MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

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Introduction

This Management's Discussion and Analysis of Operations and Financial Condition ("**MD&A**") of Battery Mineral Resources Corp.'s ("**BMR**" or the "**Company**") should be read in conjunction with the Company's Unaudited Condense Interim Consolidated Financial Statements (the "**Interim Financial Statements**") for the three months ended March 31, 2025 and the Company's Audited Annual Consolidated Financial Statements for the year ended December 31, 2024, including the notes thereon (the "Annual **Financial Statements**"), which is prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of July 11, 2025, and all information is current as of such date and authorized for issue by the Company's Board of Directors on the date.

Technical and corporate information contained in this MD&A has previously been disseminated by way of news releases and are filed on SEDAR plus. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedarplus.ca and on the Company's website at www.bmrcorp.com.

This discussion provides management's analysis of the Company's historical operating and financial results and provides estimates of future operating and financial performance based on information currently available. Actual results may vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance. Cautionary statements regarding forward-looking information and mineral reserves and mineral resources can be found in the sections titled "**Forward-Looking Statements**" and "**Technical Information**".

Highlights

Mining

- Copper concentrate sales of approximately $13.5MM in Q1 2025, representing 4,416 dry metric tonnes ("**DMT**") produced, at an average sale price of US$4.19 per pound.[1]
- Continued development of the San Andres and Cinabrio mines.
- Continued driving underground access to the Cinabrio Norte zone.

ESI

- As part of the ongoing operational readiness, in Q1 2025, assigned a distribution territory to servicing the United Kingdom.
- Revenue of $4.9MM is up 55% YTD over 2024.
- Established strategic manufacturing partnerships in the United Kingdom and Brazil to enhance growth.

1 See "Non-IFRS Financial Performance Measures" section of this MD&A.

Corporate Profile

The Company is a public mineral exploration company incorporated under the laws of British Columbia on November 26, 2019. Its registered office is located at 1040 West Georgia Street, Suite 1900, Vancouver, BC V6E 4H3.

The Company is a battery metal, multi-commodity explorer, developer and producer of properties for minerals required to meet the anticipated growth in the demand for the raw materials used in the battery and energy storage sectors. The Company is currently developing and operating the Punitaqui Mining Complex ("**Punitaqui**"), located in the Coquimbo region of Chile.

The Company oversees the Cobalt District Exploration Project in Ontario and Quebec, Canada, spanning 55,619 hectares in Ontario and 1,813 hectares in Quebec. It also holds assets in the U.S. for cobalt and lithium, and a graphite property in South Korea.

The Company also holds a 100% ownership interest in ESI Energy Services Inc. ("**ESI**"), a company in the business of renting and selling backfill separation machines ("**Padding Machines**") to wind and solar and other utility construction contractors, mainline pipeline contractors as well as oilfield pipeline and construction contractors.

The financial position, results of operations and cash flows are consolidated in the Financial Statements of the Company, and results are discussed in this MD&A.

Management's Outlook for 2025

Mining

The Company announced it began copper concentrate production on May 13, 2024, at Punitaqui. During the ramp-up period while the Cinabrio and San Andres mines are in operation, the Company will continue to advance access toward its Cinabrio Norte zone. The Company expects to begin ore extraction from the Cinabrio Norte zone in the third quarter of 2025. The Company also expects to commence pre-operational activities related to the Dalmacia zone, which is part of Punitaqui, in 2025. Finally, BMR expects to complete significant capital investments at Punitaqui during 2025, including but not limited to the construction of a filtered tailings plant, and the installation of ventilation raises at the San Andres mine and the Cinabrio Norte zone. These and other capital investments are intended to strengthen the productive capacity of Punitaqui and position the mine and mill for continued future success.

ESI

In 2025, ESI Energy Services, Inc. focused on the development, sales, and manufacturing of innovative products specifically tailored to the solar industry. Demand for these products remains robust. ESI plans to continue broadening its product offerings, aiming to solidify its presence in key markets and drive growth.

With the production from Punitaqui, the Company has two distinct cash-flow generative businesses. Management looks forward to advancing both businesses in 2025 and updating shareholders on the Company's progress.

Corporate Financing Activities

Activities during the three months ended March 31, 2025, and during 2024, include:

- Entered into interest settlement agreements (the "**Interest Settlement Transactions**") with certain holders of the Debentures (the "**Debenture Holders**") to settle the payment of accrued interest by way of issuance of common shares of the Company to the Debenture Holders. Pursuant to these Interest Settlement Transactions, the Company issued an aggregate of 5,217,186 common shares ("**Shares**") to settle $830,037 of accrued interest owing to Debenture Holders as follows:

    - 1,575,758 Shares at a deemed price of $0.165 per Share.
    - 294,298 Shares at a deemed price of $0.19 per Share.
    - 2,209,086 Shares at a deemed price of $0.14 per Share; and
    - 1,138,044 Shares at a deemed price of $0.18 per Share.

- On February 12, 2024, the Company announced that its Chilean subsidiary, Minera BMR SpA ("**Minera**") entered into a marketing agreement, master purchase and sale agreement, a copper concentrate pre-payment and advance payment terms arrangement (the "**Agreements**") with Javelin Global Commodities ("**Javelin**"). Pursuant to the Agreements, Javelin will market the copper concentrate, gold, silver, and other metals, produced at the Punitaqui plant, provided a US$5.0MM copper concentrate pre-payment and will offer advance payment terms in respect of shipments of Product delivered, from time to time, in an amount of up to US$20.0MM.
- On February 16, 2024, the Company announced that it had closed the third tranche of the private placement of unsecured convertible debentures ("**New Debentures**"), for gross proceeds of US$1.0MM.
- On March 11, 2024, the Company announced that ESI entered into a $8.0MM credit agreement (the "**Credit Agreement**") with Fiera Enhanced Private Debt Fund. ESI drew the first advance of $5.0MM, under the Credit Agreement. The net proceeds from the first advance were applied towards the pre-operational activities of Punitaqui.
- On March 11, 2024, the Company announced that it had closed a private placement of New Debentures, for gross proceeds of US$400,000.
- On June 10, 2024, the Company announced it had closed the second and final drawdown of $3.0MM under the Credit Agreement with Fiera Enhanced Private Debt Fund. The Company has utilized partial proceeds from the final drawdown to extinguish an existing indebtedness. The balance of the proceeds was applied towards the pre-operational activities of Punitaqui.
- On June 26, 2024, the Company entered a short-term debt financing arrangement with Weston Energy II LLC ("**Weston II**") for proceeds of US$750,000. In connection with this debt financing agreement, the Company issued a promissory note to Weston II, which was to mature on September 24, 2024, and bears interest at a rate of eight percent (8%) per annum, with interest payable at the maturity of the promissory note. On September 18, 2024, the maturity date was extended to October 31, 2025.
- On September 6, 2024, the Company issued a second promissory note to Weston II for proceeds of US$750,000. The second promissory note bears interest at a rate of eight percent (8%) per annum and matures on October 31, 2025, with interest payable at the maturity date.
- On September 25, 2024, the Company received a short-term loan US$567,000 from director Lazaros Nikeas (the "**Nikeas Loan**"). The loan was repaid as part of the financing announced October 15, 2024.

- On October 15, 2024, the Company announced the repayment of the Nikeas Loan, as well as a US$2.5MM (C$3.4MM) loan by Weston Energy III, LLC (“**Weston III**”, an investment entity controlled by Yorktown Partners LLC) to Minera. The Weston III loan was originally to mature on December 5, 2024, and the maturity date was extended to October 31, 2025. The loan bears interest at a rate per annum equal to eight percent (8%). The Weston III Loan is unsecured.
- On October 25, 2024, the Company announced that it had closed the fourth tranche of the private placement of New Debentures, for gross proceeds of US$200,000.
- On November 25, 2024, the Company announced that it had entered into a definitive agreement with Electric Royalties Ltd. to sell a 0.75% Gross Revenue Royalty (the "**GRR**") on Punitaqui in exchange for cash consideration of $3.5MM. The Company announced two subsequent closings for the transaction, including on December 5, 2024, and on January 20, 2025.

Project Development

Punitaqui

The Company considers Punitaqui to be its most significant project. Punitaqui is a producing copper mine and ore processing plant that had been idle since April 2020. During the year ended December 31, 2024, and for the three months ending March 31, 2025, the Company continued to advance its flagship mineral asset.

The Company sold 4,416 DMT of copper concentrate at an average copper price of US$4.19 per pound during the three months ended March 31, 2025.

Exploration and Evaluation and Pre-development

During the three months ended March 31, 2025, and throughout 2024, Exploration and Evaluation expenditures towards the advancement of other projects included:

CAD	Status	Cumulative to December 31, 2022	Period ending December 31, 2023	Cumulative to December 31, 2023	Period ending December 31, 2024	Impairment	Transfer to Mineral Properties	Cumulative life of project to date
Canadian Cobalt								
McAra	Active	$ 7,951,171	$ 39,083	$ 7,990,254	$ 22,747	$ -	$ -	$ 8,013,001
Gowganda	Active	4,800,156	87,009	4,887,165	66,375	-	-	4,953,540
Fabre	Active	1,944,991	11,404	1,956,395	3,912	-	-	1,960,307
Shining Tree	Active	2,027,718	4,092	2,031,810	6,800	-	-	2,038,610
Elk Lake	Inactive	2,609,176	25,873	2,635,049	36,896	(2,671,945)	-	-
Wilder	Active	1,336,419	33,569	1,369,988	19,617	-	-	1,389,605
White Reserve	Inactive	1,311,211	7,593	1,318,804	3,487	(1,322,291)	-	-
Total Canadian Cobalt		**$ 21,980,842**	**$ 208,623**	**$ 22,189,465**	**$ 159,834**	**$ (3,994,236)**	**$ -**	**$ 18,355,063**
US Cobalt - Bonanza	Active	1,788,094	(1,172,822)	615,272	145,077	-	-	760,349
US Lithium - Amargosa	Inactive	395,815	(985)	394,830	49,489	(444,319)	-	-
South Korea Graphite - Geuman & Taehwa	Inactive	2,132,799	89,086	2,221,885	168,585	(2,390,470)	-	-
Punitaqui - Pre Development	Active	$ 20,357,428	$ 8,424,457	$ 28,781,885	$ 4,124,207	(15,551,507)	(17,354,585)	-
Total Exploration and Evaluation		**$ 46,654,978**	**$ 7,548,359**	**$ 54,203,337**	**$ 4,647,192**	**$ (22,380,532)**	**$ (17,354,585)**	**$ 19,115,412**

Canada Cobalt Projects

The Company’s cobalt properties are within the Cobalt Embayment in Ontario and Quebec, Canada.

