Interim MD&A – Quarterly Highlights has been compiled in accordance with Section 2.2.1 of Form 51-102F1 - Management's Discussion & Analysis.

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") unless otherwise noted.

All monetary amounts, including comparatives, are expressed in Canadian dollars unless otherwise noted.

The Company's year-end is March 31. Accordingly, references to Q3 2025 herein refer to the three months ended December 31, 2024.

Dennis Moore, P.G., Chairman and President of the Company and a Qualified Person as defined by National Instrument 43-101, has reviewed and approved the technical information presented in this MD&A.

Overview

In November 2024, the Company announced that it had changed its name from Fremont Gold Ltd. to Hayasa Metals Inc.

Over the past three years, Hayasa has been actively seeking project development opportunities in the central Tethyan Mineral Belt focussing on Armenia where the Company currently holds interests in two properties. The Company has an option to acquire up to 100% of an Armenian corporation that holds the exploration license over the Vardenis copper-gold project in central Armenia. The Company also holds an exploration license relating to Urasar, a copper-gold property located in northern Armenia. The Company is investigating other opportunities in Armenia and Georgia.

The option to acquire the corporation holding the Vardenis exploration license is held directly by Hayasa. Hayasa's wholly owned subsidiary, Hayasa Resources Corp. ("**HRC**"), administers the Company's activities in Armenia and holds the license to the Urasar property.

Highlights

The nine months ended December 31, 2024 and the period ended February 27, 2025 were highlighted by the following activities and initiatives:

Finance

- The balance of cash and cash equivalents as at December 31, 2024 was $18,621 (March 31, 2024: $298,594) and the net working capital deficit as at this date was $366,339 (March 31, 2023: net working capital deficit of $84,329)

- In January 2025, the Company closed the sale of a 1.25% Net Smelter Return ("**NSR**") royalty covering all minerals produced from the Urasar gold-copper project in northern Armenia to Franco-Nevada Corporation ("**Franco-Nevada**") and EMX Royalty Corporation ("**EMX**"), for total cash proceeds of US$1,000,000 (see 'Liquidity and going concern – NSR transaction')
- In February 2025, the Company received $194,825 in connection with the March 2024 sale of Intermont (see Sale of Intermont')
- In 2022, management agreed to defer payment of remuneration and reimbursement of expenses. In October 2024, the Company announced a debt settlement arrangement relating to $499,333 of this debt. The terms of the arrangement were approved by the TSXV in January 2025 (see 'Liquidity and going concern – Management debt settlement')
- In July 2024, the Company closed a non-brokered private placement, which included the introduction of Teck Resources Limited ("**Teck**") as a significant shareholder, for gross proceeds of $2,015,000 (see 'Liquidity and going concern – July 2024 private placement')

Exploration and evaluation

- Q3 2025 exploration activity at Urasar comprised a 2,142 m, nine-hole drill program at Urasar within four target areas and the completion of the ground mag survey at Vardenis. Results for both programs were received and announced in Q1 2025.
- Exploration activity increased significantly in fiscal 2024, focussing on the newly acquired Vardenis and Urasar properties in Armenia. Work undertaken at Vardenis included a short wave infrared (SWIR) survey in advance of a small drill program in October and November 2023 (see 'Vardenis'). Work undertaken at Urasar was limited to soil sampling as the license was not received until October 2023 (see 'Urasar')
- The calendar 2024 exploration program commenced in Q1 2025 at both Vardenis and Urasar following the winter season. Exploration activity undertaken at Urasar included a second soil sampling program, completion of a ground magnetic survey, geological mapping and completion of a 2,142 metres ("**m**") maiden diamond drill program (see 'Urasar'). Activity at Vardenis during calendar 2024 included channel sampling additional mapping and a 23 line-kilometre ("**km**") high resolution IP survey (see 'Vardenis')

Project generation and portfolio management

- The Company began focussing its efforts in Armenia in early fiscal 2023 following the identification of a number of opportunities that had materialised in the preceding six months
- In October 2023, the Company was granted an exploration permit comprising 33.8 km^2 over the Urasar Mineral District in northern Armenia (see 'Urasar')
- In May 2023, the Company entered into a letter of intent to acquire up to a 100% interest in Mendia Resources Corp. ("**Mendia**"), an Armenian corporation. Mendia holds the exploration license over the Vardenis copper-gold project in central Armenia. The definitive option agreement was executed in June 2023 and amended in September 2024 (see 'Vardenis')
- The Company is currently investigating other opportunities in Armenia and Georgia

Other

- In August 2024, the Company announced that Joel Sutherland had been appointed the Company's new Chief Executive Officer and a director of the Company replacing Dennis Moore who remains the Company's President and a director. Mr. Sutherland has over 20 years of experience in capital markets, having excelled as an Equity Research Analyst and in Institutional Sales at prominent firms including Merrill Lynch in Toronto and New York City, BMO Capital Markets, and CIBC World Markets. In recent years, Mr. Sutherland has also played pivotal roles in corporate development and communications for various companies, with a focus on leading successful financing initiatives

