

# Equity Metals Corporation

**MANAGEMENT DISCUSSION & ANALYSIS**

**For the Years Ended  
August 31, 2024 and 2023**

## **Introduction**

The following management’s discussion and analysis (“MD&A”) of the operations, results, and financial position of Equity Metals Corporation (the “Company” or “Equity Metals”) should be read in conjunction with the Company’s annual consolidated financial statements for the year ended August 31, 2024 and the audited consolidated financial statements for the year ended August 31, 2023 and the notes thereto.

The annual consolidated financial statements are prepared in accordance with IFRS Accounting Standards (as issued by the International Accounting Standards Board) applicable to the preparation of annual financial statements (“IFRS”) and include the operating results of the Company. Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A is dated December 20, 2024.

## **Business Description**

Equity Metals has continued its efforts to date with a sole business objective to identify, evaluate and explore mineral properties having high potential for the discovery of economic mineral deposits. The Company is a publicly traded company without any substantive operations, and thus, has realized no significant mining revenues to date. Equity Metals has a year end of August 31<sup>st</sup> and was incorporated on April 7, 1964 under the Company Act of British Columbia.

The Company is principally engaged in the acquisition, exploration and development of metal, silica, and diamond properties in British Columbia, Saskatchewan, and Northwest Territories, and accordingly has no revenue from any of its properties to date. The Company’s common shares trade on the TSX Venture Exchange under the trading symbol “EQTY” and on the OTCQB Venture Marketplace in the U.S. under the trading symbol “EQMEF”. The Company is extra-provincially registered in the Province of Saskatchewan and extra-territorially registered in the Northwest Territories.

## **Forward-Looking Information**

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company as of the reporting period under this disclosure. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “significant” and similar expressions, as they relate to the Company or its management are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated costs and availability of funding for the continued exploration and development of the Company’s exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

## **Mineral Project Activity**

**Silver Queen Property – Central British Columbia (100%) (For Metal Equivalents, the MDA has adopted methods for determining grade equivalents as ratios that take reasonable assumptions for recovery into account)**

The Company owns a 100% interest in 17 crown-granted titles, comprised of two surface and undersurface titles (40.47 ha) and 15 undersurface only titles, and 46 tenure claims covering 18,871 hectares in the Omineca Mining Division, near Owen Lake, British Columbia. The Silver Queen property is a past-producing Au/Ag/Zn epithermal vein system that currently has a significant high-grade resource on four of

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the more extensively drilled veins. Importantly, much of the well-drilled shallow mineralization is open to depth and along strike. The Company received approval in May 2020 from the Ministry of Mines for its multi-year Notice of Work (“NOW”) for the property. The five-year plan includes drilling from up to 50 surface sites and the construction of up to 6 kilometres of additional exploration trails. The focus of the upcoming work program remains the resource expansion of the vein deposits.

The Silver Queen property is within the Wet’suwet’en land claim, and they are included in the Notice of Work and permitting consultation process. The Company uses First Nations’ employees and contractors in all activities where appropriate and First Nation involvement is encouraged.

On January 16, 2023, the Company filed on SEDAR a National Instruments 43-101 (“NI 43-101”) compliant Technical Report entitled "Technical Report and Updated Mineral Resource Estimate of the Silver Queen Property, Omineca Mining District, British Columbia, Canada", which was prepared by P&E Mining Consultants Inc, Kirkham Geosystems Ltd. and Metallurgical Process Consultants.

**Table 1: Base Case Mineral Resource Estimate for the Silver Queen Project Utilizing a C\$100/t NSR cut-off value**

Indicated Resources Zone	Tonnes (kt)	Average Grade					AgEq (g/t)	AuEq (g/t)
		Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)		
No. 3 and NG3 Veins	2,942	150	2.45	0.25	0.7	3.8	569	6.9
Camp Vein	514	412	0.31	0.19	0.4	1.5	541	6.5
<b>Total</b>	<b>3,455</b>	<b>189</b>	<b>2.13</b>	<b>0.24</b>	<b>0.6</b>	<b>3.5</b>	<b>565</b>	<b>6.9</b>

Inferred Resources Zone	Tonnes (kt)	Average Grade					AgEq (g/t)	AuEq (g/t)
		Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)		
No. 3 and NG3 Veins	257	110	1.94	0.32	0.2	1.1	361	4.4
Camp Vein	1,664	176	0.64	0.22	0.6	2.1	366	4.4
<b>Total</b>	<b>1,920</b>	<b>167</b>	<b>0.82</b>	<b>0.23</b>	<b>0.5</b>	<b>2.0</b>	<b>365</b>	<b>4.4</b>

Indicated Resources Zone	Tonnes (kt)	Contained Metal					AgEq TrOz (kcozs)	AuEq TrOz (kcozs)
		Ag TrOz (kcozs)	Au TrOz (kcozs)	Cu (Mlbs)	Pb (Mlbs)	Zn (Mlbs)		
No. 3 and NG3 Veins	2,942	14,168	232	16	43	249	53,852	657
Camp Vein	514	6,808	5	2	5	17	8,940	108
<b>Total</b>	<b>3,455</b>	<b>20,976</b>	<b>237</b>	<b>18</b>	<b>48</b>	<b>267</b>	<b>62,792</b>	<b>765</b>

Inferred Resources Zone	Tonnes (kt)	Contained Metal					AgEq TrOz (kcozs)	AuEq TrOz (kcozs)
		Ag TrOz (kcozs)	Au TrOz (kcozs)	Cu (Mlbs)	Pb (Mlbs)	Zn (Mlbs)		
No. 3 and NG3 Veins	257	911	16	2	1	6	2,975	36
Camp Vein	1,664	9,387	34	8	22	78	19,562	237
<b>Total</b>	<b>1,920</b>	<b>10,298</b>	<b>50</b>	<b>10</b>	<b>23</b>	<b>84</b>	<b>22,536</b>	<b>273</b>

- 1) The current Mineral Resource Estimate was prepared by Garth Kirkham, P.Geo., of Kirkham Geosystems Ltd and Eugene Puritch, P. Eng., FEC, CET and Fred Brown, P. Geo. of P&E Mining Consultants Inc. (“P&E”), Independent Qualified Persons (“QP”), as defined by National instrument 43-101.
- 2) All Mineral Resources have been estimated in accordance with Canadian Institute of Mining and Metallurgy and Petroleum (“CIM”) definitions, as required under National Instrument 43-101 (“NI43-101”).