For the three-month period ending March 31, 2025, no field exploration was undertaken. Expenditures related to these projects relate to the administration and maintenance of the concessions as well as a limited program of ongoing rehabilitation work on the Gowganda mining leases. This rehabilitation work is part of a program that commenced in 2018 and is focused on safety hazard mitigation related to old workings as well as overall site rehabilitation.

In February 2024, the Company terminated the Brady Option agreement at the Iron Mask & Wilder properties and returned 140 claims and 7 mining leases to the vendor. BMR has satisfied all legal requirements stipulated under the 2016-2017 Brady Option & Royalty Agreement.

In December 2024, BMR withdrew from the 2017 Gowganda Skead and Skead-Ashley options. The Skead - Ashley agreement covers former claim L1167184 which due to 2018 changes in the Mining Act now covers 6 boundary cell claims in Haultain Twp. and the ownership is held 50% Skead Holdings and 50% Ashley Gold.

The Skead agreement covers former claims L496688 - 92 incl. L495403 - 04 incl. L496432 and L4285987 - 4285988 inclusive. Post 2018 Mining Act change now covering 9 full size cell claims and 20 boundary cell claims. It is 100% Skead Holdings. Both parties have been formally notified of BMR intension to withdraw and have confirmed acceptance of the return of claims. Title transfers were completed for the 35 claims.

As part of the ongoing strategic review process of the Ontario property portfolio additional relinquishments are planned to further consolidate the Company's holdings around the most prospective target areas and maximize the assessment work credits available to maintain those higher priority areas.

US Cobalt Projects

The project includes mineral claims covering cobalt-copper occurrences in the Blackbird Mining District approximately 30 km west of the town of Salmon, Idaho, USA, among others.

During the year ending December 31, 2024, and for the three months ended March 31, 2025, no field exploration was undertaken, and expenditures related to this project can be attributed to regulatory and administrative costs (Taxes & Rentals) to maintain the concessions.

US Lithium Projects

The Company's lithium property is the Amargosa prospect in Nye County, Nevada, USA. During the year ending December 31, 2024, and for the three months ended March 31, 2025, no field exploration was undertaken, and expenditures related to this project can be attributed to regulatory and administrative costs (Taxes & Rentals) to maintain the concessions. Following a recent strategic review of the company's property portfolio it was decided to relinquish the remaining Nevada claims.

South Korea Graphite Projects

The Company's remaining graphite property is Geuman flake graphite prospects in South Korea. During the year ending December 31, 2024, and for the three months ended March 31, 2025, no field exploration was undertaken. By year-end 2024 BMR's concession holding was limited to 3 concessions. Plans call for a relinquishment of the remaining tenure and shutdown of South Korean Exploration efforts. Expenditures related to this project can be attributed to regulatory and administrative costs (Taxes & Rentals) to maintain the domestic BMR corporate entity that holds the concessions. During the year-ended December 31, 2024, the Company wrote-down the value of its South Korean Exploration assets by $2.4MM, to nil.

Punitaqui

The expenditures include office, operational and other expenditures related to the successful restart of underground development and mining, followed by the restart of the processing plant at Punitaqui including general and administration costs, legal fees and salaries. As of the date of this MD&A, the Company has completed the resource in-fill and exploration drilling, published a NI 43-101 compliant Resources Statement, re-started production at Punitaqui, and remains on-track to complete the next phase of its plans as outlined herein.

During the three months ended March 31, 2025, the Company completed a re-assessment of the Punitaqui land holdings. As of March 31, 2025, the Punitaqui holdings were reduced to 48 concessions encompassing 5,832 ha down from the previous 83 concessions (9,381ha). The concession reductions consisted of peripheral and isolated tenements outside the resource and operating areas.

The Company anticipates making additional expenditures including but not limited to the continued development of the underground mines at Punitaqui, as well as necessary investments at the Punitaqui processing plant. Numerous factors outside of the Company's control, including but not limited to commodity prices, political, or environmental issues may influence the value of Punitaqui.

Results of Operations and Financial Position

The following table provides a summary of the financial results of the Company for the three months ended March 31, 2025, and 2024.

Summary of Financial Results ($CAD)		For the three months ended March 31, 2025		For the three months ended March 31, 2024
Revenue	$	18,384,150	$	3,161,393
Costs and Expenses	$	(17,531,959)	$	(6,580,663)
Gain (Loss) from Operations	$	852,191	$	(3,419,270)

The following table provides a summary of the financial position of the Company as of March 31, 2025, and as of December 31, 2024.

Summary of Financial Position		As of March 31, 2025		As of December 31, 2024
Cash and cash equivalents	$	3,393,914	$	2,859,283
Total assets	$	96,530,778	$	95,357,878
Current liabilities	$	78,476,286	$	73,942,305

Punitaqui

The following section provides a summary of Punitaqui revenue, gross profit and gross margin for the three months ended March 31, 2025, and 2024.

Gross Profit (Loss) and Gross Margins

Gross Profit and Gross Profit Margin		For the three months ended March 31, 2025		For the three months ended March 31, 2024
Revenue	**$**	**13,493,086**	**$**	**-**
Less:				
Cost of sales		9,609,302		-
Depreciation of equipment		465,520		-
Operating and maintenance		-		-
Gross Profit	**$**	**3,418,264**	**$**	**-**
Gross Profit Margin		**25%**		**-**

During the three months ended March 31, 2025, the Company sold 4,416 DMT of copper concentrate at an average copper price of US$4.19 per pound and recorded $13.5MM in copper concentrate revenue. As of the date of this MD&A, the spot London Metals Exchange ("LME") copper price was approximately US$4.39/lb.

For the three months ended March 31, 2025, the Company realized a gross profit from Punitaqui of $3.4MM (2024 – Nil), representing a gross margin of approximately 25% (2024 – Nil). The positive gross margin represents the Company's successful efforts to increase production and revenues from Punitaqui.

ESI

Revenue

The following table provides a summary of ESI's revenues for the three months ended March 31, 2025, and 2024. Tabular amounts are in Canadian dollars.

		Three Months Ended March 31, 2025		Three Months Ended March 31, 2024
Machine Rental				
Padding machines				
Large padder	$	585,867	$	688,701
Small padder		882,264		522,955
Screening buckets		554,763		353,245
Sand Delivery		-		198,364
Vacuum Lifters		212,653		105,207
Attachments		107,968		58,326
Rental Revenue	$	2,343,515	$	1,926,798
Mobilization		321,702		450,138
Inventory sales		213,462		59,036
Machine sales		1,868,710		569,210
Other services		143,674		156,211
Other Revenue	$	2,547,549	$	1,234,595
Total	**$**	**4,891,064**	**$**	**3,161,393**

ESI continued to see success in US renewables construction, primarily solar, generating approximately 100% of its revenue base from these markets in the three months ended March 31, 2025 (three months ended March 31, 2024 - 99%).

Approximately 30% of the revenue generated during the three months ended March 31, 2025, came from Padding Machine rentals (2024 - 38%), 40% of which was from large Padding Machines (2024 - 57%) and 60% from small Padding Machines (2024 - 43%). The remainder of the revenue was generated from padding bucket and vacuum lifters rentals.

The increase in revenue of $1.7MM in the three months ended March 31, 2025, compared to the same period of 2024, was mainly due to a large increase in machine sales of $1.3MM an increase in small padder rentals of $359,309 and an increase in padding bucket rentals of $201,518, offset by a decrease in sand delivery machines rentals of $198,364.

Revenue by Geography		Three Months Ended March 31, 2025		Three Months Ended March 31, 2024
United States	$	4,891,064	$	3,135,024
Canada	$	-	$	26,369
Total Revenue	**$**	**4,891,063**	**$**	**3,161,393**

ESI Gross Profit and Gross Margins

For the three months ended March 31, 2025, ESI realized a gross profit of $1.8MM, representing a gross profit margin of approximately 37% compared to a gross profit of $813,368 and a gross profit margin of approximately 26% for three months ended March 31, 2024. The increase in gross profit and the gross profit margin during the three months ended March 31, 2025, was primarily due to an increase in revenue which more than offset the associated increase in cost of sales and operating and maintenance costs.

Gross Profit and Gross Profit Margin	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Revenue	**$ 4,891,064**	**$ 3,161,393**
Less:		
Cost of sales	879,649	377,674
Depreciation of equipment	697,872	727,724
Operating and maintenance	1,485,905	1,242,626
Gross Profit	**$ 1,827,638**	**$ 813,369**
Gross Profit Margin	**37%**	**26%**

The Company has included certain non-IFRS measures including "Gross profit" and “Gross profit margin” to supplement its financial statements, which are presented in accordance with IFRS. Gross profit is equal to revenue less the cost of sales, less operating and maintenance expense, less depreciation. Gross profit margin is equal to gross profit divided by revenue. The Company believes that these measures provide investors with an alternative view to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Historical Results

The following table summarizes the Company’s financial results and position for the eight most recently completed quarters.

		2025	2024				2023		
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income (loss) for the period	$'000s	(1,614)	(44,804)	(3,863)	(3,352)	(4,296)	(4,019)	(2,555)	(3,544)
Comprehensive income (loss) for the period attrihutabe to common shareholders	$'000s	(1,896)	(42,544)	(4,638)	(1,886)	(7,286)	(4,601)	(5,156)	(6,214)
Income (loss) per share for the period (basic and diluted)	$	(0.01)	(0.25)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Basic weighted average number of ordinary shares outstanding	'000s	181,029	180,963	180,987	180,987	180,758	174,924	177,651	174,874

During the year ended December 31, 2024, the Company reversed an uncertain tax provision in the prior year’s financial statements related to the tax treatment of multinational structures. As a result, the comparative figures for the year ended December 31, 2023, have been restated to reflect this reversal in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The restatement affected the Company’s previously reported income tax expense and related tax balances. The correction has been reflected in the comparative information presented in these financial statements. There was no impact on the Company’s previously reported cash flows.