- In November 2024, the Company announced the following changes to Hayasa's Board of Directors with immediate effect:
  - Appointment of Robert Furse: Mr. Furse is a serial entrepreneur and investor having founded and built companies in several industries including information technology and wealth management. He has been involved in wealth management and capital markets since joining Integral Wealth Securities in 2006 as an investment banker and one of the founding members of the capital markets group. He is co-founder, past President and former Chairman of Echelon Wealth Partners Inc. (now Ventum Financial Corp.). Mr. Furse graduated from Queen's University in 1994
  - Appointment of Derek White: Mr. White has over 35 years of experience in the mining and metals industry. He holds an undergraduate degree in Geological Engineering from the University of British Columbia and is also a Chartered Accountant. He is the former President and CEO of Ascot Resources Ltd. Prior to joining Ascot Resources Ltd., he was the Principal of Traxys Capital Partners LLP, a private equity firm specializing in the mining and minerals sectors. He was President and CEO of KGHM International Ltd. from 2012 to 2015, and also held the positions of Executive Vice President, Business Development and Chief Financial Officer of Quadra FNX Mining Ltd. from 2004 to 2012. Mr. White has also held executive positions with International Vision Direct Ltd., BHP-Billiton Plc, Billiton International Metals BV and Impala Platinum Ltd.
  - Jason Libenson and Michael Williams both resigned from the Board.
- An omnibus equity compensation plan ("**Omnibus Plan**") was approved by shareholders at the Company's 2024 annual general meeting in October 2024. The Omnibus Plan includes the ability to issue stock options, restricted share units, performance share units and deferred share units. The Omnibus Plan replaced the Company's previous stock option plan. In January 2025, the Company granted a total of 4,800,000 performance share units to certain directors, officers, and employees. (see 'Outstanding share data - Omnibus equity compensation plan').

Armenia, overview

Each of the Vardenis and Urasar properties are discussed below. Urasar was first investigated by Hayasa management in September 2021, while Vardenis was evaluated in the spring of 2022. The two properties were included in a total of fifteen Armenian prospects that were sampled and evaluated. The Company is currently pursuing other exploration opportunities in the Tethyan Mineral Belt in Armenia and Georgia.

In May 2024, the Company signed a memorandum of understanding between HRC and Yerevan State University, pursuant to which the university will provide office space and the use of certain geophysical equipment to the Company, while the Company will train and mentor enrolled geology students in field exploration techniques and practices.

Vardenis

In April 2023, the Company entered into a letter of intent to acquire up to a 100% interest in Mendia, an Armenian corporation, with Mendia's sole shareholder (the "**Optionor**"). Mendia holds the exploration license over the Vardenis copper-gold project in central Armenia.

In June 2023, the Company executed a definitive option agreement with the Optionor. The agreement provides the Company with the exclusive option to acquire up to 100% of Mendia via staged option payments over 4.5 years. The terms of the definitive agreement were amended in September 2024 (see description of terms below).

The Vardenis copper-gold property is a high-sulfidation, possible Cu-porphyry mineralized system formerly held by Dundee Precious Metals Inc. ("**DPMC**") between 2015 and 2018. It occurs 25 km along strike and in the same Eocene volcanic sequences which host the 3.0 million ounce Amulsar gold deposit currently being developed by Orion Mine Finance, Osisko Gold Royalties and Resource Capital Fund.

Historic exploration work on the Vardenis copper-gold property comprises early Soviet-era trenching and pits from the 1960s followed by more recent exploration undertaken by Canadian-based companies during the past decade. This recent work includes 1,246 m of diamond drilling in seven holes, over 6,000 geochemical samples (both soils and streams), alteration mapping and trenching (two of the seven drill holes are located within Mendia's license; the other five are located on the license boundary and are directed toward/into the Mendia license). This work has defined a NW-SE arcuate-shaped, gold-in-soil anomaly approximately seven km in length, as well as a separate 3.5 x 2.4-km copper anomaly located 1.4 km to the south of the gold anomaly.

The project's attributes include the following:

- A large-scale altered and mineralized system
- Hosted in Armenia's most prospective Tertiary volcanic belt
- At-surface copper-gold mineralization within widespread high-sulfidation-style alteration
- Historical drilling limited to 1,246 m within one small area.

See further information regarding Vardenis in the Company's news release of May 9, 2023.

Q3 2025 exploration activity

In January 2025, the Company announced the results from a 23 line-km high resolution induced polarisation ("**HRIP**") survey conducted over the Vardenis Project in August and September 2024. The survey was executed by Terratec Geophysical Services GmbH & Co. ("**Terratec**") based in Heitersheim, Germany. The survey was carried out to define subsurface geophysical and geological characteristics that will help define drill targets for the Vardenis Phase 2 drilling campaign planned for the late spring or summer of calendar 2025.

Exploration activity at Vardenis since the Company acquired its interest includes the continuation of an initial ground based magnetic survey over a 3.5 km x 2.4 km annular copper-molybdenum soil anomaly that had commenced in late 2023. The purpose of the survey is to better understand the subsurface geology and guide further drilling at Vardenis. The survey was completed in October 2024 and processed by a geophysical consultant, Campbell & Walker Geophysics Ltd. ("**Campbell & Walker**"), based in Edinburgh, Scotland. The final report was delivered in January 2025. Initial results reflect the underlying geology, highlighting a basaltic lava flow that cuts the Vardenis prospect as a magnetic 'high' and, more importantly, reveals magnetic susceptibility lows that correspond to the HRIP chargeability anomalies. The two geophysical surveys in conjunction with surface mapping will guide the drill targeting for the upcoming drill program expected to start in July 2025.