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- 3) *Mineral Resources were constrained using continuous mining units demonstrating reasonable prospects of eventual economic extraction.*
- 4) *Silver and Gold Equivalents were calculated from the interpolated block values using relative process recoveries and prices between the component metals and silver to determine final AgEq and AuEq values.*
- 5) *Silver and Gold Equivalents and NSR\$/t values were calculated using average long-term prices of \$20/oz silver, \$1,700/oz gold, \$3.50/lb copper, \$0.95/lb lead and \$1.45/lb zinc. All metal prices are stated in \$USD. The C\$100/tonne NSR cut-off grade value for the underground Mineral Resource was derived from mining costs of C\$70/t, with process costs of C\$20/t and G&A of C\$10/t. Process recoveries used were Au 70%, Ag 80%, Cu 80%, Pb 81% and Zn 90%.*
- 6) *Grade capping was performed on 1m composites for the No. 3 and NG-3 veins and whole vein composites for the Camp and Sveinson veins. For the No. 3 and NG-3 veins Inverse distance cubed (1/d<sup>3</sup>) was utilized for grade interpolation for Au and Ag and inverse distance squared (1/d<sup>2</sup>) was utilized for Cu, Pb and Zn. Inverse distance squared (1/d<sup>2</sup>) was used for all metals in the Camp and Sveinson veins.*
- 7) *A bulk density of 3.56t/m<sup>3</sup> was used for all tonnage calculations in the No. 3 and NG-3 veins. A variable density with a 3.15 average was used for the Camp and Sveinson veins.*
- 8) *Mineral Resources are not Mineral Reserves until they have demonstrated economic viability. Mineral Resource Estimates do not account for a Mineral Resource's mineability, selectivity, mining loss, or dilution.*
- 9) *An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.*
- 10) *All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.*

The updated Independent Mineral Resource Estimate ("MRE") for the Silver Queen Project features lateral and down-dip extensions of the previously modelled No. 3 and NG-3 Veins, originally included in the 2019 MRE, and new, previously unmodelled mineralization from the Camp and Sveinson Targets. The MRE: ( ):

- Increase in the Indicated Category:
  - 187% increase to 62.8Mozs AgEq, and
- Increase in the Inferred Category:
  - 30% increase to 22.5Mozs AgEq

(Silver equivalency was calculated using relative process recoveries and prices between the component metals and silver as identified in Table 1).

In addition to the size and quality of the current Mineral Resource Estimate, and the now-enhanced exploration potential, the property has several other important attractive features, including: a) the property is wholly owned by the Company with no underlying option payments and no royalty burdens; b) logistics are excellent with good road access from the town of Houston, B.C., a small camp on site, moderate topography, and location in the snow shadow of the Coast Range; c) abundant mining activity occurs in the region; and d) power and water are available.

### *Exploration Highlights*

Equity continued core drilling on its flagship Silver Queen property during 2023 with the twin goals of extending select known mineralized veins and of identifying new mineralization that may further increase the project's resource base, for which an independent 2022 resource estimate demonstrated a significant increase compared to the Company's 2019 resource. Importantly, the Company conducted initial drilling on two targets that are not included in the current Silver Queen resource, George Lake and Cole Lake.

Twenty-six core holes were completed for a total of 9,989 metres over three phases of drilling in 2023. Eight rock chip samples and 1,437 soil sediment samples were also collected as part of continued surface work on the property. Drilling successfully demonstrated lateral and down-dip extensions of the known Camp and Sveinson deposits and identified several shallow hanging-wall veins which remain to be further tested both

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laterally and at depth. Drilling also confirmed the significant exploration potential of the new George Lake and Cole Lake targets which were originally identified in historic exploration on the property but were previously not explored by the Company and were not included in the 2022 Mineral Resource update.

On April 29, 2024, the Company announced that crews mobilized in preparation for the 2024 Exploration Season. Drilling commenced in early May and continues. Twenty-four core holes totalling 10,543 metres were completed as part of the Summer 2024 exploration program, which includes 18 drillholes totalling 7,541 metres at the George Lake target, four drillholes totalling 2,687 metres at the Camp target, and two drillholes totalling 975 metres at the Camp North target.

Drilling has successfully extended the George Lake target up to 550 metres to the southeast of the original discovery, returned further Bonanza-grade silver intercepts from several veins along the western margin of the Camp Deposit and made a new, thick sulphide-rich drill discovery at the Camp North target, which remains open to extension. Exploration continues on the property with new drilling on the No. 3 Vein North target that started in late September that will continue through the Fall

Drill highlights from the George Lake Target include:

- A 1.2 metre (est. TT) interval grading 2.0g/t Au, 173g/t Ag, 0.1% Cu, 4.2% Pb and 12.9% Zn (16.0g/t AuEq or 1190g/t AgEq) in drillhole SQ23-105;
- A 0.4 metre (est. TT) interval grading 58.2g/t Au, 66g/t Ag, 1.2% Pb and 1.3% Zn (60.7g/t AuEq or 4512g/t AgEq) in drillhole SQ24-113; and
- A 0.5 metre (est. TT) interval grading 0.8g/t Au, 67g/t Ag, 0.2% Cu, 3.7% Pb and 17.9% Zn (17.1g/t AuEq or 1269g/t AgEq) in drillhole SQ24-111.

(Silver equivalency was calculated using relative process recoveries and prices between the component metals and silver as identified in Table 1).