In 2024 the Punitaqui mine transitioned into development, prompting an impairment assessment in accordance with IAS 36 – Impairment of Assets. A value-in-use impairment test was performed using updated cash flow projections, discounted at a 26% pre-tax rate. The recoverable amount was estimated at US$27.1MM, and an impairment charge of $32.4MM was recognized to align the carrying value of the cash-generating unit (CGU) with its recoverable amount. The impairment was allocated on a proportionate basis across the CGU's underlying assets, including plant and equipment and exploration and evaluation assets.

A follow-up impairment assessment was carried out as at December 31, 2024, as production volumes during the second half of the year were below forecast due to equipment issues that negatively affected cash flow. A revised value-in-use analysis was conducted using updated cash flow projections, applying the same 26 % pre-tax discount rate. This resulted in an additional impairment charge of $1.3MM, which was similarly allocated across the CGU's assets.

Generally, the Company has historically experienced a net loss attributable to common shareholders of the Company. The period-to-period variations in the net loss attributable to common shareholders of the Company have been primarily a result of:

- Changes in the revenue attributable to ESI; revenue attributable to ESI is, in part, dependent on the general level of activity in the solar and wind and other utility construction sectors, as well as oilfield pipeline and construction sectors. To a lesser extent, revenue attributable to ESI is also subject to seasonal variation, as customers typically engage in a higher volume of construction activity during the May through October period, while reducing their activity in the November through April period – the reduction in the volume of construction activities during the aforementioned period can have an adverse impact on ESI's revenues during such period.
- An increase in cost of sales in the year ended December 31, 2024, compared to the same period of 2023, mainly due to increases in ESI's sales in 2024.
- The recognition of revenue and costs of sales in the year ended December 31, 2024, related to start of Punitaqui.
- Impairment of inventory and spares recorded for the three months ended December 31, 2023, of $1.8MM.
- Changes in foreign exchange gains and losses.
- An increase in finance costs, mainly due to accretion expenses arising from the convertible debentures, and the deferred payments on the acquisition of Punitaqui.
- An increase in impairment of exploration and evaluation assets due to the relinquishment of the East Fork mining claims in Idaho, part of the U.S. cobalt projects recorded in the third quarter of 2023.

Corporate Results

The following section provides a summary of the Company's performance for the three months ended March 31, 2025, and 2024.

Expenses

Total expenses for the three months ended March 31, 2025, were $17.5MM, compared to total expenses of $6.6MM for the same period in 2024, and are summarized as follows:

Summary of Expenses ($CAD)	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Cost of sales	$ 10,488,951	$ 377,674
Depreciation	1,163,392	727,724
Impairment of exploration and evaluation assets	-	3,626
Management fees	299,394	728,178
Operating and maintenance	1,485,905	1,242,626
Professional fees	45,709	172,071
Restricted stock units expense	5,577	179,803
Performance stock units expense	-	80,429
General and administration	4,035,776	2,973,558
Stock based compensation	7,255	94,974
Total Expenses	**$ 17,531,959**	**$ 6,580,663**

Discussion of Significant Changes in Expenses

The increase in cost of sales for the three months ended March 31, 2025, when compared to the three months ended March 31, 2024, is primarily attributable to the restart of Punitaqui.

The increase in depreciation for the three months ended March 31, 2025, when compared to the three months ended March 31, 2024, is primarily attributable to the restart of Punitaqui.

The increase in operating and maintenance costs for the three months ended March 31, 2025, when compared to three months ended March 31, 2024, is primarily attributable to the increase in ESI sales.

The decrease in restricted stock unit expense for the three months ended March 31, 2025, when compared to the three months ended March 31, 2024, is attributable to fewer restricted stock units vested in 2025 and a decrease in the Company's common share price.

The decrease in stock-based compensation for the three months ended March 31, 2025, when compared to the three months ended March 31, 2024, is attributable to fewer stock options vested in 2025 and a decrease in the Company's common share price.

The increase in general and administration expenses for the three months ended March 31, 2025, when compared to the three months ended March 31, 2024, is primarily attributable to the restart of Punitaqui and its ongoing operations.

The decrease in management fees for the three months ended March 31, 2025, when compared to the three months ended March 31, 2024, is mainly attributed to additional cost containment initiatives.

The decrease in professional fees for the three months ended March 31, 2025, when compared to the three months ended March 31, 2024, is mainly due to lower fees associated with financing activities and lower dependence on external advisors.

Loss for the Period

Loss for the three months ended March 31, 2025, was $1.6MM, compared to a loss for the three months ended March 31, 2024, of $4.3MM. For the three months ended March 31, 2025, the Company's loss per share was $0.01 compared to a loss per share of $0.02 for the three months ended March 31, 2024. The increase in loss for three months ended March 31, 2025, when compared to the three months ended March 31, 2024, was primarily due to:

- A decrease in management fees for the three months ended March 31, 2025, to $299,394 (2024 - $728,178).
- An increase in general and administrative expenses for the three months ended March 31, 2025, to $4.0MM (2024 - $3.0MM) due to an increase in costs as the Company restart of production at Punitaqui.
- A loss on the remeasurement of the fair value of the convertible debentures for the three months ended March 31, 2025, of $557,776 (2024 - $480,106).
- Increase in financing costs due to increase debt service to $820,587 for the three months ended March 31, 2025 (2024 - $444,002).
- An increase in the operating and maintenance costs of $1.5MM for the three months ended March 31, 2025 (2024 - $1.2MM) due to increase sales at ESI.
- A gain on sale of royalty interest of $132,998 for the three months ended March 31, 2025 (2024 - $Nil)

These were offset by an increase in the Company's gross profit in the three months ended March 31, 2025, compared to the same period of 2024, as explained above.

Financial Position

Assets

Cash

The Company's cash flows during the three months ended March 31, 2025, consisted of net cash used by financing activities of $2.0MM (2024 provided by - $13.2MM), offset by net cash provided for in operating activities of $6.4MM (2024 used $2.8MM), and net cash used in investing activities of $3.5MM (2024 - $4.4MM).

Receivables

Receivables as at March 31, 2025, totaled $12.0MM (December 31, 2024 - $12.5MM). Receivables included accounts receivable from customers of $7.5MM (December 31, 2024 - $8.1MM), finance lease receivable of $118,833 (December 31, 2024 - $167,346), as well as sales and value added tax ("**VAT**") receivables of $4.3MM (December 31, 2024 - $4.3MM). Receivables as at March 31, 2025, decreased, compared to December 31, 2024, mainly due the collections in accounts receivable from customers, and an increase in the VAT receivable.

Liabilities

Trade and other payables

As of March 31, 2025, trade and other payables totaled $24MM due to the re-start activities at Punitaqui (December 31, 2024 - $20.3MM). The balance is comprised of $20.0MM of trade payables (December 31, 2024 - $14.3MM) and $4.4MM of accrued liabilities (December 31, 2024 - $6.0MM).

Convertible unsecured debentures

On October 17, 2023, the Company announced a Private Placement of New Debentures to raise up to US$6.0MM. At the same time, the Company proposed issuing approximately US$15.4MM in New Debentures to holders of existing debt, including the Bridge Loan, Promissory Note, and 2022 convertible debentures, as part of a broader effort to streamline its capital structure and extend near-term debt maturities.

On October 19, 2023, the Company closed the first tranche of the Private Placement, raising US$1.4MM in gross proceeds. At the same time, the Company issued US$15.4MM in New Debentures to existing debt holders, completing the debt consolidation. On November 3, 2023, the Company closed the second tranche of the Private Placement, raising an additional US$1.9MM.

On February 16, 2024, the Company closed the third tranche of the Private Placement of the New Debentures for gross proceeds of US$1.0MM. On March 11, 2024, the Company closed the fourth tranche of the Private Placement of the New Debentures for gross proceeds of US$400,000. On August 1, 2024, the Company closed a fifth tranche of the Private Placement of the New Debentures for gross proceeds of US$200,000.

The New Debentures bear 10% annual interest and mature on September 30, 2026. Interest accrued up to March 30, 2025, will be paid in common shares, while interest after that date can be paid in cash or shares, at the holder's option. With regards to the interest accrued up to March 30, 2025, certain Debenture holders representing $20.1MM in principal amount of the New Debentures agreed to waive their right to receive the interest in common shares and instead agreed to accrue such interest up to and including September 30, 2025. Those Debenture holders who did not agree to accrue such interest, representing $200,000 in principal amount of the New Debentures, were paid the interest in cash. Holders can convert the principal of the New Debentures into common shares at a price of US$0.22 per share, anytime from March 31, 2024, until the business day before the Maturity Date. The Company may, starting March 31, 2024, prepay the outstanding principal and interest with 15 days' notice.

The US-denominated conversion price and prepayment option of the New Debentures are considered embedded derivatives. The Company has chosen not to separate these derivatives from the underlying debt and accounts for the entire New Debenture as a financial liability at fair value through profit or loss. The New Debentures were initially recognized at their estimated fair value using a lattice binomial model and are revalued at each reporting period, with changes in fair value recognized in profit and loss.

As a result of the amendments to IAS 1 as further described in Note 2 of these Financial Statements, the New Debentures, which were previously classified as non-current liabilities, have been reclassified within current liabilities in the statement of financial position on December 31, 2023, to reflect the retrospective application of the amendments to IAS 1.

As at March 31, 2025, all of the New Debentures were valued at $33.4MM and classified as a current liability. The Company recognized a loss of $557,776 from the remeasurement of the fair value of the financial liability.