Option terms

A summary of the current terms of the Vardenis option agreement is as follows:

- 51% equity ownership interest in Mendia:
  - June 2023: US$ 100,000 in cash (paid) and 500,000 Hayasa common shares (issued)
  - July 2025: complete specified exploration work (including 2,500 m of diamond drilling of which 770 m have been completed)
- A further 29% stake (total 80% equity ownership) in Mendia:
  - December 2024: US$75,000 (paid) in cash and 700,000 Hayasa common shares (issued)
  - March 2025 (not later than): US$ 75,000 in cash
  - October 2025: complete total of 3,500 m of diamond drilling since June 2023, the inception of the option (of which 770 m have been completed)
  - June 2026: complete specified exploration work (including total of 5,000 m of diamond drilling since June 2023, the inception of the option, of which 770 m have been completed))
- A further 10% stake (total 90% equity ownership) in Mendia:

- June 2026: US$ 100,000 in cash and 1,000,000 Hayasa common shares
- December 2027: completion of a Preliminary Economic Assessment study

- Upon earning 90% equity interest: Optionor has the right to contribute pro-rata to retain 10% interest. If Optionor elects not to contribute, Hayasa has the option to purchase the remaining 10% for US$ 3,500,000, for a 100% equity ownership interest. If Hayasa declines, the remaining interest reverts to a 1% net smelter return royalty once the Optionor is diluted below a 5% ownership threshold

Urasar

In October 2023, the Company announced that it had been granted an exploration permit for the Urasar copper-gold mineral district in northern Armenia comprising 33.8 km^2.

Urasar was ranked the highest priority of the 15 Armenian prospects initially reviewed by the Company due to wide-spread surface alteration/mineralization and encouraging geochemical results that comprised eight surface rock chip and channel samples, ranging from a minimum of 0.123 g/t gold to a maximum of 12.5 g/t gold, and averaging 2.65 g/t gold. Thirty follow-up rock chip samples were collected in November 2022 from other parts of the license area and returned an average of 0.75 g/t gold and 0.63% copper.

Historical Soviet data reveals a non-National Instrument 43-101 compliant historical resource estimate totalling 344,000 ounces of gold in the Russian C1+C2 category and 649,000 ounces of gold in the P category in two separate zones, as well as significant copper values including high-grade pods and zones. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources and Hayasa is not treating the historical estimate as a current mineral resource.

See further information regarding Urasar in the Company's news release of October 10, 2023.

Q3 2025 exploration activity

In October 2024, the Company announced the commencement of a maiden 1,600 m diamond drill program at Urasar. In early November 2024, the Company announced the addition of a second drill rig and the expansion of the program to 2,000 m. A total of 2,142 m were ultimately completed in nine holes during October and November. The Company tested five separate target areas within the 15 km long mineralized corridor: Copper Creek, Oxide Basin and Golden Vein in the western part of the exploration permit, and Black River and Brick House prospects in the eastern part of the 34 km^2 license area. Assay results are expected to be received and announced throughout Q4 2025.

In September 2024, the Company announced the completion of a ground magnetic survey over the Urasar mineral district exploration permit. The survey comprised 74 north-south lines, spaced 200 m apart, totaling 240 line km. Data collection was conducted by Hayasa personnel over a fifteen-week period, with quality control and processing overseen by Campbell & Walker. The survey has clearly delineated underlying geological domains and the structural framework as anticipated. The surface mineralised zones identified to date are located within embayments on the northern margin of a continuous, 14 km long, magnetic low. This information along with surface mapping and soil geochemistry were used for drill targeting in the recently completed drill campaign.

The Company also took advantage of the in-country presence of Terratec's staff and equipment following their completion of the much larger IP survey at Vardenis and undertook a small trial IP survey at Urasar in September 2024. The survey comprised two lines in the Oxide Basin-Copper Creek area and one line at Black River.

During the drill campaign in October 2024, the preliminary IP sections provided to the Company contained a 'rotation' error. As a result, the sections were plotted in reverse, with chargeability and resistivity anomalies - particularly on Sections 1 and 2 - incorrectly placed at the southern end of the profile instead of the northern end. This error resulted in the placement of DDU-05 directly on Line 2 and targeted southward to intersect the chargeability anomaly that was originally plotted in that location. However, the hole intersected unmineralized limestone. The lack of sulfide mineralization in this hole led to the discovery of the rotational error. Corrected IP sections have been provided to the Company which show chargeability anomalies located north and upslope from areas that were recently drilled.

Remaining assays of the calendar 2024 drill program should be delivered to market in Q4 2025.

In September 2024, the Company also announced the results of detailed geological and structural mapping, as well as an expanded geochemical soil survey at Urasar. The results from this work were utilized in drill targeting for the October-November 2024 drill campaign.

Sale of Intermont

With the exception of its interest in the Hurricane property, the Company's interest in all of its Nevada properties were held by its former wholly owned subsidiary, Intermont Exploration Corp. ("**Intermont**"), a company incorporated under the laws of Nevada. The Company's interest in the Hurricane property was held by Hayasa Metals Inc. directly.