Drilling on the George Lake target continues to provide definition to multiple veins found in the target area which form clusters of gold and silver-enriched, northwest-trending polymetallic veins. Two prominent vein sets and several clusters of thicker intercepts have been identified in 3D modelling. Further analysis continues in order to define prospective targets down-dip of the thicker and higher-grade “ore-shoots” for follow-up drill testing.

Drill highlights from the Camp Deposit include:

- A 0.7 metre (est. TT) interval grading 7,099g/t Ag, 0.4g/t Au, 0.3% Cu, 2.0% Pb and 5.4% Zn (101.3g/t AuEq or 7,532g/t AgEq) *within* a 3.5 metre (est. TT) interval averaging 1,501g/t Ag, 0.5g/t Au, 0.1% Cu, 0.8% Pb and 5.9% Zn (25.6g/t AuEq or 1,901g/t AgEq) in drillhole SQ24-124; and
- A 0.7 metre (est. TT) interval grading 1,156g/t Ag, 0.3g/t Au, 0.8% Pb and 0.8% Zn (16.9g/t AuEq or 1,257g/t AgEq) *within* a 2.3 metre (est TT) interval grading 484g/t Ag, 0.2g/t Au, 0.5% Pb and 0.6% Zn (7.5g/t AuEq or 557g/t AgEq) in drillhole SQ24-123.

Drilling on the Camp Deposit continues to provide definition to the veins along the western margin of the Camp Deposit, has verified a significant new hangingwall vein within the deposit and identified deeper mineralized intervals that remain open for further delineation and potential extension.

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Strongly precious metal-enriched mineralization was also identified in a new discovery located 300m to the north of the Camp Deposit. Drilling at the Camp North Target returned:

- A 1.8 metre (downhole thickness) interval averaging 0.4g/t Au, 210g/t Ag, 3.2%Pb and 7.4% Zn (10.2g/t AuEq or 761g/t AgEq) within a broader 8.6 metre (downhole thickness) interval averaging 0.2g/t Au, 67g/t Ag, 1.0% Pb and 4.2% Zn (4.7g/t AuEq or 352g/t AgEq) in drillhole SQ24-128.

This mineralization is open both vertically and laterally for future targeting.

On October 1, 2024, the Company announced that drilling recommenced on the Silver Queen property. Drilling targeted the No. 3 North area and two veins in the Camp Deposit. Sixteen core holes totaling 5,952 metres were completed on the No. 3 North Target from two setups. This is a new target area for the Company, which extends to the northwest from the No. 3 Vein deposit. The No. 3 Vein Deposit and its southeast extension into the NG-3 deposit are the largest deposits identified on the property and contain up to 65% of the current mineral resources on a AgEq basis. Two holes totaling 702 metres were also completed on the Camp Deposit.

On October 28, 2024, the Company reported the final assay results from the summer 2024 drill program on the Silver Queen property and provided drilling update. New highlight assays from the George Lake Target include intercepts from hole SQ24-120:

- A 0.5 metre (Est. TT) interval grading 2.6g/t Au , 81g/t Ag, 2.2% Pb and 11.5% Zn (13.6g/t AuEq or 1,008g/t AgEq) within a broader 1.5 metre (est. TT) interval averaging 1.2g/t Au, 38g/t Ag, 0.8% Pb and 3.8% Zn (5.0g/t AuEq or 375g/t AgEq) starting 247.4m downhole; and
- A 0.6 metre (Est. TT) interval grading 2.0g/t Au, 51g/t Ag , 0.6% Pb and 11.9% Zn (12.0g/t AuEq or 895g/t AgEq) within a broader 3.5 metre (est. TT) interval averaging 0.5g/t Au, 17g/t Ag, 0.6% Pb and 2.8% Zn (3.1g/t AuEq or 234g/t AgEq) starting 272.7m downhole.

New assay results were received from the Camp Deposit that identified both hangingwall and footwall veins adjacent to earlier reported intercepts of the main target veins and include:

- A 1.0 metre (est. TT) interval averaging 2.5/t Au, 57g/t Ag, 1.1% Pb and 11.6% Zn (12.9g/t AuEq or 958g/t AgEq) from a shallow hangingwall vein in drillhole SQ24-123; and
- A 2.4 metre (est. TT) interval averaging 0.1g/t Au, 173g/t Ag, 0.1% Pb and 0.3% Zn (2.7g/t AuEq or 202g/t AgEq) from a deeper footwall vein in drillhole SQ24-123.

Forty-two core holes totalling 17,209 metres were completed as part of Equity's 2024 exploration program. Drilling resulted in the delineation of a 550-metre strike-length for mineralization in the George Lake target and 400-metre strike-length for mineralization in the No. 3 North target, as well as several extensions of earlier identified veins in the Camp Deposit and a new discovery in the Camp North target. Assays are pending from the final 10 drill holes from the 2024 exploration season.

Work in 2025 will continue to incorporate the 2024 drill data into revised exploration and resource models toward a Mineral Resource update to be prepared in 2025 and further exploration drilling on the ever-expanding Silver Queen vein system.

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**La Ronge Silica Project (100%)**

The Company owns a 100% interest in the La Ronge Silica Project, an historic sand quarry located in central Saskatchewan, approximately 60 kilometers south-southeast of La Ronge, Saskatchewan and 210 kilometers west of Flin Flon, Manitoba. The Mineral Lease covers an area of 54 acres. Although silica has many industrial uses, one potentially new use for high-purity silica sand is as feedstock to produce silicon for use in lithium cathodes batteries. Silicon is being tested by the electric-car industry to replace or augment carbon in lithium battery anodes to dramatically extend the time between charging. Other possible conventional uses exist in the ceramics and glass industries.