The following valuation model along with the key inputs and assumptions were used in the determination of fair value of the New Debentures:

Valuation technique	Key inputs and assumptions	31-Mar-25	31-Dec-24
	Observable - Level 2		
	Risk-free rate	**2.495%**	2.955%
The fair value of the New Debentures has been calculated using a lattice binomial model	Foreign exchange rate (USD:CAD)	**1.4376**	1.4389
	Unobservable - Level 3		
	Volatility	**123.1%**	105.9%
	Credit spread	**6.88%**	5.50%

The carrying amount of the New Debentures is as follows:

		31-Mar-25		31-Dec-24
Convertible unsecured subordinated debentures				
Fair value at beginning of the period	$	**32,643,225**	$	24,869,560
Issuance of convertible debentures during the period		-		2,164,871
Accrued interest		**208,236**		2,707,580
Change in fair value		**557,776**		2,901,214
Balance, end of period	$	**33,409,237**	$	32,643,225

For the fair value of the New Debenture as at March 31, 2025, reasonably possible changes at the reporting date to one of the significant inputs, holding other inputs constant, would have the following effects:

Key inputs	Inter-relationship between significant inputs and fair value measurement	Fair value Increase (decrease)
Discount rate	Discount rate was 1% higher	(1,697,500)
	Discount rate was 1% lower	-
	Stock volatility was 5% higher	-
Stock volatility	Stock volatility was 5% lower	-

Additional Information

Working Capital

On January 1, 2024, the Company adopted the amendments to IAS 1 Presentation of Financial Statements, which addresses the classification of liabilities with covenants as current or non-current in the Statements of Financial Position. Application of the amendments in the comparative period resulted in an increase in the current portion of liabilities of $24.9MM and a corresponding decrease in the non-current portion of other liabilities of $24.9MM in the statement of financial position as at December 31, 2023.

The Company has a working capital deficiency of $61.7MM as of March 31, 2025 (December 31, 2024 - $56.1MM). The increase in the working capital deficiency was primarily due to the increase in expenditures due to the start of activities at Punitaqui and the increase in the current portion of the convertible debentures now classified as current liabilities due to the amendment to IAS 1 and an increase in loans and borrowings from the Fiera loan.

Liquidity and capital resources

As at March 31, 2025, the Company had cash of $3.4MM (December 31, 2024 - $2.9MM) and no cash held in escrow. Cash is primarily comprised of cash held with reputable financial institutions and any excess cash is invested in highly liquid short-term investments with maturities of 90 days or less.

The Company does not currently generate sufficient revenue to fund its planned exploration and development activities and will need to continue to obtain additional financing to execute such activities and discharge its day-to-day obligations. There is no assurance that the Company's funding initiatives will be successful, and the Financial Statements do not reflect the adjustments to carrying values of assets and liabilities and the reported and consolidated statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

Outlook

Mining

Chile

Punitaqui is a producing copper mine located in the Coquimbo region of Chile with more than eight years of operating history within which up to 25 million lbs of copper in concentrate were produced annually. The Company began re-developing the project by initiating a drill program, operating and environmental permit modifications and conducting engineering studies. The conclusion of the work was summarized as part of a NI 43-101 compliant technical report disclosed by the Company on October 1, 2022. Punitaqui property holdings consist of 82 concessions that encompass 9,411 hectares of concessions. The Punitaqui holdings include 4,400 hectares of exploration concessions, and 5,011 hectares of exploitation concessions.

In October 2022, the Company reported the results of its inaugural NI 43-101-compliant resource estimate for the four underground deposits at Punitaqui of 6.2 million tonnes grading 1.14% Cu in indicated category along with 3.1 million tonnes grading 0.93% Cu in the inferred category (Technical report on Punitaqui Copper Complex Coquimbo, Chile" dated as of September 30,2022 with an effective date of August 16, 2022, prepared by Garth Kirkham (Kirkham Geosystems Ltd.) an Independent Qualified Person in accordance with NI 43-101). This resource estimate is a major milestone for the Company. The resource estimate is based on our 2021-2022 drill program and includes the drilling and mining data from the Cinabrio deposit completed by prior operators including Glencore plc.

In late March 2024, an underground drilling program focused on a series of selected targets at the Cinabrio mine and the San Andres resource. The 2024 drill program is designed to confirm resources identified by previous drilling programs and expand these resources along strike and at depth. All holes reached target depth and have intersected the targeted shale horizons that host the copper mineralization. These drill results will be added to the three-dimensional geology and resource models which BMR's mining engineers will use to update the current mine designs and optimize mining schedules. The 2024 underground drilling was planned as a 2,000-meter program. By year-end, a total of 43 holes – 1945.7m were drilled at Cinabrio & San Andres. The current program for 2025 is planned as 2300m program focused on selected targets at Cinabrio – San Andres and Cinabrio Norte. To date, the 2024-25 drilling has tested eight targets: 3 at San Andres and 6 at Cinabrio. The San Andres resource has been tested with 20 drillholes / 898.90m, while the Cinabrio mine drilling comprised 23 drillholes / 1,046.8m). The 2024-2025 program to date totals 43 Drillholes / 1,945.7m. Targets tested included.

- San Andres C2 Target: 5 Drillholes / 281.9m
- San Andres C3 Target: 7 Drillholes / 248.3m
- San Andres C6 Target: 8 Drillholes / 366.6m
- Cinabrio Mine Level 160 Target: 4 Drillholes / 173.6m
- Cinabrio Mine Level -30 Target: 3 Drillholes / 154.8m
- Cinabrio Mine Level 135 Target: 10 Drillholes / 389.9m
- Cinabrio Level -22 Target: 4 Drillholes / 192.3m
- Cinabrio Level 245 Target: 2 Drillholes / 134.3m

This initial underground San Andres drilling targeted the C2 planned extraction area and totaled 281.9 meters of diamond core drilling in 5 drillholes. This drilling confirmed copper grades and better delineated the extent of the mineralization in the upper and lower shale units within and adjacent to the planned extraction area.

Significant assay intervals reported included Drillhole SAM-24-01: 4.3 meters ("m") at 1.4% ("CuT") total copper and 24 g/t grams per tonne ("Ag") silver, SAM-24-02: 4.0m grading 1.1% Cu & 7.8g/t Ag, SAM-24-04: 3.5m at 1.0% Cu & 23.3g/t Ag and SAM-24-05: 4.3m at 1.2% Cu & 19.2g/t Ag (see July 2, 2024 Press Release).

Upon completion of this initial phase of San Andres, the rig was moved to the Cinabrio underground. This initial underground Cinabrio drilling targeted three planned extraction areas, the first area being the Level -30 target where 3 drillholes totaling 154.8 meters of diamond core drilling were completed. This drilling confirmed the modelled copper grades and better delineated the extent of the mineralization in the lower shale unit and footwall andesite within and adjacent to the planned extraction area. Assay results from drilling returned with encouraging assay (estimated true widths) intervals as follows:

Drillhole CM-24-01: 3.0m at 2.0% CuT and 2.3g/t Ag, CM-24-02: 5.7m grading 1.6% CuT & 0.5g/t Ag and CM-24-03: 5.6m at 0.9% CuT & 0.3g/t Ag including 1.9m at 1.9% Cu and 0.4g/t Ag (see Press Release July 22, 2024).

The next phase of Cinabrio underground drilling targeted the Level 160 planned extraction area where 4 drillholes totaling 173.6 meters of diamond core drilling were completed. All the four holes were designed to confirm the modelled geology, mineralization and probe the contact zone between the lower mineralized shale unit and the underlying andesites within and adjacent to the planned extraction area. Significant assay (estimated true widths) intervals reported include; CM-24-11: 18.3m grading 2.57% CuT and 10.50g/t Ag including 14.9m at 3.06% CuT & 12.6 g/t Ag, CM-24-12: 9.1m grading 0.87% CuT and 4.90g/t Ag and CM-24-13: 23.1m at 1.97% CuT & 14.0g/t Ag (see Press Release September 9, 2024).

The next target tested was the Level 135 planned extraction areas situated both above and below the level. Ten drillholes totaling 389.9 meters of diamond core drilling were completed. This drilling confirmed copper grades and better delineated the extent of the mineralization in the lower shale unit and footwall andesite within and adjacent to the planned production area. Significant assay (estimated true widths) intervals reported include; CM-24-04: 6.9m at 0.65% CuT and 2.1g/t Ag, CM-24-06: 3.9m grading 1.9% CuT & 5.3g/t Ag, CM-24-07: 8.4m grading 0.7% CuT & 1.2g/t Ag, CM-24-08: 4.4m grading 1.3% CuT & 4.9g/t Ag, CM-24-09: 9.9m grading 0.8% CuT & 2g/t Ag, CM-24-15: 10.2m grading 2.6% CuT & 10.5g/t Ag, CM-24-16: 10.8m grading 2.5% CuT & 9.7g/t Ag and CM-24-17: 1.4m grading 1.2% CuT & 4.1g/t Ag (see Press Release October 10, 2024).

The rig was re-positioned to Level 448 at the San Andres mine where 7 drillholes totalling 248.3m were completed. All holes reached target depth and have intersected the targeted shale horizons that host the copper mineralization. This drilling confirmed copper grades and better delineated the extent of the mineralization in the upper and lower shale units within and adjacent to the planned extraction area. Significant assay (estimated true widths) intervals reported include; SAM-24-06: 2.9m at 0.92% CuT and 27.3 g/t Ag as well as 1.8m at 2.76% CuT & 21.0g/t Ag, SAM-24-07: 15.6m grading 0.9% Cu & 15.0g/t Ag, SAM-24-08: 5.1m at 0.9% CuT & 3.4g/t Ag, SAM-24-09: 9.8m at 1.1% CuT & 13.2g/t Ag, SAM-24-10: 19.8m at 2.3% CuT & 26.4g/t Ag, SAM-24-11: 21.9m at 1.2% CuT & 15.4g/t Ag and SAM-24-12: 12.0m at 1.1% CuT & 20.7g/t Ag and 10.2m at 1.2% CuT and 12.7g/t Ag (see Press Release January 14, 2025).

Six drillholes targeted the Cinabrio Mine Level -22 planned extraction area and an exploration target above the 250 level. Four drillholes totaling 192.3m were drilled on the -22 level and 2 drill holes totaling 134.2ms were drilled on the 250 level. Assay results from Level -22 drillholes include CM-24-18: 1.11m at 1.04%CuT and 1.0g/t Ag, CM-24-19: 4.46m grading 0.86% CuT & 3.50g/t Ag, CM-24-20: 1.53m grading 1.44% CuT & 2.0g/t Ag and CM-24-21: 6.30m grading 1.89% CuT & 4.10g/t Ag. The 4 holes drilled on the -22 level confirmed copper grades and better delineated the extent of the mineralization in the planned extraction area. These drill results have been added to the three-dimensional geology and resource models which will be used to update the current mine designs and optimize mining schedules.

The Level 250 drilling yielded a single reportable result in CM-24-23: 4.12m grading 0.65% CuT & 3.00g/t Ag.The 2 drill holes drilled from the 250 level tested an exploration target above the 250 level. The drilling results indicate there is little potential in this target area.