In March 2024, the Company entered into an agreement to sell Intermont to an individual representing an Australian consortium (the "**Buyer**"). Intermont holds the Cobb Creek asset in Elko County Nevada and previously held the Griffon asset in White Pine County, Nevada (divested in November 2023). The purchase price totals US$ 300,000 to be paid over two years as follows:

- On closing: US$ 100,000 (received)
- May 29, 2024: US$ 50,000 (US$ 12,730 received)
- August 29, 2024: US$ 50,000
- February 28, 2025: US$ 50,000
- February 28, 2026: US$ 50,000.

As at December 31, 2024, the Buyer had paid US$ 12,730 of the US$ 100,000 that was owing as at this date. In February 2025, the Buyer paid US$ 137,270 in connection with both the US$ 87,270 that was owing as at December 31, 2024 and the US$ 50,000 that is due for payment on February 28, 2025.

In the absence of payment by the Buyer of amounts owing, management had recognised a provision as at September 30, 2024 of $126,388, equivalent to 50% of the total outstanding balance (including both overdue and current components). The provision was reversed in the three months ended December 31, 2024.

The remaining receivable balance owing following the February 2025 payment was US$ 50,000 ($71,945). Certain debts of Intermont owing to Hayasa's former Vice President of Exploration were transferred to Hayasa pursuant to the terms of the agreement; these amounts were addressed in full through the management debt settlement arrangement finalised in January 2025 (see 'Liquidity and going concern - Management debt settlement'). The Buyer has assumed all ongoing costs of Intermont including option and BLM payments post closing.

Proposed transactions

As at December 31, 2024 and February 27, 2025, there were no announced asset or business acquisitions or dispositions other than as described herein. The Company is, however, pursuing other opportunities in Armenia and Georgia.

Selected financial information

A summary of results in respect of the five quarters ended December 31, 2024 is as follows. This summary information has been derived from the audited consolidated financial statements and condensed interim consolidated financial statements (unaudited) of the Company.

Consolidated statements of income and loss

	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Revenue	-	-	-	-	-
Exploration and evaluation	**401,915**	**104,736**	**182,034**	**469,973**	**744,111**
Administration (cash):					
Management	51,875	51,963	53,193	89,105	101,948
Marketing	7,339	26,379	70,975	47,930	68,949
Professional fees	55,712	19,228	17,242	43,989	41,843
Travel	16,508	6,654	8,877	22,892	17,649
Reclamation (net)	(16,180)	18,594	-	-	15,955
General and administration	25,996	22,344	7,647	10,744	13,488
Listing fees	1,796	29,677	1,797	3,404	5,687
Project development	1,170	8,424	2,665	13,466	1,681
	144,216	***183,263***	***162,396***	***231,530***	***267,200***
Administration and other (non-cash):					
Stock-based compensation	17,186	42,745	23,697	34,978	64,974
Loss (gain) on securities	(4,000)	14,000	-	1,595	-
Depreciation	965	123	316	317	452
Write-off of mineral properties	6,466	879,520	-	-	-
	20,617	***936,388***	***24,013***	***36,890***	***65,426***
Provision on Intermont receivable	-	-	-	126,388	(126,388)
Foreign exchange loss (gain)	8,005	(6,275)	2,662	47,877	(39,003)
Interest income	(2,827)	(2,852)	(737)	(7,954)	(6,668)
Loss on sale of Intermont	-	682,752	-	-	-
Gain on sale of Lithaur	(58,164)	-	-	-	-
Net loss	**513,762**	**1,898,012**	**370,368**	**904,704**	**904,678**

Specific fluctuations in the Company's quarterly results were attributable to the following factors:

- Exploration: Exploration activity increased significantly in Q2 2024 and Q3 2024 with the commencement of exploration activity in Armenia including a diamond drill program at Vardenis and a soil sampling program at Urasar. Exploration spend was reduced significantly in Q4 2024 due to seasonal conditions particularly at the higher elevation Vardenis property and began ramping up in Q1 2025 with the commencement of the 2024 (calendar) exploration season. Exploration spend increased significantly with the undertaking of various studies at both Urasar and Vardenis and preparation for the diamond drill program at Urasar which commenced in early Q3 2025 (see 'Vardenis' and 'Urasar')
- Management costs comprise remuneration of the Company's President, CEO and CFO. The increase in Q2 2025 was attributable to the new CEO that joined the Company in August 2024 (both remuneration and the issuance of common shares (see 'Outstanding share data – Securities issued to new CEO'). Remuneration of the Company's former VP Exploration was classified as exploration spend or capitalised to mineral properties as a component of staking costs
- Marketing relates primarily to the cost of shareholder communications including attendance at conferences and recurring items such as news releases and maintenance of the Company's web site. The significant increase in Q1 2025 was related to various initiatives undertaken in advance of the successful

non-brokered private placement that closed in July 2024. Q3 2025 marketing spend related primarily to attendance at industry conferences