During November 2021 the Company engaged a geological consultant to sample material exposed in the historic quarry. On April 12, 2022, the Company announced the results of analyses and test work on the sampled material. Results are positive, indicating the ability to upgrade to high-purity silica (>98% SiO<sub>2</sub>), a specialty product, with simple washing of sand to remove clays. The sand ranges from poorly consolidated to unconsolidated, potentially eliminating the need for blasting and crushing. The results from the La Ronge Silica property are encouraging and suggest it may become a “third leg” value to Equity, particularly if silicon becomes an important component to vastly improve lithium batteries. The expiry date of the lease is December 11, 2029.

**Monument Diamond Property - Lac de Gras, Northwest Territories (57.49%)**

The Company holds a 57.49% working interest and is operator of the Monument Diamond Project, in the Mackenzie District Mining Division, NWT, a property comprising 3 mining leases and 2 staked claims covering, in aggregate, approximately 3,581 ha and located about 40km from both the Diavik and Ekati diamond mines and some 300 km north of Yellowknife. The 3 mining leases, subject to making annual lease payments, have been renewed to May 9, 2044, and the 2 staked claims have work credits in good standing until May 2, 2027. The property hosts 12 different diamond-bearing kimberlites with a total of 2,437 microdiamonds recovered from past drilling; the largest discovered to date being 0.445 carats. Organic carbon has been identified in some of the kimberlite pipes on the property, indicating a near surface, eruptive level of the kimberlite pipe. In February 2021, the Company initiated a 'tow-mag' survey (magnetometer survey pulled by snowmobile) at a 50m line spacing on two claims on the Monument Diamond project. The claims are located to the north of the leases that make up the main tenures of the property and the new survey links up with existing magnetics over the main portion of the property. In addition, this work meets the Company's exploration and assessment requirements for these claims.

The property is subject to 2% gross overriding royalty, a portion of which is held by the Company. Equity Metals is the operator of the joint venture where two parties hold the remaining 42.51%. The Company has a been granted a two-year extension on its Type “A” Land Use Permit from the Wek'èzhii Land and Water Board, which now expires September 1, 2026. The partners have posted the increased cash bond to cover additional reclamation costs, which were incurred in Q3 2020 for minor remediation. The diamond market has recovered from its low, and Monument is considered to be a valuable asset that does not need to be aggressively pursued at this time as the Company focuses on advancing the Silver Queen project.

**Arlington Property**

On November 5, 2024, the Company entered into an option agreement (the “Agreement”) with Origen Resources Inc. (“Origen”) to acquire a 100% interest in the Arlington Property located within the Arrow Boundary District of south-central British Columbia. The property is comprised of 9 claims totaling approximately 3,584 ha. In order to acquire the undivided 100% interest, the Company is required to:

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(a) Pay to Origen:

- \$50,000 upon execution of this Agreement (paid);
- \$30,000 upon execution of this Agreement (as reimbursement of costs associated with the bond posted in regards to the current drill permit) (paid); and
- \$50,000 on or before the first anniversary of Regulatory Approval.

(b) Issue and deliver to Origen common shares (the “Shares”) of the Company:

- \$200,000 worth of Shares (issued) within 7 Business Days of Regulatory Approval; and
- \$200,000 worth of Shares, or 2 million shares, whichever is the greater, on or before the first anniversary of Regulatory Approval;

with the number of such Shares to be calculated on the basis of the volume-weighted average price of the Shares on the Exchange for the most recent 20 trading days prior to the date of issuance, subject to a minimum deemed issue price set at the Discounted Market Price (as defined in the policies of the Exchange) of the Shares at the time of announcement of this Letter Agreement by way of news release; and

(c) Incur aggregate exploration expenditures on the Claims of not less than \$250,000 on or before the first anniversary of Regulatory Approval.

The property is subject to a net smelter return royalty (the “NSR Royalty”) in the amount of 2% of net smelter returns. The Company has an option to purchase 1% of the NSR Royalty at any time for \$1,000,000.

**WO Claim Block – operated by DeBeers Canada Inc.**

Equity Metals holds an indirect 4.47% interest in the WO Diamond property, a property comprising eight leases and approximately 5,816 ha, which immediately adjoins the Diavik Diamond Mine claims, some 300 km north of Yellowknife. The WO Diamond property is a joint venture ownership consisting of DeBeers Canada Inc. (“De Beers”) (72.13%), Archon Minerals Limited (17.57%) and DHK Diamonds Inc. (10.30%), with DeBeers being the project operator. The Company has a cost contribution commitment, commensurate with its interest, to fund the costs of operating the WO claim block. No contributions were required for the year ended August 31, 2024 (2023 - \$nil).

An encouraging 2007 bulk sample produced individual rough diamonds up to 9.45 carats. DHK has not, to date, received proposed work plans for 2024/2025 from DeBeers.

**Greenwood Royalty**

Equity Metals retained a royalty interest from the sale of its indirect ownership of a group of claims in the Greenwood mining district in B.C. (“Greenwood claims”) to Golden Dawn Minerals Inc. (“Golden Dawn”) in 2017. During the year-ended August 31, 2024 a judicial Order terminated Golden Dawn’s ownership of the Greenwood claims, and also extinguished the contractual royalty interest held by Equity Metals therein resulting in the Company no longer holding a royalty interest in the Greenwood claims.

Further information on the Company’s projects, applicable resource updates and related news releases are available on the Company’s website at <https://equitymetalscorporation.com/>.



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**Qualified Person**

Robert Macdonald, MSc. P.Geo, is VP Exploration of Equity Metals and a Qualified Person as defined by National Instrument 43-101. He is responsible for the supervision of the exploration on the Silver Queen project and has reviewed the technical information in this MD&A.

John R. Kerr, P.Eng. is Qualified Person as defined by National Instrument 43-101. He is responsible for the supervision of the exploration on the La Ronge Silica project and has reviewed and approved the technical information in this MD&A.