Drilling was suspended in early March 2025 but is expected to resume in late Q2-2025 once development of the next series of underground drill stations is completed.

Canada

The Company holds a significant ground position of seven exploration properties in the Cobalt District Exploration Project located in northeastern of Ontario and northwestern Quebec, Canada that includes land positions in the historic Gowganda and Elk Lake mining camps. Ontario holdings include 3,077 mineral claims and 5 mining leases covering an aggregate of 54,497.4 hectares. In Quebec, the Company holds 31 claims encompassing an area of 1,813 hectares. Following a recent strategic review of the company's property portfolio it was decided further to reduce the Ontario land package. Additional relinquishments are planned to consolidate the Company's holdings around the most prospective target areas and maximize the assessment work credits available to maintain those higher priority areas. Between 2018 and 2021 a total of 5 target areas were drill tested at the Elk Lake (39 Holes / 5,524m) and White Reserve (17 holes / 1,838m) which yielded only slightly anomalous results. Reductions are planned for both the Elk and White Reserve properties.

The Ontario-Quebec exploration program conducted between 2016 and 2022 included 26,709 line-km of airborne geophysical surveys and 1,324.84 sq-km of LiDAR topography coverage which was followed by 37 ground geophysical surveys (514.64 line-km).

At McAra, the Company completed a multi-faceted exploration program that included geophysical surveys, geochemical sampling and diamond drilling to define a NI 43-101 compliant Measured and Indicated resource of 1,124,000 lbs Co-Eq that includes 1,102,000 lbs of cobalt and 11,260 ounces of silver (Technical Report on Cobalt Exploration Assets in Canada " dated as of May 26, 2020 with an effective date of March 31, 2020, prepared by SRK Consulting – G Cole PGeo (APGO#1416))

The Company plans to increase the geological knowledge and economic potential of the project through further collaborative research, drilling, resource identification and delineation, metallurgical testing, and NI 43-101 compliant studies.

United States

As of the date of this MD&A, the Company owns the Bonanza property in the Idaho Cobalt Belt. The Bonanza project hosts seven mineralized occurrences within an area over 3 kilometers wide.

The Company's 2016-2018 exploration program included 550 line-km of airborne magnetics and radiometrics followed by a limited 3-line ground geophysical survey (3,650m) of induced polarization 2D time domain IP. Detailed geological mapping as well as geochemical sampling resulted in the collection of 45 rock grab samples, 712 soil samples and 92 channel samples. This sampling returned; 2m at 2.58% Co, 2.7% Cu, and 1.14 g/t Au, and 1m at 5.51% Co, 1.0% Cu, and 1.28 g/t Au within a section with a weighted average of 0.70% Co, 2.12% Cu, and 0.58 g/t Au over 17m from the central portion of the target area. Five additional 1m intervals yielded assays from 0.25% to 5.0% Co with peak assays of 6.91% Cu and 3.57g/t Au.

BMR controls a 20-claim land position at Amargosa Flat in southern Amargosa Valley, Nye County, Nevada, about 75 west, north-west of Las Vegas, Nevada. Amargosa is an early-stage exploration opportunity in a favorable region that hosts numerous lithium occurrences. BMR's exploration to date has included geological mapping, selective geochemical sampling and a Magnetotelluric geophysical survey. No drilling has been completed. Following a recent strategic review of the company's property portfolio it was decided to relinquish the remaining Nevada claims.

South Korea

The Company has completed a strategic review of the South Korean graphite exploration program. Plans call for a disposition, or barring a successful disposition, a relinquishment of the remaining tenure and shutdown of South Korean Exploration efforts.

Punitaqui

The expenditures include office, operational and other expenditures related to the successful restart of underground development and mining, follow-ed by the restart of the processing plant at Punitaqui including general and administration costs, legal fees and salaries. As of the date of this MD&A, the Company has completed the resource in-fill and exploration drilling, published a NI 43-101 compliant Resources Statement, re-started production at Punitaqui, and remains on-track to complete the next phase of its plans as outlined herein.

The Company anticipates making additional expenditures including but not limited to the continued development of the underground mines at Punitaqui, as well as necessary investments at the Punitaqui processing plant. Numerous factors outside of the Company's control, including but not limited to commodity prices, political, or environmental issues may influence the value of Punitaqui.

Equipment Rentals

ESI continues to experience strong sale and rental demand for its Padding Machines, particularly in the U.S. market. ESI expects that it will continue to experience strong rental demand for the foreseeable future, due to the robust market demand for renewable energy projects.

Disclosure of Data for Outstanding Common Shares, Stock Options and Restricted Share Units

Outstanding Share Data

As of March 31, 2025, the Company has 181,028,630 shares outstanding (December 31, 2024 - 181,028,630 shares outstanding). As of the date of this MD&A there are 181,028,630 shares outstanding.

Common Shares

During the three months ended March 31, 2025, the Company issued Nil common shares.

Stock options

As of March 31, 2025, and as of the date of this MD&A, 8,090,832 stock options were outstanding (December 31, 2024 - 8,090,832), of which all were issued to officers, directors, employees, and consultants of the Company. Total stock-based compensation expense for the three months ended March 31, 2025, was $7,255 (2024 - $94,974).

The Company's stock option plan provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options are non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting. The exercise price and vesting terms of stock options is determined by the Board of Directors of the Company at the time of grant.

Restricted share units ("RSUs")

As of March 31, 2025, and as of the date of this MD&A, 3,358,333 RSUs were outstanding (December 31, 2024 - 3,358,333). RSUs were issued to officers, directors, employees, and consultants of the Company. The total RSU expense for the three months ended March 31, 2025, was $5,577 (2024 - $179,803).

Performance share units ("PSUs")

As of March 31, 2025, and as of the date of this MD&A, 1,960,000 PSUs remain outstanding (December 31, 2024 - 1,960,000). The total PSU expense for the three months ended March 31, 2025, was $Nil (2024 - $80,429).

Off-Balance Sheet Transactions

The Company did not have any off-balance sheet arrangements that will materially impact the Company's financial statements as at March 31, 2025, December 31, 2024, or as of the date of this MD&A.

Adoption of New Standards and Interpretations

The following new standards and interpretations have been adopted since the release of the Company's consolidated financial statements and MD&A for the period ended March 31, 2025.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

These amendments were adopted by the Company on January 1, 2024 on a retrospective basis. On adoption, there was an impact of the Company convertible debentures, which included a conversion option that was accounted for as an embedded derivative. In applying the definition of settlement, it is clear that the Company does not have the right to defer settlement of the convertible debentures for more than twelve months after the reporting date, as the holders can demand settlement of the liability in shares at any time in a manner that would extinguish the liability. Furthermore, as the settlement would be through the exercise of each holders right to convert the loan to the Company's equity under a conversion option that was classified as a liability on inception and not an equity instrument, the Company does not meet the exception criteria described above and would consider the settlement by transfer of the Company's own equity instrument to be an extinguishment of the liability. As a result, the convertible debentures, including the conversion features classified as derivative liabilities, both of which were previously classified as non-current liabilities, have been reclassified within current liabilities in the statement of financial position at December 31, 2023 to reflect the retrospective application of the amendments.

Thereby, upon adoption of these amendments, certain amounts in the comparative period have been reclassified to reflect the retrospective application. Application of the amendments in the comparative period resulted in an increase in current liabilities of $24.9MM and a corresponding decrease in non-current liabilities of $24.9MM, due to the Company's convertible debenture reclassified from long-term debt to short-term, as at December 31, 2023.

The following new standards and interpretations have been published that are not mandatory for the current period and have not been early adopted.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

On August 15, 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025. These amendments are not expected to have a significant impact on the Company's financial statements.

IFRS 18 Presentation and Disclosures in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosures in Financial Statements. The objective of the new standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The new standard is effective for reporting periods beginning on or after January 1, 2027. Management is currently assessing the impact of the new standard on the Company's interim and annual financial statements.

Financial Instruments and Capital Management

Financial instruments are measured on initial recognition at fair value, and, in the case of financial instruments other than those classified as "fair value through profit and loss" ("**FVTPL**"), net of directly attributable transaction costs.

Recognition and Measurement

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as FVTPL. The directly attributable transactions costs of financial assets and liabilities measured at FVTPL are expensed in the period in which they are incurred. Subsequent measurement of financial assets and liabilities depends on the classification of such assets and liabilities.

Classification of Financial Assets

Amortized cost: Financial assets that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of financial assets is the amount at which the financial asset is measured at initial recognition minus the principal payments, plus the cumulative amortization using effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The Company's financial assets measured at amortized costs primarily include cash and receivables included in current assets.

Financial liabilities

Financial liabilities are designated as either: fair value through profit or loss; or amortized cost. Subsequently, they are classified and measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. The Company's financial liabilities which consist of trade and other payables, bridge loan, promissory note, deferred payments on acquisition, loans and borrowings are classified as amortized cost.

Convertible debentures issued by the Company in 2022 are classified as a compound financial instrument includes the host debt component and the equity component, with the proceeds received allocated between the two components at the date of issue. The liability and equity components of convertible debentures are presented separately on the consolidated statement of financial position starting from initial recognition. The liability component is recognized initially at the fair value, by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated conversion option. Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method; the liability component is increased by accretion of the discounted amounts to reach the nominal value of the debentures at maturity. The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the debentures and is presented in shareholders' equity as equity component of convertible debenture. The equity component is not re-measured subsequent to initial recognition except on conversion or expiry. Transaction costs are distributed between liability and equity on a pro-rata basis of their carrying amounts.

Convertible debentures issued by the Company in 2023 and 2024 are classified as a hybrid financial instrument include the host debt component and the convertible component. The Company has elected to not separate the debt host component from its embedded derivatives, and instead, to initially account for the convertible debenture as a single financial liability at fair value. Subsequent to initial recognition, the change in fair value of the liability is recognized in profit or loss. Transaction costs associated with the issuance of the convertible debentures are fully expensed at inception.

The risk exposure arising from these financial instruments is summarized as follows:

Commodity price risk

The demand, pricing and terms for ESI's services in-part depends upon the level of expenditures made by renewable energy companies, pipeline companies and other types of customers. Generally, when demand for commodities is high and expectations of future prices of commodities are high, demand for ESI's equipment is high. The converse is also true. The prices for electricity, crude oil and gas have fluctuated during recent years and may continue to be volatile in the future, as such, ESI has some commodity price risk facing it at the present.

