Battery Mineral Resources Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

Table of Contents

Introduction

This Management's Discussion and Analysis of Operations and Financial Condition (“**MD&A**”) of Battery Mineral Resources Corp. (“**BMR**” or the “**Company**”) should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2023, including the notes thereon (the “**Financial Statements**”), as well as the Company’s Audited Annual Consolidated Financial Statements for the year ended December 31, 2022, including the notes thereon and the Company’s Management’s Discussion and Analysis for the year ended December 31, 2022.

The Company’s Financial Statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of November 27, 2023, and all information is current as of such date. Readers are encouraged to read the Company’s public information filings on SEDAR at www.sedar.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 *“Cautionary Statements on Forward-Looking Statements”* and *“Technical Information”*.

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 and developer 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 the previously producing Punitaqui Mining Complex (“**Punitaqui**”), located in the Coquimbo region of Chile, and pursuing the potential near term resumption of operations at Punitaqui.

The Company also controls the Cobalt District Exploration Project in Ontario and Quebec, Canada, comprised of mineral claims and leases covering an aggregate of 64,116 hectares in Ontario and 1,813 hectares in Quebec; other assets prospective for cobalt and lithium in the United States; and graphite properties in South Korea.

The Company’s United States cobalt assets include mineral claims covering fourteen cobalt occurrences. The Bonanza properties are located in the historic Blackbird Mining District approximately 30 km west and north of the town of Salmon, Idaho. The Company has one lithium exploration asset in the United States, the Amargosa prospect in Nye County, Nevada. The Amargosa tenements cover approximately 5 km^2. The Company has two graphite exploration assets in South Korea. The Guemam prospect, which was an operating graphite mine between 1986 and 1993, and a supplier of graphite to the South Korean battery market, and the Taehwa flake graphite prospect.

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. ESI operates in the Canadian and U.S. markets, in the latter through its 100%-owned operating subsidiary Ozzie's Inc. (“**Ozzie’s**”). ESI’s financial position, results of operations and cash flows are consolidated in the Financial Statements of the Company, and ESI’s results are discussed in this MD&A.

For a discussion as to the business of the Company, see sections *"Results of Operations"*, *"Risk Factors related to the Company's Mineral Properties"* and *"Risk Factors related to ESI"*.

Project Development

Punitaqui

During the three months ended September 30, 2023, the Company continued to advance Punitaqui, its flagship mineral asset. Project development activities at Punitaqui during the three months ended September 30, 2023 included the following:

- **Ongoing Exploration:** the Company's principal focus during this period was detailed planning of resource infill and extensional drilling for the Cinabrio Mine, San Andres, Cinabrio Norte and Dalmacia resources. Selective relogging of both recent and historic drilling is ongoing to enhance our understanding of the controls on mineralization, and the geological models for each of the deposits.

- **Community and Social Initiatives:** the Company has been working closely with Integratio Mediação Social e Sustentabilidade ("**Integratio**"), and completed a policy, strategy and implementation guide for current and future social and community engagement and reporting. This guide is the foundation for positive, proactive, and mutually beneficial engagement and partnership with the local communities in the area of influence of Punitaqui, and includes a social management manual, a community relations and communication plan and implementation guide, a donation and sponsorship guide, a social management manual and a guide for the preparation of annual sustainability reports that the company plans to make public in both English and Spanish. Integratio is a socio-environmental management, strategic relationship, and stakeholder engagement consultant group operating for over 17 years and based in Belo Horizonte, Brazil.

Management's Outlook for 2023

On October 17, 2023, the Company announced a private placement offering (the "**Private Placement**") of senior unsecured convertible debentures (the "**New Debentures**") for total gross proceeds of up to USD$6,000,000. Concurrently with the announcement of the Private Placement, the Company proposed to issue approximately USD$15,400,000 in New Debentures to the holders of existing indebtedness, which includes the Bridge Loan, the Promissory Note and the existing Convertible Debentures, as part of a comprehensive debt consolidation to simplify the Company's capital structure and extend the Company's near-term debt maturities.

On October 19, 2023, the Company closed the first tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,370,000. Concurrently, the Company also issued USD$15,408,039 in New Debentures to holders of existing indebtedness to complete the comprehensive debt consolidation announced on October 17, 2023.

On November 3, 2023, the Company closed a second tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,915,000. This brought the total amount of new funding raised via issuance of the New Debentures to USD$3,285,000. The proceeds from the New Debentures will be applied towards working capital and towards the restart of copper concentrate production at Punitaqui. See section *"Subsequent Events"* for additional details of the Private Placement.

The Company is in the process of securing the remaining funding for the expected re-start of mining and resumption of copper concentrate production from Punitaqui. The Company is negotiating agreements with several parties that could provide this funding, with the goal of closing one or more funding agreements in the fourth quarter of 2023.

Management looks forward to keeping all of the Company's stakeholders appraised of the Company's progress towards the potential re-start of production from Punitaqui.

Corporate activities

Corporate Activities

During the year ended December 31, 2022, the Company:

i. completed a non-brokered private placement of unsecured convertible debentures (the "**Debentures**") for gross proceeds of $10,375,460. The Debentures have three-year terms, bear interest of 8% per annum, payable annually on the anniversary of the issue date. The holder of any Debenture may, at its option, at any time from six months from the date of issuance, and prior to the close of business on the business day immediately preceding the maturity date, convert all, but not less than all, of the principal amount of such Debenture into common shares of the Company at the conversion price of $0.65 per share. Weston Energy LLC (a related party of the Company) subscribed for $9,651,500 of the Debentures. On October 19, 2023, the Company issued USD$15,408,039 in New Debentures to holders of existing indebtedness, including holders of the Debentures, to complete the comprehensive debt consolidation announced on October 17, 2023. See section *"Subsequent Events"* for additional details of the New Debentures.

ii. entered into a sale-leaseback agreement, through its 100%-owned operating subsidiary Ozzie's, with an unrelated party involving land and building property located in Phoenix, AZ, USA. Under the arrangement, the property with a net book value of USD$1,742,920 was sold for USD$6,900,000 and leased back under a five-year finance lease agreement. The Company recorded net sale proceeds of USD$6,390,263 after deducting the sale-related expenses of USD$509,736.

iii. entered into a financing and security agreement (the "**Bridge Loan**") between Weston Energy LLC (the "**Lender**"), BMR (the "**Borrower**"), and Ozzie's (the "**Guarantor**", and together with the Borrower, each an "**Obligor**" and together the "**Obligors**"). By means of the Bridge Loan, Weston Energy LLC agreed to advance to the Company one or more loans from time to time prior to the Maturity Date (as defined below), in an aggregate principal amount not to exceed USD$4,000,000. The entire principal amount of the Bridge Loan, together with all accrued and unpaid interest thereon was due and payable on February 17, 2023 (the "**Maturity Date**"). The Bridge Loan was amended on February 17, 2023, April 17, 2023, and June 6, 2023. The amendments on February 17, 2023, and April 17, 2013, extended the Maturity Date to April 18, 2023, and June 17, 2023, respectively. The amendment on June 6, 2023, increased the facility size from USD$4,000,000 to USD$5,300,000 and extended the Maturity Date to September 15, 2023. All other terms remained unchanged. On September 5, 2023, the Bridge Loan was further amended to extend the maturity date to November 15, 2023. On October 19, 2023, the Company issued USD$15,408,039 in New Debentures to holders of existing indebtedness, including Weston Energy LLC , to complete the comprehensive debt consolidation announced on October 17, 2023. See section *"Subsequent Events"* for additional details of the New Debentures.

iv. entered into a Master Lease Agreement, through its 100%-owned operating subsidiary Ozzie's, with an unrelated party involving certain equipment. This transaction raised proceeds of USD$2,000,000 and is structured as a lease with a four-year term.