**Exploration and Evaluation Expenditures**

Exploration and evaluation expenditures incurred for the years ended August 31, 2024 and 2023 were as follows:

	La Ronge Silica project		Silver Queen property		Monument Diamond property		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Assay analysis	-	-	480,671	280,606	-	-	480,671	280,606
Camp preparation	-	-	433,616	171,298	-	-	433,616	171,298
Depreciation	-	-	7,916	6,906	-	-	7,916	6,906
Drilling	-	-	1,589,355	789,599	-	-	1,589,355	789,599
General exploration	-	307	444,088	269,922	3,949	15,862	448,037	286,091
Geology	1,211	1,787	609,827	497,983	3,213	3,394	614,251	503,164
Geophysics	-	-	41,530	5,813	-	-	41,530	5,813
Environmental and reclamation	-	-	29,960	92,298	20,000	-	49,960	92,298
Property, assessment/taxes	200	195	1,214	1,074	15,455	-	16,869	1,269
	<b>1,411</b>	<b>2,289</b>	<b>3,638,177</b>	<b>2,115,499</b>	<b>42,617</b>	<b>19,256</b>	<b>3,682,205</b>	<b>2,137,044</b>
Receipt of BC METC*	-	-	(81,033)	(315,810)	-	-	(81,033)	(315,810)
	<b>1,411</b>	<b>2,289</b>	<b>3,557,144</b>	<b>1,799,689</b>	<b>42,617</b>	<b>19,256</b>	<b>3,601,172</b>	<b>1,821,234</b>

\* Government assistance arises from the receipt of refundable BC Mining Exploration Tax Credits.

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**Selected Annual Information**

The table below provides selected financial information derived from the audited consolidated financial statements of the Company for each of the past three years ended August 31.

<b>August 31</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenues	nil	nil	nil
Net income (loss)	(4,078,590)	(2,906,657)	(5,007,057)
Net income (loss) per share (basic & diluted)	(0.02)	(0.02)	(0.05)
Total assets	5,498,417	3,344,943	802,490
Total liabilities	1,532,290	287,496	96,864
Dividends declared	nil	nil	nil

During the year ended August 31, 2024, the company closed two private placements raising gross proceeds of \$5,674,200. Additional cash raised during the year is the primary reason for the increase in total assets as cash increased from \$2,951,659 at August 31, 2023 to \$5,000,044 at August 31, 2024.

The losses in the years-ended 2024, 2023 and 2022 arise from exploration and evaluation expenditures and administration expenses, including share-based compensation. Fluctuations in net loss for from the year ended August 31, 2024 to August 31, 2023 and to August 31, 2022 relate primarily to changes in exploration and evaluation activities in those years.

**Results of Operations**

***Year ended August 31, 2024***

During the year ended August 31, 2024, the Company reported a net loss of \$4,078,590 or \$0.03 loss per share (2023 - \$2,906,657 or \$0.02 loss per share).

	<b>Aug 31, 2024</b>	<b>Aug 31, 2023</b>
<b>For the years ended</b>	<b>\$</b>	<b>\$</b>
Exploration and evaluation expenses, net of recoveries	<b>(3,601,172)</b>	(1,821,234)
Administration expenses (excluding share-based compensation)	<b>(947,432)</b>	(655,655)
Share-based compensation	<b>(389,537)</b>	(478,659)
Interest income and miscellaneous	<b>59,857</b>	49,220
Foreign exchange loss	<b>(4,346)</b>	(2,872)
Flow-through premium recovery	<b>847,854</b>	2,543
Part XII.6 tax arising on flow-through financings	<b>(43,814)</b>	-
<b>Net loss and total comprehensive loss for the year</b>	<b>(4,078,590)</b>	(2,906,657)

The net loss and total comprehensive loss for year ended August 31, 2024, increased compared the year ended August 31, 2023 mainly due to the increase in the Company's exploration activities from \$1,821,234 to \$3,601,172, offset by an increase in the flow-through premium recovery of \$847,854 (2023 - \$2,543). Additionally, the Company paid and accrued for part XII.6 tax of \$43,814 arising on flow-through financings (2023 - \$Nil).

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During the year ended August 31, 2024, the most significant exploration and evaluation expenses were related to drilling costs of \$1,589,355 (2023 - \$789,599), geology costs of \$614,251 (2023 - \$503,164), assay analysis of \$480,671 (2023 - \$280,606), general exploration expense of \$448,037 (2023 - \$286,091) and camp costs of \$433,616 (2023 - \$171,298). During the year ended August 31, 2024, the Company received \$81,033 (2023 - \$315,810) in the form of BC Mineral Exploration Tax Credits which were applied against the costs of exploration.

The significant categories in administration expenses for year ended August 31, 2024, includes legal, audit and accounting costs of \$218,155 (2023 - \$171,484), share-based compensation of \$389,537 (2023 - \$478,659), and travel and promotion costs of \$484,514 (2023 - \$287,041). An increase in legal, audit and accounting costs is due to additional support work related to the December 2023 and June 2024 private placements as well as an overall increase in operational activities. The increase in travel, marketing and promotion costs incurred during the year ended August 31, 2024 arises from the additional efforts in corporate development activities to promote the Company, shareholder communication and engaging potential investors.

***Three months ended August 31, 2024***

During the three months ended August 31, 2024, the Company reported a net loss of \$1,739,847 or \$0.01 loss per share (2023 - \$1,219,591 or \$0.01 loss per share).