The fair values or cash flows associated with the Company's projects will vary due to changes in the prices of commodities including but not limited to the prices of copper, cobalt, graphite and lithium. The Company does not engage in programs to mitigate its exposure to commodity price risk. On March 31, 2025, the spot LME copper price was US$4.42/lb. As of the date of this MD&A, the spot LME copper price was approximately US$4.39/lb.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company minimizes its credit exposure related to short term investments when applicable by selecting counterparties based on credit ratings and monitors all investments to ensure a stable return, avoiding complex investment vehicles with higher risk such as asset backed commercial paper. The Company's cash is held in significant financial institutions and the Company considers this risk to be remote. The Company invests cash with financial institutions that are financially sound based on their credit rating. The Company's receivables primarily include tax balances receivable from the government of Canada and Chile, which are considered low risk. ESI also has finance lease receivables with exposure to credit risk influenced mainly by the characteristics of its customers, which have historically met its contractual obligations.

Liquidity Risk

Liquidity risk is the exposure of the Company to the risk of being unable to meet its financial obligations as they come due. The Company manages liquidity risk by monitoring, reviewing, and adjusting actual and forecasted cash flows to ensure there are available cash resources to meet these needs. The Company does not currently generate sufficient revenue to fund its planned exploration and development activities and will need to continue to obtain additional financing to execute such activities and discharge its day-to-day obligations. There is no assurance that the Company's funding initiatives will be successful.

Contractual cash flow requirements as at March 31, 2025, were as follows:

	year 1 $	year 2 $	year 3 $	year 4 $	> 4 years $	Total $
Loans and borrowings	1,068,624	6,291,861	127,014	83,723	103,432	7,674,655
Trade payables and accrued liabilities	24,371,564	-	-	-	-	24,371,564
Income tax payables	527,631	-	-	-	-	527,631
Deferred revenue	550,041	-	-	-	-	550,041
Lease liability	1,890,798	482,548	85,956	-	-	2,459,302
Copper prepayment liability	3,200,003	4,244,078	-	-	-	7,444,081
Asset retirement obligation - liability	644,816	202,464	5,797	30,536	7,610,406	8,494,019
VAT Liability	5,875,291	-	-	-	-	5,875,291
Deferred payments on acquisition	1,805,646	1,805,646	451,412	-	-	4,062,704
Promissory note	6,011,807	-	-	-	-	6,011,807
Royalty payments	835,806	1,042,499	1,139,050	1,714,272	2,287,413	7,019,040
Convertible debenture	-	33,409,237	-	-	-	33,409,237
Total	**46,782,027**	**47,478,334**	**1,809,229**	**1,828,531**	**10,001,251**	**107,899,372**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company does not face other price risk. Currency risk and interest rate risk are discussed below.

Currency risk

The Company conducts exploration and evaluation activities in the United States, Canada, South Korea and Chile and is exposed to currency risk due to fluctuations in the exchange rates of foreign currencies. As at March 31, 2025, the Company had foreign currency assets and foreign currency liabilities in United States Dollars ("**US**"), Korean Won ("**KRW**"), and Chilean Pesos ("**CLP**"). On March 31, 2025 , the spot exchange rates to convert 1 US, 1 KRW and 1 CLP to Canadian dollars were approximately 1.4376, 0.000975, and 0.001529, respectively. As of the date of this MD&A, the spot exchange rates to convert 1 US, 1 KRW and 1 CLP to Canadian dollars were approximately 1.3613, 0.000998, and 0.00146, respectively. As at March 31, 2025, each 10% change in the foreign currencies relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately $7.8MM.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as the variable rate on the Javelin prepayment and the Fiera loan are a small component of the overall rates. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

Capital management

The Company manages its capital structure and adjusts it based on the funds available to the Company, in order to continue as a going concern. The Company considers capital to be the short-term and long-term debt, including the convertible debentures, the copper prepayment liability, promissory note and other loans and borrowings, as well as equity. As at March 31, 2025, the total capital held by the Company is $49.9MM (December 31, 2024 - $52.1MM). The Board of Directors of the Company does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company.

There has been no significant change to the Company's capital management policies during the three months ended March 31, 2025.

Subsequent Events

Subsequent to March 31, 2025, the following transactions were finalized:

On April 11, 2025, the Company announced that Lazaros Nikeas was appointed as Non-Executive Chairman and Chief Executive Officer of the Company, and that Martin Kostuik departed the positions of Chief Executive Officer and director of the Company. The Company also announced that Weston Energy II LLC and Weston III, funds affiliated with Yorktown Partners LLC, have agreed to settle an aggregate of US$2.6MM (C$3.7MM) in outstanding indebtedness (including accrued and unpaid interest) owed by the Company and Minera, in exchange for a 0.9352% GRR on mining claims, mining leases and mineral tenures comprising Punitaqui and any third-party ore or other materials processed through the Punitaqui mill to December 31, 2027 (the "**Debt Settlement**"). The GRR is on substantially similar terms as the GRR granted to Electric Royalties Ltd. and disclosed in the Company's press release dated November 25, 2024.

On June 30, 2025, the Company announced a corporate update with respect to the filing of its 2024 annual financial statements, the filing of its financial statements for the three months ended March 31, 2025, and a general corporate update with respect to production at Punitaqui, and the financial performance and outlook for ESI.

On July 9, 2025, the Company entered into definitive agreements with Weston II and Weston Energy III to sell them a GRR. The final GRR is 0.8232% in the aggregate, on the gross revenues produced by Punitaqui, in exchange for extinguishing debts (the "**Extinguished Debts**") owing by the Company (or its wholly-owned subsidiaries) to Weston in the aggregate amount of US$2.7MM (C$3.8MM) (**the "Transaction"**). The GRR issued to Weston is on substantially similar terms to the Company's previously announced royalty transaction with Electric Royalties Ltd., described in the press release of the Company dated November 25, 2024.

Transaction Terms with Weston II and Weston III

Specifically, the Transaction was effected by the following agreements:

- an agreement with Weston II pursuant to which the Company sold a 0.4840% GRR (the "Weston II Royalty") on the Project in exchange for extinguishing all amounts (including accrued and outstanding interest) owing by the Company to Weston II pursuant to the promissory note issued by the Company to Weston II on September 6, 2024 (as further described in the press releases of the Company dated September 9, 2024 and September 12, 2024), being an aggregate of US$1.6MM (C$2.3MM); and
- an agreement with Weston III pursuant to which the Company sold a 0.3392% GRR (the "**Weston III Royalty**", and together with the Weston II Royalty, the "**Royalties**") on the Project in exchange for extinguishing an amount equal to US$1.1MM (C$1.6MM) out of the amount owing by Minera, a wholly-owned subsidiary of the Company, to Weston III pursuant to the promissory note issued by Minera to Weston III on October 9, 2024 (as further described in the press release of the Company dated October 15, 2024) (the "October 9 Note").

In addition to the ores produced from the Punitaqui mines, the Royalties will apply to any third-party ore or other materials processed through the Punitaqui mill from the effective date of the definitive agreement, to December 31, 2027.

The Company will have the right to buy back the Royalties sold to Weston II and Weston III for: (i) in the case of the Weston II Royalty, a cash payment of US$1.9MM (C$2.8MM) from the date on which the Company will have made royalty payments to Weston II in excess of C$2.6MM; and (ii) in the case of Weston III Royalty, a cash payment of US$1.4MM (C$1.9MM) from the date on which the Company will have made royalty payments to Weston III in excess of C$1.8MM.

Concurrently with closing the Transaction, Minera issued an amended and restated promissory note (the "New Note") to Weston III in the amount of US$1.5MM (C$2.1MM), representing the remaining amount owing by Minera to Weston III pursuant to the October 9 Note not extinguished pursuant to the Transaction. The New Note has the same terms as the October 9 Note, other than the amount and maturity date. Specifically, the New Note matures on October 31, 2025 and accrues interest at a rate per annum equal to eight percent (8%). The New Note is unsecured and no bonus securities were issued for the New Note.

Non-IFRS Financial Performance Measures

The Company has included certain non-IFRS measures including "Gross profit" and "Gross profit margin" to supplement its financial statements, which are presented in accordance with IFRS. Gross profit is equal to revenue less the cost of sales, less operating and maintenance expense, less depreciation. Gross profit margin is equal to gross profit divided by revenue.

The Company believes that these measures provide investors with an alternative view to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Other Risks and Uncertainties

The Company is engaged in mineral exploration, development and production activities which, by nature, are speculative. Through ESI, the Company is also engaged in the sale and rental of Padding Machines.

Due to the high-risk nature of the Company's mineral exploration, development and production business division, and the present stage of the Company's various projects, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A under *"Risk Factors related to the Company's Mineral Properties"* and *"Risk Factors related to ESI"*. Additional risks not currently known to the Company, or that the Company currently considers immaterial, may also adversely affect the Company's business, result of operations, financial results, prospects, and price of common shares.

Risk Factors related to the Company's Mineral Properties

Fluctuating Commodity Prices

Historically, copper, gold, silver, cobalt, lithium, graphite and other metals prices have fluctuated widely and are affected by numerous external factors beyond the Company's control, including industrial demand, production and cost levels in major producing regions, short-term changes in supply and demand because of speculative activities, confidence in the global monetary system, the strength of the U.S. dollar (the currency in which metals are generally quoted), interest rates, terrorism and war, and other global or regional political or economic events. Metal prices have fluctuated widely and are sometimes subject to rapid short-term changes because of speculative activities. The exact effect of these factors cannot be accurately predicted, but any one of or any combination of, these factors may result in not receiving an adequate return on invested capital and a loss of all or part of an investment in securities in the Company.

Construction and Start-up of Mines

The success of construction projects and the start-up of mines by the Company is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining facilities and the commencement of mining operations including the successful completion and commissioning of ore passes, recovery plants and conveyors to move ore, among other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with mines could delay or prevent the construction, start-up and production of mines as planned. There can be no assurance that current or future construction, start-up or production plans implemented by the Company will be successful, that the Company will be able to obtain sufficient funds to finance construction, start-up or production activities, that personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects, that the Company will be able to obtain all necessary governmental approvals and permits or that the completion of the construction, the pre-production costs and the ongoing operating costs associated with the development and production of mines will not be significantly higher than anticipated by the Company. The Company has historically settled its accounts payable in the normal course of business. Any delays in receiving the funding necessary to continue advancing Punitaqui may, in turn, cause the Company to be delayed in settling its accounts payable. Such delays may, individually or in aggregate, cause the Company's estimated timeline for the operations at Punitaqui to be adversely affected. Any of the foregoing factors could adversely impact the operations and financial condition of the Company.