During the nine months ended September 30, 2023, the Company:

i. 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.

Acceptance of the Interest Settlement Transactions by the TSX Venture Exchange (the "**TSXV**") was received on June 29, 2023. All securities issued pursuant to the Interest Settlement Transactions were subject to a hold period of four months and one day from the date of issuance, in accordance with applicable securities legislation.

ii. entered into a debt financing arrangement with Weston Energy II LLC for maximum aggregate gross proceeds of USD$2,000,000. In connection with this debt financing agreement, the Company issued a promissory note (the "**Promissory Note**") to Weston Energy II LLC. The Promissory Note bore interest at a rate of 8% per annum and was set to mature on September 15, 2023, but the maturity date was extended to November 15, 2023, on September 5, 2023. On October 19, 2023, the Company issued USD$15,408,039 in New Debentures to holders of existing indebtedness, including Weston Energy II LLC, to complete the comprehensive debt consolidation announced on October 17, 2023. See section *"Subsequent Events"* for additional details of the New Debentures.

iii. published its inaugural Environmental, Social and Governance (ESG) report on the Company's website.

Significant Projects

The Company considers Punitaqui to be its most significant project. Punitaqui is a former producing copper mine and ore processing plant which has been idle since April 2020. For 2024, the Company's plans for Punitaqui primarily include:

- re-start mining and copper concentrate production activities at Punitaqui by securing the required funding for engaging in pre-production stage mine development, the acquisition of certain capital items, as well as the refurbishment of the ore processing plant. The potential commencement of such activities have been rescheduled to the first quarter of 2024;
- The continuation of detailed planning of resource in-fill and exploration drilling;
- The continued execution of community consultation plans in the areas immediately surrounding Punitaqui, as well as consultation with any other communities that may be impacted by potential production and related activities at the mine; and
- The continued execution of a detailed engineering and planning program, the objectives of which will be to provide additional information to the Company in connection with a expected re-start of mining activities.

During 2022 and the nine months ended September 30, 2023 the Company made the following expenditures towards the advancement of the project:

	Punitaqui $
Balance as December 31, 2021	**5,323,560**
Additions	
Exploration expenditures	
Consulting	520,938
Drilling	4,705,963
Environmental and permitting	855,510
Field office and other	5,878,871
Project management	1,658,760
Travel	202,463
Additions during the year	13,822,505
Currency Translation Adjustment	1,211,363
Balance as December 31, 2022	**20,357,428**

	Punitaqui $
Balance as December 31, 2022	**20,357,428**
Additions	
Exploration expenditures	
Consulting	234,295
Drilling	2,164,475
Environmental and permitting	178,034
Field office and other	4,225,963
Project management	470,279
Travel	80,878
Additions during the year	7,353,924
Currency Translation Adjustment	(1,340,497)
Balance as September 30, 2023	**26,370,855**

The expenditures were a necessary step towards the subsequent phase of advancing the project, which is subject to closing a funding agreement for the restart of mining operations and the resumption of copper concentrate production from Punitaqui. As of the date of this MD&A, the Company has completed the in-fill and exploration drilling, published a NI 43-101 compliant Resources Statement, and remains on-track to complete the next phase of its plans as outlined herein. The Company anticipates making additional expenditures on Punitaqui, subject to securing funding for the restart of operations at Punitaqui. Numerous factors outside of the Company's control, including but not limited to commodity prices, political, or environmental issues may have an effect on the value of the project (See also section *"Risk Factors related to the Company's Mineral Properties"*).

During 2022 and the nine months ended September 30, 2023, Exploration and Evaluation expenditures towards the advancement of other projects included:

Canadian Cobalt Projects

	McAra	Gowganda	Fabre	Shining Tree	Elk Lake	Wilder	White Reserve	Iron Mask	Other	Total
	$	$	$	$	$	$	$	$	$	$
Balance as December 31, 2021	7,630,014	4,471,449	1,812,264	2,024,092	2,543,389	1,300,253	1,300,847	-	787,806	21,870,114
Additions										
Property acquisition and staking costs	27,036	33,279	-	-	27,546	25,870	6,489	20,324	5,357	145,901
Exploration expenditures										
Assay	24,740	11,546	67,723	-	-	-	-	-	-	104,009
Consulting	7,358	7,412	9,797	-	5,723	834	151	2,916	1,029	35,220
Drilling	153,791	146,898	11,675	-	-	-	-	-	-	312,364
Environmental and permitting	-	38,136	-	-	-	-	-	-	-	38,136
Field office and other	1,051	3,688	1,328	659	2,218	827	827	530	28	11,156
Geological	30,066	31,610	23,706	1,497	13,333	5,257	312	-	735	106,516
GIS, mapping and surveying	-	-	-	-	5,118	-	-	-	-	5,118
Government and land payments	1,146	2,254	-	-	-	50	-	885	521	4,856
Ground truthing and trenching	-	7,498	-	-	-	-	-	-	-	7,498
Project management	31,727	35,173	11,668	1,016	5,017	2,416	1,200	600	-	88,817
Travel	44,242	30,810	6,830	454	6,832	912	1,385	-	314	91,779
Additions during the year	321,157	348,304	132,727	3,626	65,787	36,166	10,364	25,255	7,984	951,370
Impairment	-	(19,597)	-	-	-	-	-	(25,255)	(795,790)	(840,642)
Balance as December 31, 2022	**7,951,171**	**4,800,156**	**1,944,991**	**2,027,718**	**2,609,176**	**1,336,419**	**1,311,211**	**-**	**-**	**21,980,842**