	<b>Aug 31, 2024</b>	<b>Aug 31, 2023</b>
<b>For the three months ended</b>	<b>\$</b>	<b>\$</b>
Exploration and evaluation expenses, net of recoveries	<b>(1,890,857)</b>	(877,871)
Administration expenses (excluding share-based compensation)	<b>(376,848)</b>	(138,104)
Interest income and miscellaneous	<b>31,330</b>	20,679
Foreign exchange loss	<b>(1,116)</b>	(232)
Flow-through premium recovery	<b>497,952</b>	224,063
Part XII.6 tax arising on flow-through financings	<b>(308)</b>	-
<b>Net loss and total comprehensive loss for the period</b>	<b>(1,739,847)</b>	(1,219,591)

The net loss and total comprehensive loss for three months ended August 31, 2024, increased compared to the same period in the prior year mainly due to the increase in the Company's exploration activity from \$877,871 in the three months ended August 31, 2023 to \$1,890,857 in the same period of 2024 and an increase in the administration expenses from \$138,104 in 2023 to \$376,848 in 2024, offset by the flow-through premium recovery of \$497,952 during the three months ended August 31, 2024 compared with a flow-through premium recovery of \$224,063 during the same period last year.

During the three months ended August 31, 2024, the most significant exploration and evaluation expenses were related to drilling of \$793,671 (2023 - \$314,204), assay analysis of \$323,084 (2023 - \$256,316), camp preparation costs of \$277,076 (2023 - \$69,426), geology costs of \$214,310 (2023 - \$117,537), general exploration expenses of \$194,667 (2023 - \$111,561).

The significant categories in administration expenses for three months August 31, 2024, includes travel, promotion and marketing of \$261,798 (2023 - \$66,270), legal, audit and accounting costs of \$38,107 (2023 - \$29,613); and licences, fees and other of \$34,098 (2023 - \$11,967). An increase in legal, audit and

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accounting costs, licences, fees and other costs is due to increased corporate secretary fees and additional accounting support work related to the June 2024 private placement. The increase in travel, marketing and promotion costs incurred during the three months ended August 31, 2024 arises from the additional efforts in corporate development activities to promote the Company, shareholder communication and engaging potential investors.

**Quarterly Information**

The following table sets forth selected financial information from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended August 31, 2024. No cash dividends were declared in any of the reported periods.

	<b>Aug 31, 2024</b>	<b>May 31, 2024</b>	<b>Feb 28, 2024</b>	<b>Nov 30, 2024</b>
<b>Three months ended</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenues	nil	nil	nil	Nil
Net income (loss)	(1,739,847)	(732,514)	(681,372)	(924,857)
Net income (loss) per share	(0.01)	-	-	(0.01)

\* *The aggregate of quarterly per share amounts may not equal the annual per share amount due to rounding in the calculations.*

	<b>Aug 31, 2023</b>	<b>May 31, 2023</b>	<b>Feb 28, 2023</b>	<b>Nov 30, 2022</b>
<b>Three months ended</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenues	nil	nil	nil	nil
Net income (loss)	(1,219,591)	(1,238,131)	(185,333)	(263,602)
Net income (loss) per share	(0.01)	(0.01)	-	-

\* *The aggregate of quarterly per share amounts may not equal the annual per share amount due to rounding in the calculations.*

The changes in quarterly net loss from fiscal 2023 to fiscal 2024 are primarily driven by the changes in and the timing of the Company's exploration activities.

**Financing**

**Year ended August 31, 2024**

During the year ended August 31, 2024 shares were issued for the following:

On June 19, 2024, the Company closed a non-brokered flow-through private placement by issuing 13,760,000 premium / charity flow-through units (the "Units") at a price of \$0.295 per Unit for gross proceeds of \$4,059,200. Each Unit consists of one flow-through common share and one-half of one share purchase warrant, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of three years, until June 20, 2027, at an exercise price of \$0.295. The Company incurred cash issuance costs of \$101,824 and issued an aggregate 414,600 non-transferable finder warrants in connection with the Offering. Each finder warrant is exercisable to purchase one common share for a period of 3 years at a price of \$0.20. The fair value of the finders' warrants of \$64,397 was calculated using

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the Black-Scholes Model and the following assumptions: share price - \$0.21; expected life – 3 years; volatility –124.43%; discount rate – 3.44%; dividend rate – \$nil.

On December 20, 2023, the Company closed a non-brokered flow-through private placement by issuing 8,500,000 premium flow-through units (the "Units") at a price of \$0.19 per Unit for gross proceeds of \$1,615,000. Each Unit consists of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one non-flow through common share for a period of 5 years, until December 20, 2028, at an exercise price of \$0.18. The Company incurred cash issuance costs of \$37,338 in connection with the private placement.

During the year ended August 31, 2024, the Company issued 4,367,000 shares upon exercise of warrants for gross proceeds of \$594,405. Fair value of \$11,063 was reclassified from Reserves to Share Capital in connection with the warrant exercise. At August 31, 2024, the Company also collected \$15,000 from the exercise of 100,000 warrants at the exercise price of \$0.15 per common share for which 100,000 shares were issued subsequent to August 31, 2024.

During the year ended August 31, 2024, the Company issued 414,000 shares upon exercise of 414,000 options with a weighted-average exercise price of \$0.12 for gross proceeds of \$47,890. The Company reclassified the fair value of \$41,755 from Reserves to Share Capital associated with the 414,000 options exercised during the year (2023 - \$19,620 of fair value associated with the 200,000 options exercised). During the year ended August 31, 2024, weighted average share price at the date of option exercises was \$0.20 (2023 - \$0.25).

**Subsequent to August 31, 2024**

Subsequent to August 31, 2024, the Company issued 8,029,000 common shares in connection with the exercise of warrants with a weighted average exercise price of \$0.13 and 1,636,000 common shares in connection with the exercise of stock options with a weighted average exercise price of \$0.09.

Subsequent to August 31, 2024, the Company closed a non-brokered flow-through private placement by issuing 9,160,657 premium / charity flow-through units (the "Units") at a price of \$0.27 per Unit for gross proceeds of \$2,473,377. Each Unit consists of one flow-through common share and one-half of one share purchase warrant, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of three years at an exercise price of \$0.27.

