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**MADORO METALS CORP.**

**Management Discussion & Analysis**

**Form 51-102F1**

**As at and for the six months ended August 31, 2024**

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## **MADORO METALS CORP.**

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October 30, 2024

#### **OVERVIEW**

The head office, and principal address of the Company is Suite 1450, 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. The Company's registered and records address is at the corporate solicitor's office, Fasken Martineau DuMoulin LLP, 2900 – 550 Burrard Street, Vancouver, BC, V6C 0A3.

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Madoro Metals Corp. (the "Company") and should be read in conjunction with the Company's unaudited consolidated financial statements for the six months ended August 31, 2024 and audited financial statements for the year ended February 29, 2024; including the notes thereto (the "Financial Statements"), copies of which are filed on the SEDAR+ website: [www.sedarplus.ca](http://www.sedarplus.ca).

All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's Financial Statements prepared in accordance with IFRS. Information provided in this MD&A, including financial information extracted from the Financial Statements, is the responsibility of management. This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Accordingly, actual results may differ materially from the expected results.

#### **DESCRIPTION OF THE COMPANY'S BUSINESS**

Madoro Metals Corp. (the 'Company'), incorporated in British Columbia on September 24, 1984, is an exploration stage public company primarily listed and trading on the TSX Venture Exchange (trading symbol "MDM"), and quoted and trading on the OTC Markets in USA (trading symbol "MSTXF") and the German exchanges and quotation systems (under WKN: "A2QQ1X"). The Company is assessing its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves and confirmation of the Company's interest in the underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under mineral property agreements and to complete the development of the properties, and upon future profitable production or the sale thereof.

The Company is listed as a Tier 2 mining exploration issuer. The Company is primarily engaged in the acquisition, exploration and development of mineral properties in Canada. As at August 31, 2024, the Company had no revenue producing operations and had an accumulated deficit of \$8,944,849 (February 29, 2024 - \$8,750,878). As at August 31, 2024, the Company had working capital of \$19,381 (February 29, 2024 - \$47,155).

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The Financial Statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were exclusively funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution of the equity interests of current shareholders. The Company's future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

#### **GOING CONCERN**

The Company's ability to continue as going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These Financial Statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of the financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

#### **OVERALL PERFORMANCE**

#### **MINERAL INTERESTS**

##### **FIRST GREEN LITHIUM Property, Quebec, Canada:**

On January 31, 2023, the Company entered into an option agreement, subsequently amended, with South Shore Partnership Inc. ("South Shore") to acquire an undivided 100% right, title and interest in and to the First Green Lithium property. Pursuant to the option agreement, the Company will make cash payments totalling \$165,000 and issue 5,400,000 shares based on the following schedule:

- (i) \$21,000 (paid) and 750,000 shares (issued for a total value of \$45,000), on or before (February 5, 2023).
- (ii) \$18,000 (paid) and 1,650,000 shares (issued for a total value of \$41,250).
- (iii) \$18,000 (paid), due on July 31, 2024.
- (iv) \$48,000 and 1,500,000 shares on or before January 31, 2025.
- (v) \$60,000 and 2,100,000 shares on or before January 31, 2026.

The Company would need to complete aggregate expenditures of \$1,000,000 as follows:

- (i) incur \$50,000 of exploration expenditures by January 31, 2024 (incurred).
- (ii) incur \$375,000 of exploration expenditures by January 31, 2025.
- (iii) incur \$575,000 of exploration expenditures on or before January 31, 2026.

Pursuant to the agreement, upon exercise of the option, the Company will assign a 2% Net Smelter Returns Royalty ("NSR") to South Shore.

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The Company also paid \$17,500 in cash as finder fees to a third-party consultant to identify and then close the option agreement of First Green Lithium. The amount has been recorded as the cost of acquisition.

The Company has started a prospecting and sampling program on the First Green Lithium property. During the prior year, the Company announced that it had discovered a swarm of lithium-bearing pegmatite dykes in the central part of the property. Analyses of five samples from the dykes also showed elevated levels of pathfinder elements and significantly low potassium/rubidium ratios. The Company is evaluating these results and planning the next steps for the project.