- Professional fees relate primarily to legal fees associated with general corporate matters and audit fees. The relatively high level of such fees in Q3 2024 were related to legal fees associated with the establishment, acquisition and sale of Lithaur Inc. ("**Lithaur**"), various issues relating to the Vardenis transaction including the option agreement with Mendia (see 'Vardenis'), the acquisition of the Urasar licence and the sale of Intermont. The relatively high level of fees in Q2 2025 and Q3 2025 was attributable to costs associated with various initiatives including the settlement of management debts, the hiring of a new CEO, the corporate name change and the 2024 AGM
- Travel costs relate to management travel to conferences and other marketing-related events, to Armenia and previously to Nevada
- 2024 net reclamation costs relate to both the Intermont properties in Nevada and Vardenis. Q3 2025 reclamation costs relate to Urasar
- General and administration charges relate to the cost of maintaining corporate offices in each of Vancouver and previously Nevada. The reduction in Q1 2025 reflects the sale of Intermont in March 2024
- Listing fees were higher in Q4 2024 due to annual fees for both the TSXV and OTCQB listings
- Project development costs relate to preliminary exploration expenditures, consulting fees and other expenditures incurred in connection with the identification of new opportunities in the Tethyan Mineral Belt in Armenia
- Stock-based compensation relates to the amortisation of the estimated fair value of stock options issued to management, directors, employees and consultants
- Gains and losses (both realised and unrealised) on marketable securities relate to changes in value of the 600,000 common shares of Westward Gold Inc. ("**Westward**") that were received as part of the consideration for the North Carlin transaction in Q3 and Q4 2023 and the subsequent sale of 200,000 shares in Q2 2024 and the remaining 400,000 shares in Q2 2025
- The Q4 2024 write off of mineral properties relates to the write off in full of the carrying value of the Hurricane property; the lease on this property was divested in Q1 2025
- The provision on Intermont receivable relates to provisions recognised in Q2 2025 and Q3 2025 relating to the amount owing to the Company in connection with the sale of Intermont (see 'Sale of Intermont')
- The loss on the sale of Intermont relates to the sale of Intermont in Q4 2024. The provision recognised in Q2 2025 was reversed in Q3 2025 with the Buyer's payment of both all overdue amounts owing and the amount due on February 28, 2025 (see 'Sale of Intermont')
- The gain on the sale of Lithaur relates to the sale of Lithaur in Q3 2024

Consolidated statements of financial position

	31-Dec-23 Q3 2024	31-Mar-24 Q4 2024	30-Jun-24 Q1 2025	30-Sep-24 Q2 2025	31-Dec-24 Q3 2025
Cash and cash equivalents	487,805	298,594	329,918	1,109,675	18,621
Marketable securities	46,000	32,000	32,000	-	-
Other current assets	202,854	334,693	298,668	263,917	319,489
Mineral properties	2,039,320	218,658	238,217	284,314	495,512
Long-term receivable	-	67,750	68,435	33,748	71,945
Fixed assets	1,110	4,013	3,767	3,419	5,191
Reclamation bonds	68,016	12,782	13,082	12,931	29,733
Total assets	***2,845,105***	***968,490***	***984,087***	***1,708,004***	***940,491***
Accounts payable and accrued liabilitie:	142,265	125,873	158,969	170,173	104,396
Due to related parties	662,747	623,743	639,515	559,089	600,053
Total current liabilities	***805,012***	***749,616***	***798,484***	***729,262***	***704,449***
Net working capital	***(68,353)***	***(84,329)***	***(137,898)***	***644,330***	***(366,339)***
Reclamation provision	20,019	13,816	14,141	13,978	30,920
Share capital	18,952,598	18,952,598	18,949,904	20,925,929	20,996,272
Reserves	2,039,463	2,082,208	2,105,905	2,140,883	2,205,857
Subscription receipts	-	-	310,000	-	-
Other comprehensive expense	138,429	178,682	184,451	181,454	191,173
Accumulated deficit	(19,110,416)	(21,008,430)	(21,378,798)	(22,283,502)	(23,188,180)
Total equity	***2,020,074***	***205,058***	***171,462***	***964,764***	***205,122***
	-	-	-	-	-

- Marketable securities relate to previously held shares of Westward
- Other current assets relate to prepaid insurance expenditures and various receivables (including GST). The balance increased significantly in Q4 2024 as a result of the following:
  - Prepaid marketing spend including a series of conferences
  - Receivables ($203,250 and $67,750 of current and long-term balances, respectively) relating to the sale of Intermont in Q4 2024. $92,641 of the current balance and $33,747 of the long-term balance was provided for in Q2 2025. This provision was reversed in Q3 2025 with the Buyer's payment of both all overdue amounts owing and the amount due on February 28, 2025 (see 'Sale of Intermont')
- The carrying value of mineral properties includes claim acquisition (option payments, value of common shares issued to optionors in connection with property transactions, costs of staking, etc.) and the costs of maintaining the claims in good standing including surface access payments to applicable local communities in Armenia (previously annual BLM and county charges in connection with the Nevada properties). The significant reduction in Q4 2024 was attributable to the sale of the Cobb Creek property (via the sale of Intermont) and the write off of the carrying value of the Hurricane in full (the lease agreement associated with the property was dropped in Q1 2025). Commencing in Q4 2024, the balance of mineral properties related solely to the properties in Armenia
- Reclamation bonds relate to exploration activities on both properties in Armenia and prior to Q4 2024, properties in Nevada (see 'Liquidity and going concern - Contractual commitments')
- Accounts payable and accrued liabilities comprise amounts due to third parties including accrued audit fees and recurring liabilities relating to ongoing operations in Armenia and Vancouver and previously in Nevada. The increases in both Q1 2025 and Q2 2025 relate in part to the commencement of exploration activity at both Armenian properties

- The relatively high balances due to related parties as at all dates relate to the ongoing deferral of certain management costs and advances provided by the President and CEO. In January 2025, the previously announced proposed terms of a debt restructuring agreement were approved by the TSXV (see 'Transactions with related parties')

Liquidity and going concern

As at December 31, 2024, the Company had a cash balance of $18,621 (March 31, 2024: $298,594), and a net working capital deficit of $366,339 (March 31, 2024: net working capital deficit of $84,329).