**Year ended August 31, 2023**

During the year ended August 31, 2023, shares were issued for the following:

On December 29, 2022, the Company closed the first tranche of its non-brokered private placement by issuing a total of 13,045,233 flow-through units, as follows: the first tranche consisted of (i) 8,333,333 flow-through units (the "FT Units") sold at a price of \$0.12 per FT Unit for gross proceeds of \$1,000,000; and (ii) 4,711,900 premium flow-through units (the "PFT Units") sold at a price of \$0.147 per PFT Unit for gross proceeds of \$692,649 for aggregate total gross proceeds of \$1,692,649. No flow-through premium was recognized in relation to the transaction as the market price of the Company's common share at the date of issuance of the FT and PFT Units was higher than the subscriptions prices of each of the FT and PFT Units. Each FT Unit and PFT Unit consists of one flow-through common share and one share purchase warrant. The warrants for all units are the same with each warrant entitling the holder to purchase one non-flow-through common share for a period of 3 years, until December 29, 2025, at an exercise price of \$0.15 per common share. In addition, the Company incurred cash finders' fees of \$42,476 and issued 353,964 finders'

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warrants which are exercisable at \$0.15 per common share for a period of 3 years, until December 29, 2025. The fair value of the finders' warrants of \$55,445 was calculated using the Black-Scholes Model and the following assumptions: share price - \$0.19; expected life - 3 years; volatility - 144.8%; discount rate - 3.60%; dividend rate - \$nil.

On January 16, 2023, the Company closed its final tranche of the private placement by issuing 10,500,000 non-flow-through units (the "NFT Units") at a price of \$0.10 per NFT Unit for gross proceeds of \$1,050,000. Each NFT Unit consists of one non-flow-through common share and one share purchase warrant. The warrants for the NFT Units entitle the holder to purchase one non-flow-through common share for a period of 3 years, until January 26, 2023, at an exercise price of \$0.15 per common share. In addition, the Company incurred cash finders' fees of \$13,680 and issued 136,800 finders' warrants which are exercisable at \$0.15 per common share for a period of 3 years, until January 26, 2023. The fair value of the finders' warrants of \$17,674 was calculated using the Black-Scholes Model and the following assumptions: share price - \$0.16; expected life - 3 years; volatility - 145.1%; discount rate - 3.21%; dividend rate - \$nil. In addition, the Company incurred aggregate other cash issuance costs of \$64,742 relating to the December 29, 2022 and January 16, 2023 non-brokered private placements.

On August 16, 2023, the Company closed a private placement by issuing a total of 6,263,112 flow-through units ("FT Units") at a price of \$0.13 per FT Unit for gross proceeds of \$814,205. A flow-through premium of \$125,262 was recognized in connection with the transaction, calculated as the difference between the market price of the Company's common shares and the subscription price of FT Units at the date of issuance of the FT Units multiplied by the number of Units issued. Each FT Unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow-through common share for a period of 3 years at a price of \$0.20 per common share. The Company incurred cash finders' fees of \$44,952 and issued 345,787 finders' warrants in connection with the private placement. Finders' warrants are exercisable for a period of 3 years, 246,508 of which are exercisable at \$0.20 per common share and 99,279 of which are exercisable at \$0.13 per common share. The fair value of the finders' warrants of \$26,227 was calculated using the Black-Scholes Model and the following weighted-average assumptions: share price - \$0.11; expected life - 3 years; volatility - 129.31%; discount rate - 4.36%; dividend rate - \$nil. In addition, the Company incurred other cash issuance costs of \$19,774 relating to the non-brokered private placements.

During the year ended August 31, 2023, 15,138,500 warrants were exercised resulting in proceeds of \$1,513,851 and 200,000 options were exercised resulting in proceeds of \$20,000.

### **Liquidity and Capital Resources**

The consolidated financial statements for the year ended August 31, 2024, have been prepared on the basis of accounting principles applicable to a going concern. This assumes that Equity Metals will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Equity Metals has incurred operating losses over several fiscal years, has limited financial resources, no source of operating cash flow and no assurances that sufficient funding, including adequate financing, will be available to further explore its mineral property projects and to cover the overhead costs necessary to maintain a public company in good standing.

At August 31, 2024, Equity Metals had cash on hand of \$5,000,044 and a current working capital of \$3,745,492 compared to cash on hand of \$2,951,659 and a working capital of \$2,841,252 at August 31, 2023. The net increase in cash for the period is primarily from net cash received from financing activities of \$6,192,333, arising primarily from the private placements completed and cash received from warrant and option exercises during the year ended August 31, 2024, offset by cash used in operations of \$4,127,246.

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**Working Capital**

<b>As at</b>	<b>Aug 31, 2024</b>	<b>Aug 31, 2023</b>
	\$	\$
Current Assets	<b>5,277,782</b>	3,128,748
Current Liabilities	<b>1,532,290</b>	287,496
<b>Current Working Capital</b>	<b>3,745,492</b>	2,841,252

**Critical Accounting Estimates**

*Carrying value and recoverability of exploration and evaluation assets*

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production, or proceeds from the disposition of the mineral properties themselves.

Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's mineral properties.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

*Fair value of stock options and warrants*

Charges for share-based compensation are based on the fair value at the date of the award. Stock options are valued using the Black-Scholes Option Pricing Model, and inputs to the model include assumptions on expected volatility, discount rates and expected term, dividend yield, and expected forfeitures. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity. Expected volatility is a measure for variation of a price of a financial instrument over time. Expected volatility is derived from a time series of past market prices therefore may not be an accurate representation of future volatility.

*Income taxes*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

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**Additional Disclosure for Venture Issuers without Significant Revenue**

Additional disclosure concerning Equity Metal's general and administrative expenses and resource property costs is provided in the Company's audited consolidated financial statements for the years-ended August 31, 2024 and 2023 available on its SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Transactions with Related Parties**

Related party transactions are negotiated in the best interest of the Company.