#### **RALLEAU Property, Quévillon, Quebec:**

The Ralleau property is located within the Abitibi greenstone belt approximately 40 km east of Quévillon, Quebec. Previous mapping and sampling have identified anomalous Cu-Zn Volcanogenic Massive Sulphide (VMS) style mineralization and alteration on the property. Several untested airborne INPUT geophysical anomalies occur within felsic volcanic rocks from which anomalous base metal values have been returned in surface sampling. As of the date of this report, the Ralleau property comprises 45 contiguous mineral claims.

From 2006 to 2010, the Company has completed the following exploration work in several successive programs:

- 75 km of line cut grid
- ground magnetic and deep EM surveys
- 1,545.7 meters (5 holes) of diamond drilling
- trenching and channel sampling
- 1,457-line km of helicopter-borne VTEM Survey spaced at 75-meter intervals that identified a total of forty-nine anomalies of which eight were classified as Priority One
- Preliminary ground-proofing of VTEM anomalies together with minor mapping and prospecting

On April 5, 2017, the Company entered into an option agreement with DeepRock Minerals Inc. ("DeepRock") on the Company's wholly owned Ralleau Property. Under the terms of the option agreement and amendments, DeepRock will be deemed to have exercised its option to acquire a 50% interest in the property by making a payment of \$75,000 in cash, issuing 1,400,000 common shares to the Company and incurring exploration expenditures of \$250,000. During fiscal 2022, DeepRock met all its obligations and acquired a 50% interest in the property.

#### **CERRO MINAS Project, Oaxaca, Mexico**

On October 16, 2019, the Company entered into an Option Agreement with Gunpoint Exploration Ltd. ("Gunpoint") and Gunpoint's subsidiary, Minera CJ Gold S.A. de C.V. ("CJ Gold"), whereby the Company, through its subsidiary, Minera Mazateca, may acquire a 100% interest in the Cerro Minas mineral concession located in the state of Oaxaca, Mexico (the "Property"). The Company has earned the 100% interest in the Property by paying Gunpoint US\$100,000 and issuing 800,000 common shares.

Gunpoint retains a 1.5% Net Smelter Returns Royalty on the Property, of which the Company may purchase, at any time, 0.5% for US\$1,000,000.

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The Cerro Minas property contains multiple areas of polymetallic (Au-Ag-Cu-Pb-Zn) skarn mineralization as documented in previous work by Gunpoint Exploration Ltd and visually confirmed by the Company prior to entering into the aforementioned agreement.

### RESULTS OF OPERATIONS

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

The Company had a net and comprehensive loss of \$154,227 for the three months ended August 31, 2024, (2023 – \$224,510). The following significant fluctuations period over period were:

- i) Accounting and audit fees decreased by \$9,621 due to timing of audit accruals and invoicing.
- ii) Exploration expenditures decreased by \$38,728 due to lower exploration costs incurred for the Company's Mexican properties.
- iii) Legal fees decreased by \$32,216 due to legal opinions on the mining claims, Mines Department filings and matters relating to the litigation involving the Company's Mexican properties in the comparative period.
- iv) Unrealized loss on marketable securities of \$40,375 during the quarter compared to a loss of \$16,800 in the comparative period.

#### *Six months ended August 31, 2024*

The Company had a net and comprehensive loss of \$193,971 for the six months ended August 31, 2024, (2023 – \$320,393). The following significant fluctuations period over period were:

- i) Accounting and audit fees decreased by \$8,633 due to timing of audit accruals and invoicing.
- ii) Exploration expenditures decreased by \$38,728 due to exploration costs incurred for the Company's Mexican properties.
- iii) Legal fees decreased by \$32,258 due to legal opinions on the mining claims, Mines Department filings and matters relating to the litigation involving the Company's Mexican properties in the comparative period.
- iv) Unrealized loss on marketable securities of \$15,775 during the quarter compared to a loss of \$42,800 in the comparative period.