	McAra	Gowganda	Fabre	Shining Tree	Elk Lake	Wilder	White Reserve	Iron Mask	Other	Total
	$	$	$	$	$	$	$	$	$	$
Balance as December 31, 2022	7,951,171	4,800,156	1,944,991	2,027,718	2,609,176	1,336,419	1,311,211	-	-	21,980,842
Additions										
Property acquisition and staking costs	22,436	28,418	224	1,092	15,874	16,535	2,253	18,151	217	105,200
Exploration expenditures										
Consulting	2,221	543	1,605	-	543	884	181	398	1,111	7,486
Drilling	3,400	2,125	1,700	-	1,275	-	-	-	-	8,500
Environmental and permitting	-	26,187	-	-	-	-	-	-	-	26,187
Field office and other	960	125	107	-	1,317	-		-	-	2,509
Government and land payments	-	3,489	-	-	-	50	-	590	-	4,129
Project management	4,881	9,081	4,233	-	433	-	800	-	-	19,428
Travel	91	1,092	3,335	-	-	-	500	-	-	5,018
Additions during the year	33,989	71,060	11,204	1,092	19,442	17,469	3,734	19,139	1,328	178,457
Impairment	-	-	-	-	-	-	-	(19,139)	(1,328)	(20,467)
Balance as September 30, 2023	**7,985,160**	**4,871,216**	**1,956,195**	**2,028,810**	**2,628,618**	**1,353,888**	**1,314,945**	**-**	**-**	**22,138,832**

U.S. Cobalt Projects

	Bonanza $
Balance as December 31, 2021	1,591,003
Additions	
Property acquisition and staking costs	136,817
Exploration expenditures	
Consulting	1,150
Field office and other	18,298
Project management	1,250
Additions during the year	157,515
Currency Translation Adjustment	39,576
Balance as December 31, 2022	**1,788,094**

	Bonanza $
Balance as December 31, 2022	1,788,094
Additions	
Property acquisition and staking costs	63,743
Exploration expenditures	
Field office and other	17,381
Project management	4,993
Additions during the year	86,117
Impairment	(1,244,964)
Currency Translation Adjustment	(2,580)
Balance as September 30, 2023	**626,667**

Impairment of the East Fork mining claims in Idaho, part of the U.S. Cobalt Projects

On August 31, 2023, the Company elected not to renew its East Fork mining claims located in the town of Salmon in the State of Idaho, USA. As a result, the Company recorded an impairment loss of $1,244,964. The impairment loss was recognized in the net loss for the three and nine months ended September 30, 2023.

U.S. Lithium Projects

	Amargosa $
Balance as December 31, 2021	382,870
Additions	
Property acquisition and staking costs	5,348
Currency Translation Adjustment	7,597
Balance as December 31, 2022	**395,815**

	Amargosa $
Balance as December 31, 2022	395,815
Additions	
Property acquisition and staking costs	4,764
Exploration expenditures	
Project management	1,399
Additions during the year	6,163
Currency Translation Adjustment	(653)
Balance as September 30, 2023	**401,325**

South Korea Graphite Projects

	Geumam & Taehwa $
Balance as December 31, 2021	1,933,932
Additions	
Property acquisition and staking cost	23,716
Exploration expenditures	
Assay	2,640
Project management	145,152
Additions during the year	171,508
Currency Translation Adjustment	27,359
Balance as December 31, 2022	**2,132,799**

	Geumam & Taehwa $
Balance as December 31, 2022	2,132,799
Additions	
Exploration expenditures	
Field office and other	14,956
Project management	138,244
Additions during the year	153,200
Impairment	-
Currency Translation Adjustment	(151,524)
Balance as September 30, 2023	**2,134,475**

Historical Results

The following table is a summary of the Company's financial results and position for the eight most recently completed quarters.

Selected Financial Information	2023 Q3	2023 Q2	2023 Q1	2022 Q4	Restated 2022 Q3	Restated 2022 Q2	Restated 2022 Q1	2021 Q4
(Loss) gain for the period	$ (2,554,744)	$ (3,544,316)	$ (2,383,109)	$ (2,577,533)	$ (176,904)	$ 1,040,881	$ (1,782,611)	$ (6,437,547)
Comprehensive (loss) gain for the period attributable to common shareholders	$ (5,156,465)	$ (6,214,007)	$ 601,096	$ 112,371	$ 2,455,273	$ (3,123,193)	$ 284,616	$ (7,784,734)
(Loss) gain per share for the period (basic and diluted)	(0.01)	(0.02)	(0.01)	(0.02)	(0.00)	0.01	(0.01)	(0.04)
Basic weighted average number of ordinary shares outstanding	177,650,860	174,874,157	172,119,926	171,500,133	171,705,612	171,705,612	171,696,353	158,099,142

There was an error in the accounting for the convertible debentures that were issued in the three months ended March 31, 2022. As such, as of March 31, 2022, convertible debentures liability should have decreased by $923,227 and the equity component increased by $921,428, with a related adjustment of $88,135 to the statement of loss and comprehensive loss for the three months ended March 31, 2022. As of June 30, 2022, convertible debentures liability should have increased by $1,342,669, the equity component decreased by $1,329,098, with a related adjustment of

$15,370 to the statement of loss and comprehensive loss for the three months ended June 30, 2022. As of September 30, 2022, convertible debentures liability should have increased by $1,434,509, the equity component decreased by $1,329,098 with a related adjustment of $91,839 to the statement of loss and comprehensive loss for the three months ended September 30, 2022.

Generally, the Company has historically experienced a net loss attributable to common shareholders of the Company. The net loss attributable to common shareholders of the Company for the three and nine months ended September 30, 2023 has been primarily a result of:

- An increase in impairment of exploration and evaluation assets in the three and nine months ended September 30, 2023, compared to the same periods of 2022, primarily due to the relinquishment of the East Fork mining claims in Idaho, part of the U.S. cobalt projects, in the three months ended September 30, 2023.
- An increase in finance costs in the three and nine months ended September 30, 2023, compared to the same periods of 2022, mainly due to accretion expenses arising from the convertible debentures, Punitaqui's asset retirement obligation, which was recognized in the three months ended December 31, 2022, and the deferred payments on the acquisition of Punitaqui.
- Negative currency translation adjustments of $2.6 million and $2.3 million in the three and nine months ended September 30, 2023, respectively, compared to positive currency translation adjustments of $2.6 million and $0.5 million in the three and nine months ended September 30, 2022, respectively.
- Changes in foreign exchange gains and losses.

Results of operations and financial position

The following table provides a summary of the financial results of the Company for the three and nine months ended September 30, 2023, and for the three and nine months ended September 30, 2022. Tabular amounts are in Canadian dollars.

		For the three months ended September 30 2023	Restated - For the three months ended September 30 2022	For the nine months ended September 30 2023	Restated - For the nine months ended September 30 2022
Summary of Financial Results					
Revenue	$	4,680,579	2,991,966	9,981,312	9,093,752
Costs and Expenses	$	5,741,383	4,489,950	15,019,612	14,717,347
Gain (loss) from Operations	$	(1,060,804)	(1,497,984)	(5,038,300)	(5,623,595)

The following table provides a summary of the financial position of the Company as of September 30, 2023, and as of December 31, 2022. Tabular amounts are in Canadian dollars.

		As of September 30 2023	As of December 31 2022
Summary of Financial Position			
Cash and cash equivalents	$	889,919	4,254,172
Total assets	$	109,137,217	107,563,395
Current liabilities	$	25,463,222	14,291,148

Results of operations

Revenues

All the Company's revenues for the three and nine months ended September 30, 2023, and the three and nine months ended September 30, 2022, were generated by ESI. The following table provides a summary of the Company's revenues for the three and nine months ended September 30, 2023, and for the three and nine months ended September 30, 2022. Tabular amounts are in Canadian dollars.