Uncertainty of Production Estimates

Future estimates of production for the Company's mining operations are derived from a mining plan and these estimates are subject to change. There is no assurance the production estimates will be achieved and failure to achieve production estimates could have a materially adverse effect on the Company's future cash flow, results of operations and financial condition. These plans are based on, among other things, mining experience, reserve estimates, assumptions regarding ground conditions and physical characteristics of ores and estimated rates and costs of production. Actual ore production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed above. Such occurrences could result in damage to mineral properties, interruptions in production, money losses and legal liabilities and could cause a mineral property that has been mined profitably in the past to become unprofitable. Any decrease in production or change to the timing of production or the prices realized for copper and precious metal sales, will directly affect the amount and timing of the cash flow from operations. A production shortfall or any of these other factors would change the timing of the Company's projected cash flow and its ability to use the cash to fund capital expenditures.

Financing Risk

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing debt and equity market conditions, the prices of copper, gold, silver, cobalt, lithium, graphite and other metals, the performance of the Company, and other factors outlined herein. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If the Company raises additional funds through the sale of equity securities or securities convertible into equity securities, shareholders may have their equity interest in the Company diluted. In addition, failure to comply with covenants under the Company's current or future debt agreements or to make scheduled payments of the principal of, or to pay interest on, its indebtedness would likely result in an event of default under the debt agreements and would allow the lenders to accelerate the debt under these agreements, which may affect the Company's financial condition.

Nature of Mineral Exploration and Mining

The economics of exploring, developing and operating mineral properties are affected by many factors including capital and operating costs, variations of the grades and tonnages of ore mined, fluctuating mineral market prices, costs of mining and processing equipment and such other factors as government regulations, allowable production, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The operations of the Company are also subject to all of the hazards and risks normally incidental to exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Company may be subject to prolonged disruptions due to inclement or hazardous weather conditions depending on the location of operations in which the Company has interests. Hazards, such as unusual or unexpected geological formations, rock bursts, formation pressures, cave-ins, flooding, or other conditions may be encountered in the drilling and removal of material. Other risks include, but are not limited to, mechanical equipment performance problems, industrial accidents, labor disputes, drill rig shortages, the unavailability of materials and equipment, power failures, hydrological conditions, earthquakes, fires, landslides, and other Acts of God. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its financial position.

Estimates of Mineral Resources and Mineral Reserves

Mineral Reserves and Mineral Resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that Mineral Reserves can be mined or processed profitably. Mineral Reserve and Mineral Resource estimates may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing and other relevant issues. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data, the nature of the ore body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience. Fluctuations in commodity prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties, may require revision of mineral reserve and mineral resource estimates. Prolonged declines in the market price of copper (or applicable by-product metal prices) may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves. Should reductions in mineral resources or mineral reserves occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral resources and mineral reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and mineral reserves and corresponding grades being mined and, as a result, the volume and grade of mineral reserves mined and processed, and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral reserves and mineral resources, or of the Company's ability to extract these mineral reserves, could have a material adverse effect on the Company's results of operations and financial condition. Mineral resources are not mineral reserves and have a greater degree of uncertainty as to their existence and feasibility. There is no assurance that mineral resources will be upgraded to proven or probable mineral reserves.

Failure to further develop Punitaqui may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

Risks and unknowns inherent in all projects include, but are not limited to: the accuracy of mineral reserve and mineral resource estimates; metallurgical recoveries; geotechnical and other technical assumptions; capital and operating costs of ongoing production of the project; the future price of commodities; environmental compliance regulations and restraints; political climate and/or governmental regulation and control; the accuracy of engineering; the ability to manage large-scale construction and scoping of major projects, including delays, aggressive schedules and unplanned events and conditions. The capital expenditures and time period required to further develop Punitaqui are considerable and changes in costs and market conditions or unplanned events or construction schedules can affect project economics. The Company's ability to maintain licenses to operate Punitaqui is also important to the success of this project. Actual costs and economic returns may differ materially from estimates prepared by the Company, or the Company could fail or be delayed in obtaining all approvals necessary for execution of the project, in which case, the project may not proceed either on its original timing or at all. In addition, Punitaqui may not demonstrate attractive economic feasibility at low commodity prices. The capital costs for Punitaqui may outweigh the Company's capital, financial and staffing capacity and may adversely affect the development of Punitaqui. The inability to further develop Punitaqui could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. Projects also require the successful completion of feasibility studies, the resolution of various fiscal, tax and royalty matters, the issuance of, and compliance with, necessary governmental permits and the acquisition of satisfactory surface or other land rights. It may also be necessary for the Company to, among other things, find or generate suitable sources of water and power for the project, ensure that appropriate community infrastructure is developed by third parties to support the project and to secure appropriate financing to fund these expenditures. It is also not unusual in the mining industry for mining operations to experience unexpected problems, resulting in delays and requiring the investment of more capital than anticipated.

If the Company is not able to obtain additional financing required to advance exploration and development at Punitaqui, it may be required to reduce the scope of its planned business objectives which may have a material adverse effect on its future prospects.

The Company will have various exploration and development expenditures as it proceeds to expand exploration and development activities at its mineral properties, develop any such properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. The continued exploration and future development of the Company's exploration and development-stage properties will therefore depend on the Company's ability to obtain the required financing. In particular, any potential development of its projects will require substantial capital commitments, which the Company cannot currently quantify and may not currently have in place. The Company can provide no assurance that it will be able to obtain financing on favorable terms or at all. In addition, the Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the metals & mining industry in particular), the price of copper on the commodities markets (which will impact the amount of asset-based financing available) and/or the loss of key management personnel. If the Company is unable to obtain additional financing as needed, it may not be able to move forward with its planned exploration and development activities for Punitaqui. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

No Assurance of Title

The acquisition of title to mineral projects is a detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in its name where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interests of the Company in any of its properties may not be challenged or impugned. Title insurance is generally not available for mineral properties and the Company has a limited ability to ensure that it has obtained secure ownership claims to individual mineral claims. While the Company's intention is to take all reasonable steps to maintain title to its mineral properties, there can be no assurance that the Company will be successful in extending or renewing mineral rights on or prior to expiration of their term or that the title to any such properties will not be affected by an unknown title defect. Should the Company be unsuccessful in extending or renewing mineral rights on or prior to expiration of their term, or if the title to any such properties is affected by an unknown title defect, the Company may not have the ability to explore or operate on any such properties, and their value may be impaired.

Permits and Licenses

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry on with activities which it is currently conducting under applicable laws and regulations, and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operating circumstances. Where required, obtaining necessary licenses and permits can be a complex and time-consuming process. The costs and delays associated with obtaining necessary licenses and permits could stop or materially delay or restrict the Company from proceeding with the development of an exploration project. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development, and mining operations at its mineral projects or that the Company will be able to comply with the conditions of all such necessary licenses and permits in an economically viable manner.

Environmental Regulations and Potential Liabilities

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental hazards may exist on the properties on which the Company holds interests which are unknown at present, and which have been caused by previous or existing owners or operators of the properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration or mining operations may be required to compensate those suffering loss or damage by reason of the exploration or mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration or operational expenses, increases in capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties. The potential financial exposure may be significant.

Infrastructure

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, railways, port facilities, telecommunications, internet, power sources and water supply are important determinants, and affect capital and operating costs to varying degrees. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition, and results of operations.

Availability and Costs of Infrastructure, Energy and Other Commodities

Mining, processing, mine construction and development, capital development projects and exploration activities depend on adequate infrastructure. Reliable access to energy and power sources and water supply are important factors that affect capital and operating costs. If the Company does not have timely access to adequate infrastructure, there is no assurance that it will be able to start or continue exploring, developing and operating projects, complete them on timely basis or at all. There is no assurance that the operations will achieve the anticipated production volume, or that construction costs and operating costs will not be higher than estimates calculated. The profitability of the Company's business is also affected by the market prices and availability of commodities and resources which are consumed or otherwise used in connection with the Company's operations and development projects such as diesel fuel, electricity, finished steel, tires, steel, chemicals, and reagents. Prices of such commodities and resources are also subject to volatile price movements, which can be material and can occur over short periods of time due to factors beyond the Company's control.

If there is a significant and sustained increase in the cost of certain commodities, the Company may decide that it is not economically feasible to engage in production and development activities and this could have an adverse effect on profitability. An increase in worldwide demand for critical resources like input commodities, drilling equipment, mobile mining equipment, tires and skilled labor could affect the Company's ability to acquire them and lead to delays in delivery and unanticipated cost increases, which could have an effect on the Company's operating costs, capital expenditures and production schedules. Further, the Company relies on certain key third party suppliers and contractors for services, equipment, raw materials used in, and the provision of services necessary for, the development, construction, and continuing operation of its assets. As a result, the Company's activities are subject to a number of risks some of which are outside its control, including negotiating agreements with suppliers and contractors on acceptable terms, the inability to replace a supplier or a contractor and its equipment, raw materials or services in the event that either party terminates the agreement, interruption of operations or increased costs in the event that a supplier or contractor ceases its business due to insolvency or other unforeseen event and failure of a supplier or contractor to perform under its agreement with the Company. The occurrences of one or more of these events could have a material effect on the business, results of operations and financial condition of the Company.

Further, the Company's operations include the purchase and processing of third-party ores, and the sale of the resulting concentrates. The ability to earn revenue from these sales is dependent on third party relationships and contracts, and upon the supply of materials pursuant to such relationships and contracts. Accordingly, the Company may decide it is not economically feasible or advisable to continue this practise or the Company may be unable to earn revenue from these sales due to factors beyond the Company's control.

Dependence on Key Personnel

The Company's success is dependent on a relatively small number of key employees. The loss of one or more of these key employees, if not replaced, could have a material adverse effect on the Company's business, results of operations and financial condition.