### SUMMARY OF QUARTERLY FINANCIAL RESULTS

The Company's operating results from the last eight quarters are summarized as follows:

	Three-months ended			
	August 31, 2024	May 31, 2024	February 29, 2024	November 30, 2023
Net and comprehensive loss	\$ (154,227)	\$ (39,744)	\$ (1,005,071)	\$ (101,116)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

  

	Three-months ended			
	August 31, 2023	May 31, 2023	February 28, 2023	November 30, 2022
Net and comprehensive loss	\$ (224,510)	\$ (95,883)	\$ (322,166)	\$ (76,986)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)

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Net and comprehensive loss for the three-month period ended August 31, 2024 was \$154,227 compared to \$39,744 for the three-month period ended May 31, 2024. The significant differences quarter over quarter consisted of:

- i) Legal fees increased by \$25,616 compared to the comparative quarter as a result of the Court Order.
- ii) Property investigation increased by \$21,637.
- iii) Unrealized loss on marketable securities increased by \$64,975.

Net and comprehensive loss for the three-month period ended May 31, 2024 was \$39,744 compared to \$1,005,071 for the three-month period ended February 29, 2024. The significant differences quarter over quarter consisted of:

- i) Impairment of the Yautepec property of \$1,084,220 during the quarter ended February 29, 2024.
- ii) Gain on Court Order of \$150,000 relating to the return of 6,000,000 shares of the Company to treasury during the quarter ended February 29, 2024.
- iii) Legal fees increased compared to the comparative quarter as a result of the Court Order.

Net and comprehensive loss for the three-month period ended February 29, 2024 was \$1,005,071 compared to \$101,116 for the three-month period ended November 30, 2023. The significant differences quarter over quarter consisted of:

- i) Impairment of the Yautepec property of \$1,084,220 during the quarter ended February 29, 2024.
- ii) Gain on Court Order of \$150,000 relating to the return of 6,000,000 shares of the Company to treasury during the quarter ended February 29, 2024
- iii) Legal fees increased by \$37,725 in the quarter as a result of the Court Order.

Net and comprehensive loss for the three-month period ended November 30, 2023 was \$101,116 compared to \$224,510 for the three-month period ended August 31, 2023. The significant differences quarter over quarter consisted of:

- i) Accounting and audit fees decreased by \$11,791 as a result of accrual timings.
- ii) Exploration expenditures decreased by \$38,114 as a result of reduced costs relating to the Mexican properties.
- iii) Legal fees decreased by \$63,886 as a result of the Court Order.
- iv) Property investigation costs decreased by \$21,371.

Net and comprehensive loss for the three-month period ended August 31, 2023 was \$224,510 compared to \$95,883 for the three-month period ended May 31, 2023. The significant differences quarter over quarter consisted of:

- i) Accounting and audit fees increased by \$11,999 as a result of accrual timings.
- ii) Exploration expenditures increased by \$38,114 as a result of costs relating to the Mexican properties.
- iii) Legal fees increased by \$57,790 as a result of the Court Order.
- iv) Property investigation costs increased by \$21,371.

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Net and comprehensive loss for the three-month period ended May 31, 2023 was \$95,883 compared to \$322,166 for the three-month period ended February 28, 2023. The significant differences quarter over quarter consisted of:

- i) Exploration expenditures decreased by \$62,916 as a result of a decrease in costs relating to the Mexican properties.
- ii) Legal fees decreased by \$25,443 as a result of the Court Order in the comparative quarter.
- iii) Transfer agent and filing costs decreased by \$2,471.

Net and comprehensive loss for the three-month period ended February 28, 2023 was \$322,166 compared to \$76,986 for the three-month period ended November 30, 2022. The significant differences quarter over quarter consisted of:

- i) Consulting decreased by \$16,000 as a result of the company engaging fewer consultants.
- ii) Exploration expenditures increased by \$62,916 as a result of costs relating to the Mexican properties.
- iii) Legal fees increased by \$27,341 as a result of an increase in legal fees in the quarter as a result of the Court Order.

Net and comprehensive loss for the three-month period ended November 30, 2022 was \$76,986 compared to \$128,628 for the three-month period ended August 31, 2022. The significant differences quarter over quarter consisted of:

- i) Accounting and audit fees decreased by \$11,122 as a result of accrual timings.
- ii) Consulting increased by \$17,508 as a result of the Company increasing activity and requiring consulting services.
- iii) Exploration expenditures decreased by \$28,005 as a result of costs relating to the Mexican properties.
- iv) Legal fees decreased by \$8,945 as a result of a decrease in the need for legal services.
- v) Unrealized loss on marketable securities increased by \$19,750.