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Machine Rental				
Padding machines				
Large padder	$ 1,043,706	$ 532,314	$ 1,550,385	$ 2,207,899
Small padder	1,750,880	1,084,032	4,249,598	3,318,629
Screening buckets	586,316	239,145	878,444	522,114
Other	214,213	71,152	316,679	103,480
Rental Revenue	**$ 3,595,115**	$ 1,926,643	**$ 6,995,106**	$ 6,152,122
Mobilization	273,979	259,937	677,769	602,891
Inventory sales	288,646	247,938	747,918	594,496
Machine sales	381,914	434,635	1,083,562	1,306,228
Other services	140,925	122,813	476,957	438,015
Other Revenue	**$ 1,085,464**	$ 1,065,323	**$ 2,986,206**	$ 2,941,630
Total	**$ 4,680,579**	**$ 2,991,966**	**$ 9,981,312**	**$ 9,093,752**

ESI continued to see success in US renewables construction, primarily wind and solar, generating approximately 89% of its revenue base from these markets in the nine months ended September 30, 2023. Almost all revenue generated in Canada, ESI's other operating market, was generated from pipeline construction.

Approximately 60% of the revenue generated during the three months ended September 30, 2023, came from Padding Machine rentals (three months ended September 30, 2022: 54%), 37% of which was from large Padding Machines (three months ended September 30, 2022: 33%) and 63% from small Padding Machines (three months ended September 30, 2022: 67%). The remainder of the revenue was generated from padding bucket and slinger rentals, inventory sales, machine sales and other services. Revenue from small Padding Machines was generated from renewables construction.

Approximately 58% of the revenue generated during the nine months ended September 30, 2023, came from Padding Machine rentals (nine months ended September 30, 2022: 61%), 27% of which was from large Padding Machines (nine months ended September 30, 2022: 40%) and 73% from small Padding Machines (nine months ended September 30, 2022: 60%). The remainder of the revenue was generated from padding bucket and slinger rentals, inventory sales, machine sales and other services. Revenue from small Padding Machines was generated from renewables construction.

The increase in revenue in the three months ended September 30, 2023, compared to the same period of 2022, was mainly due to large increases in large and small padder rentals and an increase in screening bucket rentals, all partly offset by a slight decrease in machine sales.

The increase in revenue in the nine months ended September 30, 2023, compared to the same period of 2022, was mainly due to increases in small padders rentals and screening bucket rentals, all partly offset by decreases in large padders rentals and revenue from machine sales.

Approximately 82% of large Padding Machine rental revenue was from renewables, almost exclusively coming from OPP-200 Padding Machines. OPP-200 Padding Machines are used for both pipeline and renewables construction, whereas OPP-300 Padding Machines, being ESI's other type of rental machine, are used almost exclusively for large diameter mainline pipeline construction. The OPP-200 Padding Machine is designed to backfill large diameter mainline pipelines ranging from 10 to 24 inches in diameter. The OPP-300 Padding Machine is designed to backfill large diameter mainline pipelines ranging from 24 to over 60 inches in diameter.

Revenue by Geography	**Three months ended September 30, 2023**	**Three months ended September 30, 2022**	**Nine months ended September 30, 2023**	**Nine months ended September 30, 2022**
United States	$4,222,867	$2,631,883	$9,335,325	$7,441,104
Canada	$457,712	$360,083	$645,987	$1,652,648
Total Revenue	**$4,680,579**	**$2,991,966**	**$9,981,312**	**$9,093,752**

Expenses

Total expenses for the three months ended September 30, 2023, were $5,741,383, compared to total expenses of $4,489,950 for the three months ended September 30, 2022.

Total expenses for the nine months ended September 30, 2023, were $15,019,612, compared to total expenses of $14,717,347 for the nine months ended September 30, 2022.

		For the three months ended September 30 2023	**Restated - For the three months ended September 30 2022**	**For the nine months ended September 30 2023**	**Restated - For the nine months ended September 30 2022**
Expenses					
Cost of sales	$	266,712	354,093	846,335	958,676
Depreciation of equipment		759,352	756,079	2,156,396	2,216,544
Impairment of exploration and evaluation assets		1,255,439	9,916	1,265,432	43,007
Management fees		451,903	220,630	1,314,025	765,755
Operating and maintenance		1,363,905	1,076,619	3,471,302	3,094,800
Professional fees		225,153	245,378	1,130,869	994,692
Restricted stock units expense		273,618	425,636	962,969	1,763,975
Performance stock units expense		35,205	-	70,410	-
General and administration		980,594	1,064,129	3,245,684	3,694,949
Stock based compensation		129,502	337,470	556,190	1,184,949
Total Expenses	**$**	**5,741,383**	**4,489,950**	**15,019,612**	**14,717,347**

Discussion of Significant Changes in Expenses

The decrease in cost of sales for the three months ended September 30, 2023, when compared to the three months ended September 30, 2022, is primarily attributable to a decrease in machine sales. The increase in operating and maintenance costs for the three months ended September 30, 2023, when compared to the three months ended September 30, 2022, is primarily attributable to the increases in large and small padder rentals. The decrease in restricted stock unit expense for the three months ended September 30, 2023, when compared to the three months ended September 30, 2022, is attributable to fewer restricted stock units vested in 2023 and a decrease in the Company's common share unit price. The decrease in stock based compensation for the three months ended September 30, 2023, when compared to the three months ended September 30, 2022, is attributable to fewer stock options vested in 2023 and a decrease in the Company's common share unit price. The decrease in general and administration expenses for the three months ended September 30, 2023, when compared to the three months ended September 30, 2022, is primarily attributable to a reduction in general and administrative expenses at ESI in 2023. The increase in management fees for the three months ended September 30, 2023, when compared to the three months ended September 30, 2022, is mainly attributable to the transition of the finance and accounting function from an outsourced financial consulting firm to an in-house finance and accounting team. The increase in impairment of exploration and evaluation assets in the three months ended September 30, 2023, compared to the same period of 2022, is primarily due to the relinquishment of the East Fork mining claims in Idaho, part of the U.S. cobalt projects, in the three months ended September 30, 2023.

The decrease in cost of sales for the nine months ended September 30, 2023, when compared to the nine months ended September 30, 2022, is primarily attributable to a decrease in machine sales. The increase in operating and maintenance costs for the nine months ended September 30, 2023, when compared to the nine months ended September 30, 2022, is primarily attributable to the increase in small padder rentals. The decrease in restricted stock unit expense for the nine months ended September 30, 2023, when compared to the nine months ended September 30, 2022, is attributable to fewer restricted stock units vested in 2023 and a decrease in the Company's common share unit price. The decrease in stock based compensation for the nine months ended September 30, 2023, when compared to the nine months ended September 30, 2022, is attributable to fewer stock options vested in 2023 and a decrease in the Company's common share unit price. The decrease in general and administration expenses for the nine months ended September 30, 2023, when compared to the nine months ended September 30, 2022, is primarily attributable to a reduction in general and administrative expenses at ESI in 2023. The increase in management fees for the nine months ended September 30, 2023, when compared to the nine months ended September 30, 2022, is mainly attributable to the transition of the finance and accounting function from an outsourced financial consulting firm to an in-house finance and accounting team. The increase in professional fees for the nine months ended September 30, 2023, when compared to the nine months ended September 30, 2022, is mainly due to increases in audit, legal, accounting and tax consulting fees. The increase in impairment of exploration and evaluation assets in the nine months ended September 30, 2023, compared to the same period of 2022, is primarily due to the relinquishment of the East Fork mineral claims in Idaho, part of the U.S. cobalt projects, in 2023.