Key management includes the President, the Chief Financial Officer, the VP Exploration and the directors. The compensation paid or payable to key management for services during the years ended August 31, 2024 and 2023 are as follows:

	<b>August 31, 2024</b>	<b>August 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Management and professional fees to related parties	84,504	60,111
General exploration fees to related parties	72,515	59,934
Share-based payments to related parties	261,471	285,584
	<b>418,490</b>	<b>405,629</b>

During the year ended August 31, 2024, \$62,178 (2023 – \$57,239) in accounting support services was charged by Malaspina Consultants Inc., a company controlled by Killian Ruby, the CFO and a director of the Company. Further, during the year ended August 31, 2024 the following amounts were charged to the Company by Manex Resource Group Inc., a company indirectly controlled, as of November 1, 2021, by Killian Ruby, the CFO and a director of the Company and prior to that a company controlled by Larry Page, the Chairman of the board of directors: (i) \$81,269 (2023 - \$59,644) being costs for general exploration services; (ii) \$60,000 (2023 - \$50,000) being costs for office rent services; (iii) \$9,001 (2023 - \$16,269) being costs for general office and administration support services; (iv) \$33,722 (2023 - \$26,730) being costs for legal and corporate secretarial support services; (v) \$308,009 (2023 - \$136,391) being costs for corporate development and communication services and (vi) \$nil (2023 - \$26,145) being costs for financing corporate secretarial support services.

Included in current liabilities at August 31, 2024 is \$33,381 (2023 - \$40,796) due to related parties. These amounts are unsecured and due under normal business terms.

At August 31, 2024, \$7,021 (2023 - \$7,021) was included in receivables and prepaids for expense advances paid to the President and a Director of the Company.

**Adoption of New Accounting Standards During the Period**

No new accounting standards were adopted during the period.

**Financial Instruments and Other Instruments**

The Company's financial assets and liabilities are cash, receivables, reclamation deposits, accounts payable and accrued liabilities and amounts due to related parties. The fair values of these financial instruments are estimated to be their carrying values due to their short-term nature. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising



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from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity, receipt of market interest rates on interest bearing assets or capacity of prompt liquidation.

### **Outstanding Share Data**

The Company has authorized share capital consisting of common shares without par value. The number of shares authorized is unlimited. The Company has issued warrants for the purchase of common shares and also a stock option plan. The table below summarizes the Company's common shares, stock options and warrants that are convertible into common shares as of December 20, 2024:

	<b>Number</b>
Issued and outstanding common shares	194,816,801
Share options with a weighted average exercise price of \$0.18	13,325,000
Share purchase warrants with a weighted average exercise price of \$0.20	43,602,328
<b>Fully Diluted</b>	<b>251,744,129</b>

### **Disclosure Controls and Procedures**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the year ended August 31, 2024 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

For further information, and other information relating to the Company, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Environmental, Social and Governance Disclosures**

The Company's is committed to increased stakeholder disclosure and dialogue over sustainability matters. The core values are:

- Excellence – evidence backed exploration producing high value and socially and environmentally sustainable outcomes
- Health and Safety – a healthy and safe environment for the Company's people, neighbours, and surrounding communities
- Accountability – to shareholders and surrounding communities
- Environment – healthy ecosystems and a sustainable environmental now and for future generations by applying best mining practices
- Governance - Having an established governance structure allows the Company to meet the commitments set in place through policies and management plans.

Equity Metals is committed to responsible exploration and protection of the environment surrounding its operations. The Company is committed to the application of policies and management plans that will guide

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sustainable mining exploration. Our environmental initiatives are designed to ensure best practices in land and water use which are monitored and managed to meet or exceed regulatory requirements.

Equity Metals strives to support the surrounding communities throughout the exploration process. The Company is committed to working with rights holders, local communities, and stakeholders to listen and learn about their concerns and to finding mutually acceptable outcomes. Engaging with, supporting, and giving back to our people and the surrounding local communities is a fundamental value of Equity Metals.

### **Risks**

The Company is engaged in the exploration, development and exploitation of mineral resources for base metals, precious metals, industrial minerals and diamonds. The properties of the Company are without a known body of commercial ore. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as property acquisition costs represent acquisition and holding cost, less amounts written off, and do not necessarily represent present or future values.

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give any assurance that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex.

The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

The Company requires licenses and permits from various governmental authorities to carry out exploration and development of its projects. Obtaining permits can be a complex, time consuming process. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

The Company has experienced losses in operations in prior years and has an accumulated deficit position. The Company expects to incur losses for the foreseeable future. The continuation of the Company's operations is subject to its ability to continue to be able to raise funding to support its operations. While the

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Company has been successful to date in raising funding there is no guarantee that it will continue to do so in the future.

The profitability of the Company's operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper, gold, silver or molybdenum. The prices of these commodities are affected by numerous factors beyond the Company's control.

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional common shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new common shares should it desire to do so. In addition, if additional common shares or securities convertible into common shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of common shares.

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the Business Corporations Act (British Columbia), a director or senior officer who has a material interest in a contract or transaction or a proposed contract or transaction that is material to the Company, or a director or senior officer who is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction, is required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract or transaction. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company. Further, the non-management directors of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these persons and these persons will not devote all of their time to the business and affairs of the Company.

The Company is also subject to regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation

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process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

Companies in all industries, including the mining industry, are susceptible to cyber risk. The Company's primary operational exposure to cyber risk is with respect to proprietary geological, geochemical and exploration data and related models. The Company, similar to companies in all industries, is exposed to common place cyber risks such as, but not necessarily limited to, phishing, spam, fraudulent attacks, denial of service attacks, data loss, data theft, data corruption. The Company outsources its IT management to IT professionals who implement, among other controls and mitigation strategies, system access and authentication controls, transactional authentication, system activity logging, audit trails, "exception" handling, on-prem and off-prem backup and storage of the Company's data.

*Other*

The economic uncertainties around persistent inflation pressure, geopolitical and other global factors have the potential to slow growth in the global economy. Future developments in these challenging areas could impact on the Company's results and financial condition and the full extent of that impact remains unknown.