Going concern

The nature of the Company's operations results in significant expenditures for the acquisition, maintenance and exploration of mineral properties. To date, the Company has not generated any revenue from mining or other operations as it is considered to be in the exploration stage.

Given the Company's liquidity situation in recent years, management took a number of steps to preserve cash which resulted in the accumulation of a large balance owing to management (see 'Debt settlement agreements', below).

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from equity financings provided by the Company's existing shareholders and/or new shareholders or through other arrangements.

The following should be noted:
- In February 2025, the Company received $194,825 in connection with the March 2024 sale of Intermont (see 'Sale of Intermont')
- In January 2025, the Company sold a 1.25% NSR royalty covering all minerals produced from the Urasar gold-copper project for US$ 1,000,000 cash see 'NSR transaction', below)
- In January 2025, the Company received TSXV approval to proceed with the execution of previously - announced debt settlement agreements relating to amounts owing to two current and one former member of its management team totalling $499,333. The settlements involve the issuance of common shares, immediate cash payments, deferred cash payments and the forgiveness of part of the debt (see 'Management debt settlement', below)
- In July 2024, the Company closed a non-brokered private placement raising gross proceeds of $2,015,000 (see 'July 2024 private placement', below)

There is no assurance that the Company will continue to be successful in raising capital through private placements or other means.

The recoverability of the carrying value of mineral properties and deferred expenditures is dependent upon a number of factors including the existence of recoverable reserves, the ability of the Company to obtain financing to maintain properties in good standing and continue exploration and the discovery of economically recoverable reserves.

The Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

In the event the Company is unable to arrange appropriate financing, the carrying value of its assets and liabilities could be subject to material adjustment and the Company may not be able to meet its obligations as they become due in the normal course of business. Furthermore, these conditions indicate the existence of a material uncertainty that raises significant doubt as to the Company's ability to continue as a going concern.

Management debt settlement

Given the Company's liquidity situation in recent years, management took the following steps to preserve cash:

- Reduction in all marketing spend
- Reduction in office and administrative spend
- The President and CEO began working without remuneration when starting in this combined role in May 2021, but accrual of his remuneration commenced effective June 1, 2021. Payment of remuneration was deferred from this date through September 30, 2022 and then again commencing July 1, 2023 through May 31, 2024
- The payment of the CFO's remuneration was deferred from May 1, 2021 through June 30, 2022
- The payment of part of the former VP Exploration's remuneration was deferred from May 1, 2021 through June 30, 2022
- The reimbursement of certain expenses incurred by members of management on behalf of the Company was deferred since May 1, 2021

In addition to the foregoing, the Company's President and CEO advanced a total of $200,000 to the Company during Q2 2024 for various purposes of which $100,000 was repaid in Q3 2024 with the proceeds of the October 2023 non-brokered private placement.

A liability due to the President, CFO and former VP Exploration totalling $539,515 (excluding the $100,000 due to the President) had accumulated through June 30, 2024 as a result of the aforementioned deferrals. Certain of this balance was repaid subsequent to June 30, 2024 leaving a remaining liability of $499,333. In October 2024, the Company agreed the terms of a restructuring arrangement with the three individuals which was submitted to the TSXV for approval. This proposed debt settlement arrangement provided for the following:

- Issuance by the Company to the debtors of a total of 2,097,762 common shares at a deemed price of $0.10 per share (being the unit price of the non-brokered private placement that closed in July 2024) having a total deemed value of $209,776
- Immediate payment of a total of $100,000
- Deferred payment of a total of $109,777 to take place following the closing of the Company's next equity financing, and
- The two current members of the management team have agreed to forgive a total of $79,780 in debt (being 20% of the total amount owing to each).

In January 2025, the Company received TSXV approval to proceed with the execution of the debt settlement agreements at which time the 2,097,762 common shares were issued and the balance of the immediate payment of $100,000 was made.

The execution of the debt settlement agreements will be recognised in Q4 2025.

The total value of the common share issuance and the debt forgiveness amounts is $289,556.

The common shares issued are subject to a four-month hold period in accordance with applicable securities laws.

NSR transaction

In January 2025, the Company sold a 1.25% NSR royalty covering all minerals produced from the Urasar gold-copper project to Franco-Nevada and EMX for total cash proceeds of US$ 1,000,000.

Franco-Nevada and EMX paid the Company a combined US$ 1,000,000with Franco-Nevada contributing US$ 550,000 and EMX contributing US$ 450,000. Each company will retain a 0.625% NSR royalty interest. The Urasar NSR royalty acquisition represented the first co-investment between Franco-Nevada and EMX pursuant to their Joint Acquisition Agreement entered into between the two companies in August 2023.

In addition, each of Franco-Nevada and EMX were issued 250,000 share purchase warrants, which may be exercised on a one-for-one basis for common shares of the Company within 18 months following issuance at an exercise price of $0.22.