Gross Profit and Gross Margins

For the three months ended September 30, 2023, the Company realized a gross profit of $2,290,610, representing a gross profit margin of approximately 49%, compared to a gross profit of $805,175 and a gross profit margin of approximately 27% for three months ended September 30, 2022. The gross profit for the three months ended September 30, 2023, and September 30, 2022, were entirely attributable to the operations of ESI. The increase in gross profit for the three months ended September 30, 2023, compared to the same period of 2022, is mainly due to the significant increases in large and small padder rentals, which have higher gross profit margins than revenue from other sources.

For the nine months ended September 30, 2023, the Company realized a gross profit of $3,507,279, representing a gross profit margin of approximately 35%, compared to a gross profit of $2,823,732 and a gross profit margin of approximately 31% for nine months ended September 30, 2022. The gross profit for the nine months ended September 30, 2023, and September 30, 2022, were entirely attributable to the operations of ESI. The increase in gross profit for the nine months ended September 30, 2023, compared to the same period of 2022, is mainly due to the significant increase in small padder rentals, partly offset by the decrease in large padder rentals in 2023.

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.

Gross Profit and Gross Profit Margin		For the three months ended September 30 2023	Restated - For the three months ended September 30 2022	For the nine months ended September 30 2023	Restated - For the nine months ended September 30 2022
Revenue	**$**	**4,680,579**	**2,991,966**	**9,981,312**	**9,093,752**
Less:					
Cost of sales		266,712	354,093	846,335	958,676
Depreciation of equipment		759,352	756,079	2,156,396	2,216,544
Operating and maintenance		1,363,905	1,076,619	3,471,302	3,094,800
Gross Profit	**$**	**2,290,610**	**805,175**	**3,507,279**	**2,823,732**
Gross Profit Margin		**49%**	**27%**	**35%**	**31%**

Loss for the period

Loss for the period for the three months ended September 30, 2023 was $2,554,744, compared to a loss for the period for the three months ended September 30, 2022 of $176,273. For the three months ended September 30, 2023, the Company's loss per share was $0.01, compared to a loss per share of $0.00 for the three months ended September 30, 2022. The increase in loss for the period the three months ended September 30, 2023, when compared to the three months ended September 30, 2022, was primarily due to i) a $1.3 million impairment of exploration and evaluation assets in the three months ended September 30, 2023, compared to an impairment of exploration and evaluation assets of $10 thousand in the three months ended September 30, 2022; and ii) a $2.8 million income tax recovery in the three months ended September 30, 2022, compared to $nil income tax recovery in the three months ended September 30, 2023. Both partially offset by an increase in ESI's gross profit in the three months ended September 30, 2023, compared to the same period of 2022, as explained above.

Loss for the period for the nine months ended September 30, 2023 was $8,482,169, compared to a loss for the period for the nine months ended September 30, 2022 of $918,634. For the nine months ended September 30, 2023, the Company's loss per share was $0.05, compared to a loss per share of $0.01 for the nine months ended September 30, 2022. The increase in loss for the period for the nine months ended September 30, 2023, when compared to the nine months ended September 30, 2022, was primarily due to i) a $1.3 million impairment of exploration and evaluation assets in the nine months ended September 30, 2023, compared to an impairment of exploration and evaluation assets of $43 thousand in the three months ended September 30, 2022; ii) a $5.1 million gain on disposal of property and equipment in the nine months ended September 30, 2022, compared to $nil gain on disposal of property and equipment in the nine months ended September 30, 2023; and iii) a $1.3 million income tax recovery in the nine months ended September 30, 2022, compared to $nil income tax recovery in the nine months ended September 30, 2023. All partially offset by an increase in ESI's gross profit in the nine months ended September 30, 2023, compared to the same period of 2022, as explained above.

Exploration and Evaluation Expenditures

Mining claims and deferred exploration costs represent costs pertaining to the Company's various copper, cobalt, lithium, and graphite projects.

	Canadian Cobalt Projects	U.S. Cobalt Projects	U.S. Lithium Projects	South Korea Graphite Projects	Chile Copper Punitaqui Project	Total
	$	$	$	$	$	$
Balance as December 31, 2021	**21,870,114**	**1,591,003**	**382,870**	**1,933,932**	**5,323,560**	**31,101,479**
Additions during the year	951,370	157,515	5,348	171,508	13,822,505	15,108,246
Impairment	(840,642)	-	-	-	-	(840,642)
Currency translation adjustment	-	39,576	7,597	27,359	1,211,363	1,285,895
Balance as December 31, 2022	**21,980,842**	**1,788,094**	**395,815**	**2,132,799**	**20,357,428**	**46,654,978**
Additions during the period	178,458	86,117	6,163	153,200	7,353,924	7,777,862
Impairment	(20,468)	(1,244,964)	-	-	-	(1,265,432)
Currency translation adjustment	-	(2,580)	(653)	(151,524)	(1,340,497)	(1,495,254)
Balance as September 30, 2023	**22,138,832**	**626,667**	**401,325**	**2,134,475**	**26,370,855**	**51,672,154**

Copper
The Company's copper projects include Punitaqui, located in the Coquimbo region of Chile.

Cobalt
The Company's cobalt properties primarily include the Cobalt District Exploration Project in Ontario and Quebec, Canada, as well as mineral claims covering cobalt occurrences in the Blackbird Mining District approximately 30 km west of the town of Salmon, Idaho, USA, among others.

Lithium
The Company's lithium property is the Amargosa prospect in Nye County, Nevada, USA.

Graphite
The Company's graphite properties include the Geuman and Taehwa flake graphite prospects in South Korea.