Dependence on Third Parties

The Company relies significantly on strategic relationships with other entities and also on good relationships with regulatory and governmental departments. The Company also relies upon third parties to provide essential contracting services. There can be no assurance that existing relationships will continue to be maintained or that new ones will be successfully formed, and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts, could adversely impact the Company, its business, operating results, and prospects.

Losses from or Liabilities for Risks which are not Insured

Hazards such as unusual or unexpected geological formations and other conditions are involved in mineral exploration and development and mining. The Company may become subject to liability for pollution, cave-ins, or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities would have a material, adverse effect on the Company's financial position and results of operations. Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition and results of operations.

Governmental Regulation

Exploration, development and mining of minerals are subject to extensive federal, state or provincial, and local laws and regulations governing acquisition of the mining interests, prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, water use, land use, land claims that may be brought by third parties, environmental protection and remediation, endangered and protected species, mine safety and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied or amended in a manner that could have a material adverse effect on the business, financial condition, and results of operations of the Company. The costs and delays associated with obtaining necessary licenses and permits and complying with these licenses and permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development or operation of a project. Any failure to comply with applicable laws and regulations or licenses and permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties, or other liabilities. The Company may be required to compensate those suffering loss or damage by reason of its mining operations and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. These laws and regulations are administered by various governmental authorities including the federal, state or provincial, and local governments.

Health and Safety

Mining operations generally involve a high degree of risk. Personnel involved in the Company’s operations are subject to many inherent risks, including but not limited to, rock bursts, cave-ins, flooding, fall of ground, electricity, slips and falls and moving equipment that could result in occupational illness, health issues and personal injuries. The Company has implemented various health and safety measures designed to mitigate such risks. Such precautions, however, may not be sufficient to eliminate health and safety risks and employees, contractors and others may not adhere to the occupational health and safety programs that are in place. Any such occupational health and personal safety issues may adversely affect the business of the Company and its future operations.

Tax Matters

The Company's taxes are affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on the Company's business, results of operations and financial condition. The Company may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively impact the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Information Technology

A failure or breach of the Company's network systems could corrupt the Company's financial or operational data and may have a material adverse impact on the Company's reputation and results of operations. Major equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Company's network could disrupt the Company's business functions, including the Company's exploration, development and production activities. The mining industry has become increasingly dependent on digital technologies. Mines and mills are automated and networked, and the Company relies on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact the Company's operations. A corruption of the Company's financial or operational data or an operational disruption of the Company's infrastructure could, among other potential impacts, result in accidental discharge; expensive remediation efforts; distraction of management; damage to the Company's reputation or its relationship with customers, vendors and employees; or events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on the Company's reputation, profitability, future cash flows, earnings, results of operations and financial condition.

Labor Difficulties

Factors such as work slowdowns or stoppages caused by the attempted unionization of operations and difficulties in recruiting qualified miners and hiring and training new miners could materially adversely affect the Company's business. This would have a negative effect on the Company's business and results of operations which might result in the Company not meeting its business objectives.

Competition

There is significant competition in the base and precious metals mining industries for mineral rich properties that can be developed and produced economically, the technical expertise to find, develop, and operate such properties, the labor to operate the properties and the capital for the purpose of funding such properties. Many competitors not only explore for and mine metals but conduct refining and marketing operations on a global basis. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations, develop its projects, and engage in production. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration, production and success in the future. Increased competition can result in increased costs and lower prices for metal and minerals produced and reduced profitability. Consequently, the revenues of the Company, its operations, production and financial condition could be materially adversely affected. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* (British Columbia) to disclose the conflict of interest and to abstain from voting on the matter.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's invasion of Ukraine led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chains and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business, financial condition and results of operations. The Israeli war with Hamas may also have a destabilizing effect on commodity prices and global economies. The extent and duration of the Russia-Ukraine conflict and the Israeli war with Hamas and any related international actions cannot be accurately predicted at this time and the effects of such conflicts may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on our shareholders and counterparties on which we rely and transact with, may materialize and may have an adverse effect on the Company's business, results of operation and financial condition.

Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking statements, you are cautioned that this list is not exhaustive and there may be other factors that the Company has not identified. Furthermore, the Company undertakes no obligation to update or revise any forward-looking statements included in, or incorporated by reference in, this MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

Global Pandemics

Though work at the Company's properties is continuing with no significant interruptions to date, the Company may nonetheless be impacted at any time by a global pandemic outbreak, as well as related governmental regulations, restrictions and other measures and business disruptions due to the impact of same on third parties with whom the Company is associated or does business. The Company complies with all federal, provincial or state, and local governmental regulations concerning pandemics. While the majority of our employees and contractors are currently operating following the contagion prevention measures that have been put in place, the ever-changing nature of the situation may have a material adverse impact on the Company as it could result in delays and increased costs. In addition, government authorities could impose new or additional requirements resulting in further limitations on the activities, or the suspension of all activities.

Alternatively, in the event of an outbreak at any of the Company's projects, government authorities, either federally or locally, or the Company could determine that a full suspension of all of its operations is necessary for the safety and protection of the workers. A complete suspension of operations could result in delays, result in additional increases in costs and have a material adverse effect on the financial position of the Company. If authorities were to impose a suspension order caused by a virus outbreak, or if there is a full suspension of activities at any of our project sites for an undefined period of time there could be additional medical and other costs to be incurred, project delays, and cost overruns. Moreover, the actual and threatened further spread of any global pandemic could continue to negatively impact stock markets, including the trading price of the Company's common shares, could adversely impact the Company's ability to raise capital, could cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive and could result in any operations affected becoming subject to quarantine. Any of these developments, and others, could have a material adverse effect on the Company's business and results of operations.

Risk Factors related to ESI

Competition

The industry in which ESI operates is competitive and ESI competes with a substantial number of companies which may have more equipment and personnel as well as greater financial resources. ESI's ability to generate revenue and earnings depends primarily upon its ability to secure new and repeat business. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of products and services that compete with those of ESI or that new or existing competitors will not enter the various markets in which ESI is active. In certain aspects of its business, ESI also competes with several small and medium-sized companies, which, like ESI, have certain competitive advantages such as low overhead costs and specialized strengths. In addition, reduced levels of activity in the oil and natural gas industry can intensify competition and may result in lower revenue for ESI.

Excess Equipment Levels in the Industry

Due to the long-life nature of service equipment and the long delivery time for equipment being manufactured, the quality of equipment available does not always correspond with the demand for its use. Periods of high demand often lead to increases in capital expenditures, which in turn lead to increased supply and decreased demand. Such increases in supply often lead to downward pricing pressures across the industry which could materially impact the ESI's profitability. Additionally, ESI could fail to secure sufficient work in which to employ its equipment, which could have a material adverse effect on its business, results of operations, financial conditions, and cash flows.

Third Party Credit Risk

ESI assesses the creditworthiness of its customers on an ongoing basis and monitors the amount and age of balances outstanding. ESI views the credit risks on these amounts as normal for the industry. The carrying amount of accounts receivable represents the maximum credit exposure on this balance. During times of weak economic conditions, the risk of increased payment delays and default increases due to reductions in customers' cash flows. Failure to collect accounts receivable from customers could have a material adverse effect on ESI's business, financial condition, results of operations and cash flows. ESI generally grants unsecured credit to its customers; however, it evaluates all new customers, as appropriate, and analyzes and reviews the financial health of its current customers. Management has assessed the customers as creditworthy and ESI has had no history of collection issues with its customers, however, the inability for ESI's customers to meet their financial obligation to ESI could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Sources, Pricing and Availability of Equipment and Equipment Parts

ESI sources its equipment and equipment parts from a variety of suppliers. Failure of suppliers to deliver supplies and materials in a timely and efficient manner would be detrimental to ESI's ability to maintain levels of service to its customers. ESI attempts to mitigate this risk by maintaining good relations with key suppliers. However, if the current suppliers are unable to provide the supplies and materials, or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of equipment to ESI's clients could have a material adverse effect on its results of operations and financial condition.

Liquidity Risk

Liquidity risk is the risk that ESI will not be able to meet its financial obligations as they fall due. ESI's approach to managing liquidity is to continually monitor its financial resources to provide sufficient liquidity to meet its liabilities when due. ESI's processes for managing liquidity risk include preparing and monitoring capital and operating budgets, coordinating, and authorizing project expenditures, and authorization of contractual agreements. ESI seeks to manage its financing based on the results of these processes.

Reliance on Key Personnel

The success of ESI is dependent upon its key personnel. Any loss of the services of such persons could have a material adverse effect on the business and operations of ESI. ESI's ability to provide dependable and quality equipment is dependent on its ability to hire and retain a dedicated and quality pool of employees. ESI strives to retain employees by providing a safe working environment, competitive wages and benefits, and an atmosphere in which all employees are treated equally regarding opportunities for advancement. The unexpected loss of key personnel or the inability to retain or recruit skilled personnel could have a material adverse effect on ESI's business, financial condition, results of operations and cash flows.

Seasonality

In North America, the level of activity in the renewable and conventional energy industries is influenced by seasonal weather patterns. The demand for equipment sales and rentals may be affected by the severity of weather. For example, during excessively rainy periods, equipment moves may be delayed, thereby adversely affecting revenues. The volatility in the weather and temperature can therefore create unpredictability in activity and utilization rates, which could have a material adverse effect on ESI's business, financial condition, results of operations and cash flows.

Income Tax Risk

ESI has risks for income tax matters, including any unanticipated tax and other expenses and liabilities of ESI. ESI must file tax returns in the jurisdictions in which it operates. The tax laws and the prevailing assessment practices are subject to interpretation and the authorities may disagree with the filing positions adopted by ESI. The impact of any challenges cannot be reliably estimated and may be significant to the financial position or overall operations of ESI.

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 unaudited consolidated financial statements for the year-ended December 31, 2024 and this accompanying MD&A.

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 the disclosure required under Section 5.3 of National Instrument 51-102 – Continuous Disclosure Obligations, see sections *"Exploration Activities"*, and *"Exploration and Evaluation Expenditures"*.

Forward Looking Statements

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Readers are cautioned that these statements which describe the Company’s plans, objectives, and budgets may differ materially from actual results and as such should not be unduly relied upon by investors. Forward-looking statements contained in this MD&A speak only as to the date of this MD&A, or such other date as may be specified herein, and are expressly qualified in their entirety by this cautionary statement. See additional discussion under *“Other risks and uncertainties”* section above.