### **LIQUIDITY AND CAPITAL RESOURCES**

As at August 31, 2024, the Company had net working capital of \$19,381 (February 29, 2024 – \$47,155) and cash and cash equivalents of \$199,279 (February 29, 2024 - \$76,917).

During the period from March 1, 2023 to October 30 2024, the Company:

- i) closed a non-brokered private placement of 15,250,000 units at a price of \$0.02 per unit for aggregate gross proceeds of \$305,000. Each unit includes one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.05 per common share.
- ii) received \$598,108 in cash relating to the court order detailed later in this MD&A. The Company continues to take steps to collect additional amounts.

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#### **CASH FLOW ACTIVITIES**

##### *Six months ended August 31, 2024:*

During the period ended August 31, 2024, cash used in operating activities was \$156,677 as compared to \$208,122 during the period ended August 31, 2023. The change in cash flows from operating activities as compared to the prior year was primarily due to settling accounts payable during the period ended August 31, 2024.

Cash used in investing activities during the period ended August 31, 2024, was \$25,961, compared to cash used in investing activities of \$92,154 during the period ended August 31, 2023. The amounts consist of exploration and evaluation expenditures primarily incurred on the Company's First Green Lithium property.

Cash provided by financing activities during the period ended August 31, 2024, was \$305,000, compared to cash provided by financing activities of \$Nil during the period ending August 31, 2023. The financing activities during the period ended August 31, 2024 consisted of cash received for the private placement.

#### **OUTSTANDING SHARE DATA**

At October 30, 2024, there were 89,546,716 common shares outstanding.

Stock options outstanding at October 30, 2024 consisted of 3,150,000 stock options exercisable at \$0.08 until December 9, 2025.

Warrants outstanding at October 30, 2024 consisted of 7,625,000 warrants exercisable at \$0.05 until May 16, 2026.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements as at August 31, 2024 or as of the date of this report.

#### **TRANSACTIONS WITH RELATED PARTIES**

During the period ended August 31, 2024 and 2023, the Company entered into the following transactions with related parties:

	<b>Six-month Period Ended August 31, 2024</b>	Six-month Period Ended August 31, 2023
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:		
Management fees - CEO	\$ 24,000	\$ 24,000
Management fees -CFO	10,000	24,000
Management fees – former CFO	-	-
Consulting fees – corporate secretary	15,000	15,000
Consulting fees – CFO's partnership	10,000	-
Professional fees – company controlled by the former CFO	4,057	17,518
	<b>\$ 63,057</b>	<b>\$ 80,518</b>



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The following amounts due to related parties are for amounts due to directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

	Due to related parties	
	As at August 31, 2024	As at February 29, 2024
Company controlled by the CEO	\$ 33,600	\$ 8,400
Partnership in which the CFO has an interest	5,250	-
Company controlled by the corporate secretary	2,625	1,084
	\$ 41,475	\$ 9,484

### **CRITICAL ACCOUNTING ESTIMATES**

For a detailed summary of the Company's significant accounting estimates, the readers are directed to Note 3 of the interim condensed consolidated financial statements that are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Financial Statements that are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **RISKS AND UNCERTAINTIES**

The Company believes that the following risks and uncertainties may materially affect its success.

#### **Limited Operating History**

The Company has no history of business or mining operations, revenue generation or production. The Company was incorporated on September 24, 1984, and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

#### **Exploration, Development and Operating Risks**

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations, there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods is tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken,

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operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

#### **Fluctuating Mineral Prices**

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, and variations in the grade of minerals explored. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

#### **Regulatory Requirements**

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, 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 and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

#### **Financing Risks and Dilution to Shareholders**

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

#### **Title to Properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot guarantee that title to the properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties

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could cause the Company to lose any rights to explore, develop and mine any minerals on those properties, without compensation for its prior expenditures relating to such properties.