As part of the transaction, Franco-Nevada and EMX will have a right of first refusal in respect of any future royalty, stream or similar interest on Urasar.

July 2024 private placement

In July 2024, the Company announced the closing of a non-brokered private placement consisting of a total of 20,150,000 units at a price of $0.10 per unit for gross proceeds of $2,015,000.

Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $0.17 per share for a period of 18 months following closing of the private placement.

The net proceeds of the private placement will be used for ongoing exploration work at Vardenis and Urasar and general working capital purposes.

Subscribers to the private placement included Teck Resources Limited whose interest in the Company as at July 29, 2024 was 9.9% on a partially diluted basis.

Current directors and officers of the Company participated in the private placement subscribing for an aggregate of 3,525,000 units for gross proceeds of $352,500.

Dividends

The Company has neither declared nor paid any dividends on its common shares to date. The Company does not anticipate paying any dividends on its common shares in the foreseeable future.

Contractual commitments

The Company is responsible for remediating ground on its Vardenis property on which it undertook a diamond drill program in Q3 2024. The Company provided a refundable deposit to a ministry of the Armenian government amounting to the Armenian dram equivalent of approximately $16,792. The Company has estimated the cost of reclamation of the Vardenis property as at December 31, 2024 to be approximately $14,550.

The Company is responsible for remediating ground on its Urasar property on which it undertook a soil sampling program in Q3 2024 and a diamond drill program in Q3 2025. The Company provided a refundable deposit to a ministry of the Armenian government amounting to the Armenian dram equivalent of approximately $12,941. The Company has estimated the cost of reclamation of the Urasar property as at December 31, 2024 to be $16,369.

In order to maintain the option agreement associated with the Vardenis property in good standing, the Company is required to make option payments (including the issuance of common shares) and complete certain exploration work (see ‘Vardenis’).

The Company entered into an agreement dated October 1, 2024 with an Armenian entity related to Mendia and the Optionor to provide a minimum of 1,600 m of diamond drilling services in connection with the Urasar drill program. All contractual commitments associated with this agreement, including payment to the drill contractor, had been fully met by the Company as at December 31, 2024.

In addition to the foregoing, the Company has entered into agreements with local communities in connection with both the Vardenis and Urasar mineral properties pursuant to which it is required to make periodic payments to the local communities for specific purposes including surface access payments.

Other than as described above, the Company had no significant medium- or long-term contractual commitments as at December 31, 2024 or February 27, 2025 beyond its stated liabilities.

Legal proceedings

The Company was not involved in any legal proceedings as at either December 31, 2024 or February 27, 2025.

Off-balance sheet arrangements

The Company is not a party to any off-balance sheet arrangements.

Transactions with related parties

The Company incurred the following expenses resulting from transactions with related parties including officers and directors, a former officer and companies that are controlled by a current and former officer of the Company:

	9 months ended Dec. 31, 2024	9 months ended Dec. 31, 2023
Remuneration of officers of the Company (1)	$ 245,562	$ 177,393
Stock-based compensation relating to stock options issued to officers and directors of the Company	91,848	66,232
Recharge of exploration, claim and local administrative expenditures (2)	-	127,107
	$ 337,410	**$ 370,732**

Officers of the Company include its President, CEO, CFO and the former VP Exploration. The above schedule includes fees charged by companies controlled by an officer and former officer of the Company. See discussion in ‘Debt settlement agreements’ regarding the deferrals of management remuneration and reimbursement of expenditures that were introduced in fiscal 2022.

Certain exploration, local administrative and claim acquisition expenditures relating to the previous activity in Nevada were charged to the Company (both Intermont and Lithaur) by Tectonex, a company owned by the Company's former VP Exploration. Such charges totalled $nil in the nine months ended December 31, 2024 (nine months ended December 31, 2023: US$ 94,242 ($127,107). All such expenditures were recharged to the Company without margin or discount at the actual cost incurred by Tectonex.

The Company owed the following amounts to related parties including officers and directors, a former officer and companies that are controlled by a current and former officer of the Company:

		Dec. 31, 2024		March 31, 2024
Amounts owing to directors and officers relating to deferred remuneration and the reimbursement of expenses	$	447,261	$	378,278
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures		52,792		145,465
Advance provided by the President and CEO		100,000		100,000
	$	**600,053**	**$**	**623,743**

In August 2023, the President and CEO loaned $200,000 to the Company of which $100,000 was repaid with the proceeds of the October 2023 private placement. The Company expects to repay the remaining $100,000 of the loan with proceeds of the next equity financing.

Amounts due to related parties as at December 31, 2024 (including the advance from the President and CEO) were unsecured and non-interest bearing and had no set terms of repayment. See discussion above regarding the terms of a debt repayment arrangement under 'Management debt settlement'.

Outstanding share data

The Company has authorized capital of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares without nominal or par value.