Financial position

	Note	September 30, 2023	December 31, 2022
ASSETS			
Current assets			
Cash		$ **889,919**	$ 4,254,172
Receivables	4	**3,772,201**	3,178,208
Prepaids		**249,165**	227,321
Total current assets		**4,911,285**	7,659,701
Non-current assets			
Property, plant and equipment	5	**52,395,698**	53,088,950
Intangible assets		**158,080**	159,766
Exploration and evaluation assets	6	**51,672,154**	46,654,978
Total non-current assets		**104,225,932**	99,903,694
TOTAL ASSETS		$ **109,137,217**	$ 107,563,395
LIABILITIES			
Current liabilities			
Trade and other payables		$ **6,423,627**	$ 3,120,668
Income taxes payable		**2,612,128**	2,924,326
Current portion of lease liability		**317,822**	284,526
Current portion of loans and borrowings	11	**730,854**	628,185
Bridge loan and promissory note	9	**10,049,754**	2,073,146
Current portion of deferred payments on acquisition	8	**1,337,581**	1,846,486
Deferred revenue		**455,892**	313,407
VAT liability	7	**3,535,565**	3,100,404
Total current liabilities		**25,463,222**	14,291,148
Non-current liabilities			
Lease liability		**1,106,074**	1,351,056
Deferred payments on acquisition	8	**3,639,178**	4,053,305
Loans and borrowings	11	**2,101,040**	2,411,173
Convertible debenture	12	**10,170,382**	10,049,611
Asset retirement obligation	10	**10,541,016**	10,918,524
Total non-current liabilities		**27,557,690**	28,783,669
TOTAL LIABILITIES		**53,020,912**	43,074,817
EQUITY			
Share capital	13	**61,904,780**	60,952,703
Contributed surplus	12, 13	**25,640,046**	24,195,021
Accumulated other comprehensive loss		**(2,926,257)**	(639,050)
Deficit		**(28,502,265)**	(20,020,096)
TOTAL EQUITY		**56,116,304**	64,488,578
TOTAL LIABILITIES AND EQUITY		$ **109,137,217**	$ 107,563,395

Assets

Cash

At September 30, 2023, cash and cash equivalents totaled $889,919 (December 31, 2022: $4,254,172). Cash and cash equivalents decreased by $3,364,253 during the nine months ended September 30, 2023. The Company's cash flows during the nine months ended September 30, 2023 consisted of net cash provided by financing activities of $7,201,466 (nine months ended September 30, 2022: $4,542,342), offset by net cash used in operating activities of $487,241 (nine months ended September 30, 2022: $157,818), and net cash used in investing activities of $9,913,360 (nine months ended September 30, 2022: $6,719,561).

Receivables

Receivables at September 30, 2023 totaled $3,772,201 (December 31, 2022: $3,178,208). Receivables included accounts receivable from customers of $2,972,714 (December 31, 2022: $1,586,293), finance lease receivable of $182,817 (December 31, 2022: $1,123,597), as well as sales and value added tax ("**VAT**") receivables of $616,670 (December 31, 2022: $468,318). Receivables at September 30, 2023 increased, compared to December 31, 2022, mainly due to a significant increase in accounts receivable from customers, as a result of the increased rental activity at ESI, partially offset by a decrease in finance lease receivable.

Liabilities

Trade and other payables

As of September 30, 2023, trade and other payables totaled $6,423,627 (December 31, 2022: $3,120,668). The balance is comprised of $4,492,221 of trade payables (December 31, 2022: $1,953,885) and $1,931,406 of accrued liabilities (December 31, 2022: $1,166,783). Trade and other payables at September 30, 2023 increased compared to December 31, 2022, mainly due to an increase in timing of payments.

Income taxes payable

As of September 30, 2023, income taxes payable were $2,612,128, compared to income taxes payable as of December 31, 2022 of $2,924,326.

Convertible unsecured debentures

During the three months ended March 31, 2022, the Company completed a non-brokered private placement of unsecured convertible debentures for gross proceeds of $10,375,460. The Debentures have a three-year term, bear interest of 8% per annum, payable annually on the anniversary of the issue date. The holder of any Debenture may, at its option, at any time from six months from the date of issuance, and prior to the close of business on the business day immediately preceding the maturity date of the Debentures, convert all, but not less than all, of the principal amount of such Debentures into common shares of the Company at the conversion price of $0.65 per share.

At inception, the estimated fair value of the Debentures was calculated as $9,151,021 using a discount rate of 11-13% and $1,224,439 being allocated to the conversion feature. The effective interest rate to calculate the accretion of the Debentures was estimated to be 11-13%.

The Company had $10,170,382 in Debentures outstanding as of September 30, 2023 (December 31, 2022: $10,049,611).

Additional Information

Working Capital

The Company has a working capital deficiency of $20,551,938 as of September 30, 2023 (December 31, 2022: $6,631,447). The increase in the working capital deficiency was primarily due to the decrease in cash, and increases in trade and other payables, the Bridge Loan balance, as the company drew down USD$3,800,000 from this facility during the nine months ended September 30, 2023, and the Promissory Note balance, as the Company drew down USD$1,855,000 from this new financing facility during the nine months ended September 30, 2023.

On October 17, 2023, the Company announced the Private Placement of the New Debentures for total gross proceeds of up to USD $6,000,000. The New Debentures will mature on September 30, 2026 and will bear interest at 10% per annum, compounding annually on September 30 of each year, not in advance. Concurrently with the announcement of the Private Placement, the Company proposed to issue approximately USD$15,400,000 in New Debentures to the holders of existing indebtedness, which includes the Bridge Loan, the Promissory Note and the existing Convertible

Debentures, as part of a comprehensive debt consolidation to simplify the Company's capital structure and extend the Company's near-term debt maturities.

On October 19, 2023, the Company closed the first tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,370,000. Concurrently, the Company also issued USD$15,408,039 in New Debentures to holders of existing indebtedness to complete the comprehensive debt consolidation announced on October 17, 2023.

On November 3, 2023, the Company closed a second tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,915,000. This brought the total amount of new funding raised via issuance of the New Debentures to USD$3,285,000. The proceeds from the New Debentures will be applied towards working capital and towards the restart of copper concentrate production at Punitaqui. See section *"Subsequent Events"* for additional details of the Private Placement.

To continue addressing the working capital deficiency, the Company is in the process of securing the funding for the restart of mining operations and copper concentrate production at Punitaqui.

Liquidity and capital resources

As at September 30, 2023, the Company had cash and cash equivalents of $889,919 (December 31, 2022: $4,254,172) and no cash held in escrow. Cash and cash equivalents are primarily comprised of cash held with reputable financial institutions and are invested in highly liquid short-term investments with maturities of six months 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.

During 2022, the Company was successful in raising approximately $21.0 million through a series of strategic financing transactions. In 2023 the Company has focused on securing the funding for the restart of mining operations and resumption of copper concentrate production at Punitaqui.

On June 29, 2023, the TSXV approved the Interest Settlement Transactions with the Debenture Holders for the payment of accrued interest by way of issuance of common shares of the Company. Pursuant to the Interest Settlement Transactions, the Company issued an aggregate of 5,217,186 shares to settle $830,037 of accrued interest owing to Debenture Holders.

On October 19, 2023, the Company closed the first tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,370,000. Concurrently, the Company also issued USD$15,408,039 in New Debentures to holders of existing indebtedness to complete the comprehensive debt consolidation announced on October 17, 2023.

On November 3, 2023, the Company closed a second tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,915,000. This brought the total amount of new funding raised via issuance of the New Debentures to USD$3,285,000. The proceeds from the New Debentures will be applied towards working capital and towards the restart of copper concentrate production at Punitaqui. See section *"Subsequent Events"* for additional details of the Private Placement.

As of the date of this MD&A, the Company does not have any firm commitments to incur material capital expenditures. The Company expects that it will have to incur certain expenditures in the future, in order to advance its mineral projects. These expenditures may include, but may not be limited to: the development of the ore bodies currently existing at Punitaqui, subject to securing the funding for the restart of mining operations and copper concentrate production; the acquisition of certain mining equipment and consumables, if a decision is made to commence and operate Punitaqui; operating and general & administrative costs associated with operating Punitaqui; the drilling of the Company's other mineral projects, including those located in Canada, the U.S. and South Korea; the costs of maintaining its mineral project licenses and mineral claims; permitting costs; and general corporate expenses. Those aforementioned expenditures relating to Punitaqui will, in large part, depend on whether or not the Company decides to proceed with mining activities at the project. As of the date of this MD&A, the Company cannot accurately estimate the total of the aforementioned expenditures.

The Company currently has cash flow from ESI, though the sources of operating cash flow are not sufficient to fund the Company's continued exploration and development efforts and the Company's primary sources of capital resources are comprised of cash and cash equivalents. The Company will continuously monitor its capital structure and based on changes in operations and economic conditions, may adjust the structure by issuing new shares or new debt, as necessary. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore and evaluate its mineral properties and, ultimately, to achieve profitable operations. While the Company has been successful in securing financing to date, there are no guarantees that it will be able to secure such financing in the future on terms acceptable to the Company, if at all. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration of the Company's properties and the possible loss of title to such properties. Significant reliance is placed on Weston Energy II LLC, one of the Company's significant shareholders, for providing ongoing financing to the Company. Failure of Weston Energy II LLC to provide or participate in financing, or the inability of Weston Energy II LLC to provide or participate in financing, would likely result in difficulty for the Company to attract separate third-party investment. If the Company is able to continue to advance Punitaqui, management expects that it may be able to access additional sources of capital, in addition to those described herein, to fund the development of Punitaqui. Such sources of capital may include, among others, a concentrate offtake prepayment financing, a private debt financing, an offering of convertible debentures, an offering of common shares, or a financing by way of a sale of a royalty interest over the potential future production from Punitaqui. Should any such sources of capital be obtained by the Company, the Company's capital structure, credit risk profile, cash flow profile, as well as the average cost of capital for the Company may change materially.

The above factors, together with the potential for additional unforeseen issues and delays in the realization of the potential benefits from the Company's capital projects, such as Punitaqui, give rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration and development programs will result in profitable mining operations. 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

Chile

Punitaqui is a former producing copper mine located in the Coquimbo region of Chile with more than eight years of operating history within which up to 25 million pounds of copper in concentrate were produced annually. The Company began developing the project by initiating a drill program, operating and environmental permit modifications and conducting engineering studies. This development work is designed to assess the economic viability of returning the mine to sustainable operations. 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 contains 8,693 hectares of concessions. Of these 8,693 hectares, 3,700 hectares are exploration concessions, and 4,993 hectares are exploitation concessions.

Exploration and Infill Drill Program

In October 2022, the Company made its most important announcement to date, as it reported the results of its first ever 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. This resource estimate is a major milestone for the company. The resource estimate is based on our 2021-2022 drill program and also includes the drilling and mining data from the Cinabrio mine completed by prior operators including Glencore PLC.

In 2023, detailed planning of resource infill and extensional drilling have been focused on the Cinabrio deposit, the San Andres and Cinabrio Norte resources with the objective to better define and model shale units that host most of the high-grade copper mineralization. This new data will be used to produce updated 3D geological models which will form the basis for extensional infill and step-out resource drillhole planning.

The 2024 Cinabrio block field exploration work program will focus on the existing portfolio of targets as well as follow-up of new targets identified by the ground magnetics. Detailed geological mapping, prospecting, rock grab sampling and channel sampling are planned to define drill targets.

The Dalmacia mineral rights cover an area of 8.88 km2. Prior to 2020, three exploration companies conducted 11 separate drilling programs dating back to 1993. Historic drilling from 1993 to 2018 resulted in 225 holes totaling 52,725m of which 123 holes were Reverse Circulation (21,490m). The 2021-2022 drilling was focused on the NE end of the zone where the underground access was developed. Our program was designed to better delineate known mineralization with tighter spaced infill and step-out holes. The principal difference between the Cinabrio Cluster of deposits and Dalmacia is the host rocks. At Dalmacia the copper mineralization is hosted in several lithologies including: ocoitic andesites, andesites andesitic porphyries and minor sandstone units. In 2023, work at Dalmacia includes surface geological mapping as well as detailed logging of all existing drill core to improve the 3D geological model, which will be used to finalize resource infill and extensional drill planning that will include step-out reverse circulation drilling to test the remaining strike length at Dalmacia.

Canada

The Company holds a significant ground position in the Cobalt Embayment located in northeastern of Ontario and northwestern Quebec, Canada, comprised of 3,611 mineral claims and leases covering an aggregate of 64,188 hectares in Ontario and 1,813 hectares in Quebec that includes land positions in the Gowganda and Elk Lake historic mining camps.

The Ontario-Quebec exploration program conducted between 2016 and 2022 included 26,709 line-km of airborne geophysical surveys and 1,324.84sqkm 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 1,124,000lbs Co-Eq that includes 1,102,000 pounds of cobalt and 11,260 ounces of silver.

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

United States – Mining Exploration

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 and is located immediately adjacent to Jervois Global's Idaho Cobalt Operations mine.
The Company's 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.

South Korea

The Company is formulating initial plans necessary to advance the historic flake graphite producing properties of Geuman and Taehwa to the next stages of development.

United States – ESI

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 September 30, 2023, and as of the date of this MD&A, the Company has 177,668,630 shares outstanding (December 31, 2022: 171,705,612 shares outstanding).

Common Shares

During the nine months ended September 30, 2023, and as of the date of this MD&A, the Company issued 5,963,018 common shares comprised of 745,832 common shares issued as result of the exercise of the same number of restricted share units, and 5,217,186 common shares issued due to the Interest Settlement Transactions.

Stock options

As of September 30, 2023, and as of the date of this MD&A, 9,720,832 stock options were outstanding (December 31, 2022: 9,383,332), of which all were issued to officers, directors, employees and consultants of the Company (December 31, 2022: 9,370,832 issued to officers, directors, employees and consultants of the Company and 12,500 relating to the Fusion amalgamation). Total stock-based compensation expense for the three months ended September 30, 2023, was $129,502 (for the three months ended September 30, 2022: $337,470). Total stock-based compensation expense for the nine months ended September 30, 2023, was $556,190 (for the nine months ended September 30, 2022: $1,184,949).

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 September 30, 2023, and as of the date of this MD&A, 7,051,667 RSUs were outstanding (December 31, 2022: 7,697,499). RSUs were issued to officers, directors, employees, and consultants of the Company. The total RSU expense for the three months ended September 30, 2023, was $273,618 (for the three months ended September 30, 2022: $425,636). The total RSU expense for the nine months ended September 30, 2023, was $962,969 (for the nine months ended September 30, 2022: $1,763,975).

Performance share units ("PSUs")

As of September 30, 2023, and as of the date of this MD&A, 2,330,000 PSUs remain outstanding (December 31, 2022: $nil). All the PSUs were granted in 2023 to certain management personnel, officers, and directors of the Company, in connection with the Company's 2022 fiscal year bonus incentive plan. The total PSU expense for the three and nine months ended September 30, 2023, was $35,205 and $70,410, respectively (for the three and nine months ended September 30, 2022: $nil).

Off-balance sheet transactions

The Company did not have any off-balance sheet arrangements as at September 30, 2023, December 31, 2022, or as of the date of this MD&A.

Significant accounting policies and estimates

Refer to Notes 3 and 4 in the Company's audited consolidated financial statements for the years ended December 31, 2022 and 2021.

Recent accounting pronouncements

Refer to Note 3 in the Company's audited consolidated financial statements for the years ended December 31, 2022 and 2021.

Financial instruments and capital management

As at September 30, 2023, the Company's financial instruments consist of cash, receivables, trade and other payables, deferred payments on acquisition, loans and borrowings, the Debentures, the Bridge Loan and the Promissory Note. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. The fair value of long-term debt approximates its carrying value as the contractual interest rates are comparable to current market interest rates. The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity, and commodity price.

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

(a) 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.

(b) 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 September 30, 2023 were as follows:

	year 1 $	year 2 $	year 3 $	year 4 $	> 4 years $	Total $
Loans and borrowings	730,854	805,035	887,076	366,698	42,232	2,831,895
Trade payables	4,492,223	-	-	-	-	4,492,223
Income tax payables	2,612,128	-	-	-	-	2,612,128
Lease liability	317,822	367,645	423,468	314,961	-	1,423,896
Deferred revenue	455,892	-	-	-	-	455,892
Other current liabilities	3,535,565	-	-	-	-	3,535,565
Bridge loan and promissory note	10,049,754	-	-	-	-	10,049,754
Deferred payments on acquisition	1,337,581	1,493,523	1,338,669	806,986	-	4,976,759
Convertible debenture	-	10,170,382	-	-	-	10,170,382
Total	**23,531,819**	**12,836,585**	**2,649,213**	**1,488,645**	**42,232**	**40,548,494**

(c) 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 September 30, 2023, the Company had foreign currency assets and foreign currency liabilities in United States Dollars ("USD"), Korean Won ("KRW"), and Chilean Pesos ("CLP"). On September 30, 2023, the spot exchange rates to convert 1 USD, 1 KRW and 1 CLP to Canadian dollars were approximately 1.3520, 0.001003 and 0.001525 respectively. As of the date of this MD&A, the spot exchange rates to convert 1 USD, 1 KRW and 1 CLP to Canadian dollars were approximately 1.3635, 0.001049 and 0.001567 respectively. As at September 30, 2023, each 10% change in the foreign currencies relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately $2,460,729.

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 there are no variable rate interest-bearing outstanding loans. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

(d) 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, e.g., copper, cobalt, and lithium. The Company does not engage in programs to mitigate its exposure to commodity price risk. On September 30, 2023, the spot copper price was USD$ 3.73/lb. As of the date of this MD&A, the spot copper price was approximately USD$ 3.76/lb.

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 short-term and long-term debt, including the bridge loan, promissory note, convertible debentures and loans and borrowings, as well as equity. As at September 30, 2023, total capital was $79,168,335 (December 31, 2022: $79,650,693).

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.

Subsequent events

Debenture Offering

On October 17, 2023, the Company announced the Private Placement offering of the New Debentures for total gross proceeds of up to USD $6,000,000. The New Debentures will mature on September 30, 2026, and will bear interest at 10% per annum, compounding annually on September 30 of each year, not in advance. Interest accrued from the date of issuance and up to and including March 30, 2025, will be paid by way of issuance of common shares of the Company. Interest accrued following March 30, 2025, will be, at the option of the New Debenture holder, paid either in cash or by way of issuance of common shares of the Company. The issuance of common shares as payment of interest will be at the then current market price of the Company's common shares at the date the interest becomes payable and will be subject to the prior acceptance of the TSXV and applicable securities laws. The holder of the New Debentures may, at their option, at any time from March 31, 2024, and prior to the close of business on the business day immediately preceding September 30,2026, convert all, but not less than all, of the principal amount of the New Debentures into common shares of the Company at the conversion price of USD$0.22 per share. The Private Placement is anticipated to close in two or more tranches.

Debt Consolidation

Concurrently with the announcement of the Private Placement, the Company proposed to issue approximately USD$15,400,000 in New Debentures to the holders of existing indebtedness as part of a comprehensive debt consolidation to simplify the Company's capital structure and extend its near-term debt maturities. Weston Energy LLC and Weston Energy II LLC (both existing shareholders of the Company) agreed to exchange all their outstanding debt in the Company into the New Debentures. This includes approximately USD$ 7,400,000 of existing Debentures held by Weston Energy LLC, the Bridge Loan of approximately USD$ 5,500,000 held by Weston Energy LLC and the Promissory Note of approximately USD$1,900,000 held by Weston Energy II LLC, for a total of approximately USD$14,800,000, into the New Debentures. In addition, all other holders of the Company's currently existing Debentures will also be offered the opportunity to exchange their Debentures into the New Debentures, which total approximately USD$600,000 in principal and accrued and unpaid interest outstanding.

On October 19, 2023, the Company closed the first tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,370,000. Concurrently, the Company also issued USD$15,408,039 in New Debentures to holders of existing indebtedness to complete the comprehensive Debt Consolidation.

On November 3, 2023, the Company closed a second tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,915,000. This brought the total amount of new funding raised via issuance of the New Debentures to USD$3,285,000. The proceeds from the New Debentures will be applied towards working capital and towards the restart of copper concentrate production at Punitaqui.

Other risks and uncertainties

The Company is engaged in mineral exploration and development 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 and development 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 US 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 and start-up of mines as planned. There can be no assurance that current or future construction and start-up plans implemented by the Company will be successful, that the Company will be able to obtain sufficient funds to finance construction and start-up 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 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 commencement of 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 and developing 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 are 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 during the start-up phase, 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 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 expenses, 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 exploiting and develop projects, complete them on timely basis or at all. There is no assurance that the ultimate 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.

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 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 and development 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 and develop its projects. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration 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 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 recent invasion of Ukraine has 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 extent and duration of the current Russia-Ukraine conflict and related international action cannot be accurately predicted at this time and the effects of such conflict 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.

COVID-19 and Other 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 the current global coronavirus outbreak and associated COVID-19 global pandemic, 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 is currently complying with all federal, provincial or state, and local governmental regulations concerning COVID-19. 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 of COVID-19 at site 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 the COVID-19 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 COVID-19 globally 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 by COVID-19 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 condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 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, the impact of COVID-19 on the future of the Company, 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.