#### **Competition**

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

#### **Reliance on Management and Dependence on Key Personnel**

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these people may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

#### **No Mineral Reserves or Mineral Resources**

The properties in which the Company holds an interest are considered to be early exploration stage properties and no mineral reserve or mineral resource estimates have been prepared in respect of the properties. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

#### **Environmental Risks**

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that drill holes and facility sites be operated, maintained, abandoned and/or reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

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#### **Governmental Regulations and Processing Licenses and Permits**

The activities of the Company are subject to Canadian and provincial approvals, various laws governing prospecting, development, land resumptions, production taxes, labor standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

#### **Local Resident Concerns**

Apart from ordinary environmental issues, work on, or the development and mining of, the properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

#### **Conflicts of Interest**

Certain directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

#### **Uninsurable Risks**

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company shares. The Company does not intend to maintain insurance against environmental risks.

#### **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

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#### **FORWARD-LOOKING STATEMENTS**

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompleteness of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

#### **MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING**

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim condensed consolidated financial statements and the audited annual consolidated financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

## MADORO METALS CORP.

### MANAGEMENT'S DISCUSSION & ANALYSIS

As at and for the six months ended August 31, 2024

## FINANCIAL INSTRUMENTS AND RISKS

### Fair Values

Per IFRS 7, a three-level hierarchy that reflects the significance of inputs used in making fair value measurements is required. The three levels of fair value hierarchy are as follows:

- a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 – Inputs for assets or liabilities that are not based on observable market data.

### Financial Instrument Risks

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described above. Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair value measurement.

Financial Instruments	As at August 31, 2024	As at February 29, 2025
Cash and cash equivalents	\$ 199,279	\$ 76,917
Amounts receivable	16,967	9,538
Marketable securities	43,725	59,500
Total current liabilities	(241,559)	(199,535)
Total	\$ 18,412	\$ (53,580)

The Company's marketable securities are valued using quoted market prices in active markets for identical assets, and therefore are classified as Level 1.

The fair value of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and due to related parties approximates their carrying values due to their short term to maturity.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

#### *Credit risk*

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, cash equivalents and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at

## **MADORO METALS CORP.**

### **MANAGEMENT'S DISCUSSION & ANALYSIS**

As at and for the six months ended August 31, 2024

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August 31, 2024, the Company had net working capital of \$19,381 (February 29, 2024 - \$47,155). The payment terms for accounts payable and accrued liabilities from vendors are generally 30 days or due on receipt.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company's marketable securities bear market price risk. The maximum exposure to this risk is equal to the carrying value of the investment.

#### *Interest rate risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The Company has no significant interest rate risk.

#### *Foreign currency risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company has no significant foreign currency rate risk.

## **OTHER MATTERS**

### **Court Order**

During fiscal 2023, the Company filed a Notice of Civil Claim in the Supreme Court of British Columbia against Paradex Inc. and Minera Zalamera, S.A. de C.V. for specific performance of option agreements, damages, costs, and other relief with respect to Rama de Oro, Yautepec, and Magdalena properties in Mexico. The Company incurred substantial acquisition and exploration expenses, for which it did not receive the benefits to which it was entitled under the option agreements. Subsequently, the Company filed a Notice of Application in the Supreme Court of British Columbia (the "Application"), seeking an order for damages for breach of contract and misrepresentation rather than for specific performance of the option agreements, as well as for the cost of the Application and pre-judgment interest. During fiscal 2024, the Company received a favorable Court Order, issuing a judgment against the Defendants, as requested in the Application. The option agreements have been terminated as a result, and the Company is taking steps to act on the judgment. The 6,000,000 shares of the Company issued under the option agreements were returned to treasury. In October 2024, the Company collected \$598,108 and continues to take steps to recover additional amounts.

### **Contingent Liabilities**

At the date of this report, management was unaware of any outstanding contingent liability relating to the Company's activities.

**MADORO METALS CORP.**

MANAGEMENT'S DISCUSSION & ANALYSIS

As at and for the six months ended August 31, 2024

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**Change in Management**

On April 1, 2024, the Company announced the appointment of David Cross, CPA as Chief Financial Officer upon the resignation of Zara Kanji.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Detailed listings of general and administrative expenses and exploration expenditures are provided in the Financial Statements of the Company.

**OTHER REQUIREMENTS**

Additional disclosure of the Company's material documents, information circular, material change reports, new release, and other information can be obtained on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).