Capital structure

The Company had the following common shares, warrants and stock options outstanding as at December 31, 2024 and February 27, 2025:

	Feb. 27, 2025	**Dec. 31, 2024**
Issued and outstanding common shares	60,985,857	58,888,097
Fully diluted	86,847,357	79,449,597
Share purchase warrants:		
October 27, 2025 ($0.17)	5,776,500	5,776,500
January 23, 2026 ($0.17)	10,075,000	10,075,000
July 21, 2026 ($0.22)	500,000	-
	16,351,500	15,851,500
Stock options	4,710,000	4,710,000
Performance share units	4,800,000	-

Changes in the capital structure during the nine months ended December 31, 2024 were as follows:

- July 5, 2024: issuance of 150,000 stock options to a contractor
- July 23, 2024 private placement: 20,150,000 common shares and 10,075,000 share purchase warrants
- August 21, 2024: issuance of 600,000 stock options to the Company's new CEO
- September 5, 2024: 116,000 common shares issued to the Company's new CEO
- November 5, 2024: forfeiture of 40,000 stock options held by two directors upon their resignation
- November 8, 2024: issuance of 600,000 stock options (550,000 to three non-executive directors and 50,000 to a contractor)
- December 27, 2024: Issuance of 700,000 common shares to the Vardenis optionor pursuant to the Vardenis option agreement.

Securities issued to new CEO

The Company appointed a new Chief Executive Officer in late August 2024. As part of his compensation package, the new CEO will receive an aggregate of 580,000 common shares of the Company to be issued as follows:

- 116,000 common shares upon TSXV approval (the "**Initial Issuance**"; issued)
- 116,000 common shares on the six-month anniversary of the Initial Issuance
- 116,000 common shares on the 12-month anniversary of the Initial Issuance
- 116,000 common shares on the 18-month anniversary of the Initial Issuance, and
- 116,000 common shares on the 24-month anniversary of the Initial Issuance.

The common shares associated with the Initial Issuance were issued on September 5, 2024.

The common shares will be issued at a deemed price equal to the market price of the Company's shares on the day preceding each issuance.

The new CEO also received 600,000 stock options that were issued on August 21, 2024.

Omnibus equity compensation plan

The Company's omnibus equity compensation plan (the "**Omnibus Plan**") was approved by the Company's shareholders at its 2024 annual general meeting in October 2024. The Omnibus Plan includes the ability to issue stock options, restricted share units ("**RSUs**"), performance share units ("**PSUs**"), and deferred share units ("**DSUs**", and together with stock options, RSUs and PSUs, the "**Awards**"). The aggregate number of common shares reserved for issuance in respect of stock options may not exceed 10% of the total number of issued common shares (calculated on a non-diluted basis) at the time a stock option is granted. The aggregate number of common shares issuable in respect of RSUs, PSUs and DSUs may not exceed 5,818,809 common shares. The Omnibus Plan replaced the Company's previous 10% rolling stock option plan with any stock options issued and outstanding pursuant to the Company's previous stock option plan continuing to be exercisable but governed by the Omnibus Plan.

In January 2025, the Company granted a total of 4,800,000 PSUs pursuant to the Omnibus Plan to certain directors, officers, and employees. The PSUs will expire if certain performance criteria have not been met within three years following the grant date. If the performance conditions are met, each vested PSU entitles the holder to receive one common share of the Company or, at the discretion of the board of directors of the Company, the obligation may be settled in cash.

Otherwise, the Company did not have any RSUs, PSUs or DSUs issued and outstanding as at December 31, 2024 or February 27, 2025.

Cautionary Statement on Forward-Looking Information and Risk Factors

This MD&A document contains 'forward-looking information' and 'forward-looking statements' (together, the "forward-looking statements") within the meaning of applicable securities laws. Such forward-looking statements concern the Company's anticipated operations in future periods, planned exploration and evaluation of its properties, and plans related to its business and other matters that may occur in the future. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. These forward-looking statements are made as of February 27, 2025.

Users of forward-looking statements are cautioned that actual results may vary from the forward-looking statements contained herein. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to:

- Risks related to the exploration and evaluation of natural resource properties
- Risks related to the uncertainty of mineral resource calculations and the inclusion of inferred mineral resources in economic estimations
- Risks related to fluctuations in future metal prices (particularly gold prices)
- Risks related to market events and conditions
- Risks related to governmental regulations, including without limitation, environmental laws and regulations
- Risks related to delays in obtaining governmental or regulatory approvals, licenses or permits
- Risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title
- Risks related to uncertainty associated with the Company's ability to obtain funding in the future
- Risks related to the Company's inability to meet its financial obligations under agreements to which it is a party (see 'Liquidity and going concern')
- Risks related to competition from larger companies with greater financial and technical resources, and
- Risks related to the Company's directors and officers becoming associated with other natural resource companies which may give rise to conflicts of interest.

Other risk factors associated with the Company are identified in the document entitled 'Filing Statement of Palisades Ventures Inc.' dated as at May 29, 2017 which is available on www.sedar.com.

The Company is also subject to possible political and/or military risk associated with Armenia's proximity to the disputed region of Nagorno Karabakh, also known as Artsakh. Nagorno Karabakh is a mountainous area located between Armenia and Azerbaijan that has been in dispute since the break-up of the Soviet Union in 1991. Military actions directed against the ethnic Armenian majority in Nagorno Karabakh have recently been undertaken by Azerbaijan.

Although the forward-looking statements contained in this document are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this document, and the Company assumes no obligation to update or revise them to reflect new events or circumstances except as may be required under applicable securities laws. There can be no assurance that forward-looking statements, or the material factors or assumptions used to develop such forward-looking statements, will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements.