METALQUEST MINING INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED 31 OCTOBER 2024

16 December 2024

The following management discussion and analysis ("MD&A") should be read in conjunction with the audited financial statements and accompanying notes ("Financial Statements") of MetalQuest Mining Inc. (the "Company") for the period ended 31 October 2024. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR. Further information is also available on the Company's website at www.metalquestmining.com .

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and

Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

1. Overview of the Company

MetalQuest Mining Inc. (the "Company", "MQM") was incorporated on 19 February 1988 under the laws of the Province of British Columbia, Canada. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in Canada. The Company has its registered corporate office based in Vancouver, British Columbia, Canada.

As at 31 October 2024, the Company had 26,914,783 common shares outstanding, with a total market capitalization of approximately $2,287,757. The Company shares trade on the TSX Venture Exchange ("MQM"), OTCQB ("MQMIf") and the Frankfurt Stock Exchange ("E7Q").

The Company is focusing its efforts on developing and growing its asset base.

The Company is continuing to pursue acquisitions globally.

1.1 - Overview of Company's Projects

Murray Brook Project

In January 2011, the company announced that it has provided notice to Votorantim Metals Canada Inc. (VMC) to enter into a Participation Agreement on the Murray Brook Massive Sulphide Polymetallic deposit situated in the Bathurst Mining Camp in New Brunswick, Canada.

The property is located approximately 60 km west of Bathurst, New Brunswick, in Restigouche County, within the BMC. An existing gravel road accesses the property from a paved highway. The electricity grid is nearby, as are communities with goods, services and skilled labour.

The Murray Brook deposit is a polymetallic, volcanic hosted massive-sulfide deposit and is the largest NI43-101 compliant mineral resources in the Bathurst Mining Camp.

On 25 October 2016, the Company executed an asset sale agreement with Puma Exploration (PUM:TSX-V) to relinquish its interest in the Murray Brook Zn-Pb-Cu-Ag Volcanogenic Massive Sulphide ("VMS") deposit. The Murray Brook property consists of Mining Lease 252 and contiguous Mineral Claim Block 4925 (245 claims). MQM's joint venture partner, VMC, on the Murray Brook Project has also optioned their total interest of the Murray Brook Project to Puma. On 31 July 2020, the Company and Puma terminated the asset sale agreement. As a penalty, Puma issued El Nino Ventures (currently MetalQuest Mining) a 0.67% NSR royalty on the entire Murray Brook property. On 1 August 2020, the Company and VMC reverted to the agreement relating to the dilution of the Company's interest in the Properties dated 1 July 2015.

During the year ended 31 January 2023, amounts of $47,048 owing by the Company to VMC were satisfied in full by the dilution of the Company's interest in the Murray Brook Project from 28.33% to 28.2%.

On 11 September 2023, the Company and CCI entered a binding Letter of Intent for the option to purchase all of the Company's 28.2% interest in and to the Murray Brook Mining Lease 252 and Claim Block 4925 situated in Restigouche and Northumberland counties, New Brunswick (collectively, the "Mining Asset").

On 31 January 2024, the Company entered into an Asset Purchase and Sale Agreement (APA) with CCI, to sell 28.2% interest in and to the Murray Brook Project (the "Murray Brook Agreement").

Pursuant to the Murray Brook Agreement:

- $100,000 deposit to be paid by the seller upon signing of LOI (received).
- $200,000 instalment to be paid by CCI on closing of the Murray Brook Agreement (received).
- Issuance by CCI, on closing, of 2,500,000 units (received) (note 4), each unit consisting of one common share and one non-transferable warrant of CCI, with each warrant exercisable for five years from the date of issuance at an exercise price of $0.125 (received) (note 4).
- A 0.33% net smelter return ("NSR") royalty on the Murray Brook Project. CCI will have the right to purchase half of the 0.33% royalty for $1 million.
- Final instalment of $1,000,000 to be paid by CCI to the Company within 31 days of commercial production.
- At 31 January 2024, the carrying value of the Murray Brook Project was $20,066, resulting in a gain of $687,434 on disposition.
- The final instalment of $1,000,000 was excluded due to uncertainties.

Lac Otelnuk Iron Ore Project

On 17 January 2023, the Company entered a property option and purchase agreement, amended, with 743584 Ontario Inc. to acquire 100% interest in 306 mining claims located in Nunavik, Quebec in exchange for $44,355 in cash payment. All 306 claims are subject to a 2.5% royalty with option to buy-down 1.75% of royalty. During the year ended 31 January 2023, the Company made the required cash payment and has obtained 100% interest in the 306 mining claims.

On 29 August 2023, the Company has engaged Watts, Griffis and McOuat Ltd. (“WGM”) to conduct a infrastructure report on the Lac Otelnuk Iron Ore Project centered on 68°21’W and 56°00’N in the Province of Quebec. The recommended rail line links to give the Project access to tide water, interconnect potential mining beneficiaries, and international markets. WGM has been involved with the Lac Otelnuk Project as one of the authors of the historical 2015 Feasibility Study. The aim is to produce a conceptual report detailing up to three rail lines connecting the project to potential port sites.

During the year-ended 31 January 2024, the Company entered into an Exploration and Pre-Development Agreement (the “Agreement”) with Naskapi Nation of kawawachikamach (NNK”).

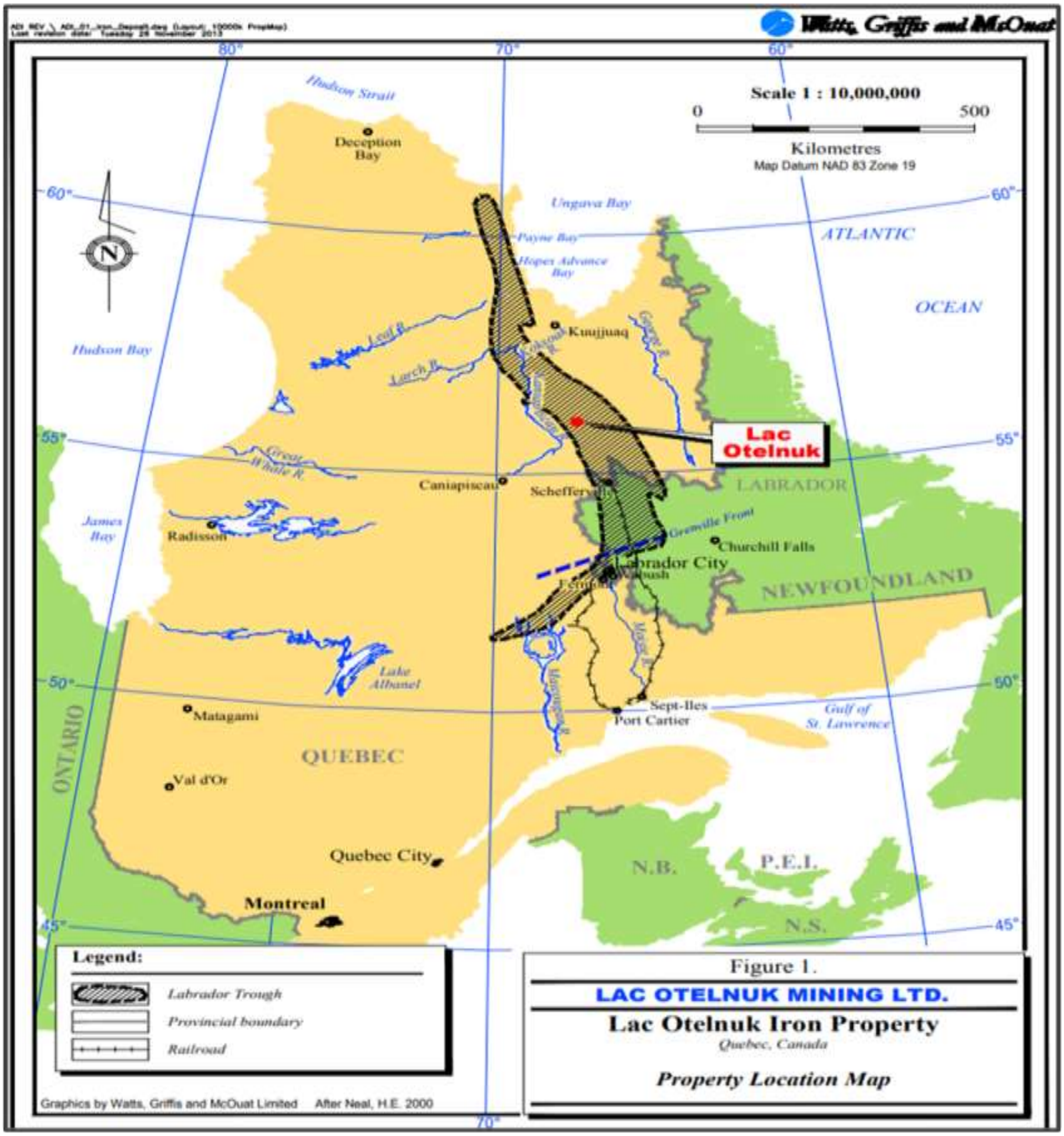
The Company has agreed to pay NNK’s reasonable costs for the negotiation and drafting of the attached Agreement within 30 days of receipt of NNK’s expense report to a maximum amount of $9,500; An annual amount of $20,000 throughout the term of the Agreement due on each anniversary of execution of the Agreement for certain NNK representatives on the Property, which amount shall be revisable at the end of every three year period; and in recognition of the impacts of exploration activities will generate, MQM shall contribute to NNK for the duration of the Agreement on an annual basis, the following:

- 3% of the first $1,000,000 spent in the applicable year on exploration activities;
- 2% on monies spent above $1,000,000 up to $2,000,000 in the applicable year on exploration activities; and
- 1.5% on all monies spent above $2,000,000 in the applicable year on exploration activities.

During the year-ended 31 January 2024, the Company paid $29,500 to NNK.

Proposed Conceptual Report for Rail Links, Lac Otelnuk Iron Ore Project

The report will identify a very high-level estimated range of cost for each rail line and, if required, port extension. Further, WGM will on a best-efforts basis attempt to identify all mining companies and their contact information that would benefit from new or expanded rail capacity with the purpose being to collectively work at achieving improved infrastructures to the region. WGM's study will be based on geomorphology, topography, hydrography, and land occupational (physical access) only. There is extensive engineering, environmental, community consultation, and permitting required to actually plan and build a rail line which is beyond the scope of the study. WGM's work will be used primarily to promote Lac Otelnuk, consult with stakeholders in the rail lines, and seek to get rail access to support Lac Otelnuk. WGM is slated to complete the proposed report in the coming weeks. For a general review of the Project please see May 16th Press Release titled 'MetalQuest Mining Lac Otelnuk Iron Ore Project Overview'.



Map of Labrador Through and Centered Otelnuk Mine Site with Historical Rail Lines in Quebec and Newfoundland Provinces.

Naskapi First Nation of Kawawchikamach

MQM has signed an Exploration and Pre-Development Agreement with the Naskapi First Nation of Kawawchikamach on 12 December 2023.

MQM management met with and presented the Lac Otelnuk Iron Ore Project to the Naskapi First Nation of Kawchikamach in Montreal on the 25 June 2024. The Project is located on the traditional lands of the Naskapi First Nation. The discussion involved updating the Nation with the new go-forward plans and an overview of the Project. It was mutually agreed that both MQM and the First Nation will stay in regular contact and collaborate where possible. We look forward to building a mutually beneficial relationship with the Naskapi First Nation of Kawawchikamach.

Meetings and Consultation Sessions with Engineering Groups

In order to complete the next round of updated studies, MQM has been consulting with various engineering and EPCMs (Engineering Procurement Construction and Management) firms as to the cost and time frames needed to complete the next round of studies for the project. The Project completed a historical Feasibility Study in 2015, however there are many areas in the Study which need to be updated or revised. The proposal of Lac Otelnuk at its peak capacity would make the Project one of Canadas largest mines and one of the world's largest iron ore mines. The Company aims to maintain dialogue with these engineering groups to have a solid understanding of the work required and estimated costs to raise appropriate funds to develop the Project. Management hopes to have final estimates before the end of Q1 of 2025.

A lot of time and effort has been spent this year in gathering the balance of the historical technical data. To date, we have gathered over 500 reports, studies and data sets of Lac Otelnuk by contacting all the groups that worked on the 2015 feasibility study and other previous geological, engineering and environmental reports. Lac Otelnuk has a historical expenditure of approximately $150 million and the Company continues to work with previous companies to retrieve the balance of the historical records.

Regional Authorities and the Quebec Government

Over the past number of months, MQM management has had multiple discussions with regional authorities to update them on the Project and better understand the Project's logistics. This is a key element for iron ore projects due to the vast tonnage and volume of materials transported.
MQM has also had meetings with HydroQuebec, Ministère des Ressources naturelles et des Forêts (MERN) and the Ministère de l'Économie, de l'Innovation et de l'Énergie (MEIE). Our plan is to complete the 'Information Loi 2 - Formulaire demande 5MW et plus' form to request energy for the project. We have been advised that this is a lengthy process and will need advice from the engineering groups we are working with before the final form is submitted.

2. Going concern

Several conditions cast significant doubt on the validity of this assumption and ultimately the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities. As at 31 October 2024, the Company had cash and cash equivalents of $113,092 (31 January 2024: $275,998) and working capital of $391,940 (31 January 2024: $669,966). Existing funds on hand at 31 October 2024 will not be sufficient to support the Company's needs for cash to conduct exploration and to continue operations during the coming year. The Company will require additional funding to be able to meet ongoing requirements for general operations and to advance and retain mineral exploration and evaluation property interests. The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or the disposition of shares owned by the Company and/or properties in the future.

Management has been successful in obtaining sufficient funding for operating, exploration and capital requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to the management of the Company.

If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to further curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures including ceasing operations.

3. Selected Annual and Quarterly Financial Information

Selected Annual Information

Unless otherwise noted, all currency amounts are stated in Canadian dollars. The following table summarizes selected financial data for MQM for each of the three most recently completed financial years. This information set forth below should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS, and related notes.

	Years Ended 31 January (audited)		
	2024	2023	2022
Total revenues	$ -	$ -	$ -
General and administrative expenses	* 722,324	331,064	326,994
Mineral property cash costs received	-	-	-
Mineral property cash costs incurred	-	-	-
Loss before other items in total	(722,324)	(331,064)	(326,994)
Net loss	(64,596)	(478,868)	(122,166)
Net loss per share – Basic & fully diluted	(0.002)	(0.018)	(0.005)
Totals assets	843,944	594,564	1,020,218
Total liabilities	98,430	67,574	22,996
Cash dividends declared per share	Nil	Nil	Nil

* *Increase in 2024 vs. the previous year was because of the share-based payments non-cash expenses due to the issuance of stock option during the year.*

Results of Operations

The following selected financial information is derived from the unaudited interim consolidated financial statements of the Company. The figures have been prepared in accordance with IFRS.

	For the Quarters Ended (unaudited)							
	31 Oct 2024	31 Jul 2024	30 Apr 2024	31 Jan 2024	31 Oct 2023	31 Jul 2023	30 Apr 2023	31 Jan 2023
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net income (loss)	(84,583)	(72,968)	(96,472)	226,962	(7,323)	(95,654)	(188,581)	(202,010)

Net income (loss) per share	(0.003)	(0.003)	(0.004)	0.002	(0.000)	(0.004)	(0.007)	(0.008)
Total assets	717,636	760,807	804,353	843,944	308,818	279,112	389,102	594,564

For the nine months ended 31 October 2024 compared to the same period in 2023.

The nine months ended 31 October 2024, resulted in a net loss and comprehensive loss of $254,023 which compares to $291,558 for the same period in 2023. The decrease in loss of 37,535 was mainly attributable to the net effect of the following:

- Decrease of $13,068 in Accounting and audit. Cost of $Nil for the period ended 31 October 2024 compared to $13,068 for the same period in 2023.
- Decrease of $267 in Bank charges and interest. Cost of $90 for the period ended 31 October 2024 compared to $357 for the same period in 2023.
- Decrease of $13,251 in Consulting fees. Cost of $82,914 for the period ended 31 October 2024 compared to $96,165 for the same period in 2023.
- Decrease of $188 in Information and technology. Cost of $1,056 for the period ended 31 October 2024 compared to $868 for the same period in 2023.
- Decrease of $75,954 in Marketing and communications. Cost of $Nil for the period ended 31 October 2024 compared to $75,954 for the same period in 2023.
- Increase of $4,166 in Office & miscellaneous. Cost of $14,605 for the period ended 31 October 2024 compared to $10,439 for the same period in 2023.
- Decrease of $2,510 in Rent. Cost of $5,913 for the period ended 31 October 2024 compared to $8,423 for the same period in 2023.
- Decrease of $9,580 in Share-based payments. Cost of $24,957 for the period ended 31 October 2024 compared to $34,537 for the same period in 2023.
- Decrease of $950 in Telephone and utilities. Cost of $913 for the period ended 31 October 2024 compared to $2,386 for the same period in 2023.
- Decrease of $9,450 in Transfer agent and regulatory fees. Cost of $26,790 for the period ended 31 October 2024 compared to $36,240 for the same period in 2023.
- Increase of $252 in Travel, lodging and food. Cost of $6,268 for the period ended 31 October 2024 compared to $6,016 for the same period in 2023.

4. Cash flow, Liquidity and Capital Resources

During the period ended 31 October 2024, the Company’s working capital, defined as current assets less current liabilities, was $391,940 (31 January 2024: $669,966). The Company has a total 26,914,783 common shares issued and outstanding as at 31 October 2024.

Cash outflows in operating activities for the period ended 31 October 2024 were $113,946 (31 January 2024: $434,239) and consist of corporate costs.

Capital Risk Management

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the exploration of its mineral properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

5. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

6. Related Party Transactions

The related party transactions during the period ended 31 October 2024 and 2023, which occurred in the normal course of operations and were measured at the exchange amount (the amount of consideration established and agreed to by the related parties), were as follows:

	31 October 2024	31 October 2023
	$	$
Consulting fees	**10,768**	10,875
Shared office costs	**15,764**	14,157
Total related party expenses to New Age Metals Inc.	**26,532**	25,032
Consulting fees paid/accrued to CEO	**90,000**	90,000
Consulting fees paid to CFO	**33,300**	31,500
Consulting fees paid to Corporate Secretary	**20,700**	18,900
Total related party expenses	**144,000**	140,400

7. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and the ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining the point at which a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop the property are capitalized into development assets. The determination may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of loss and comprehensive loss in the year when new information becomes available.

Determining whether to test for impairment of exploration and evaluation properties requires management's judgment regarding the following factors, among others: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

Decommissioning and restoration costs

Management is not aware of any material restoration, rehabilitation and environmental provisions as at 31 October 2024. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value and these estimates are updated annually. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the exploration and evaluation property. Such estimates are subject to change based on changes in laws, regulations and negotiations with regulatory authorities.

Impairment of financial assets

At each reporting date the Company assesses financial assets not carried at fair value through profit or loss to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that one or more events occurred during the period that negatively affected the estimated future cash flows of the financial asset.

Objective evidence that financial assets are impaired can include significant financial difficulty of the issuer or debtor, default or the disappearance of an active market for a security. If the Company determines that a financial asset is impaired, judgment is required in assessing the available information in regards to the amount of impairment; however the final outcome may be materially different than the amount recorded as a financial asset.

Share based payments

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in Note 3.6. The fair value of stock options is measured using the Black-Scholes Option Valuation Model. The fair value of stock options granted using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

The Company allocates values to share capital and to warrants according to their fair value using the proportional method when two are issued together as a unit. The Company uses Black-Scholes valuation model to determine the fair value of warrants issued.

Deferred income taxes

Judgement is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that the cash flows and taxable income differ significantly from estimates, the ability of the Company to realized the net deferred tax assets recorded at the statement of financial position date, if any, could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

Going concern

These financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions (Note 1.1).

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Foreign currencies

The Company's presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which they operate.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of loss and comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exploration and evaluation properties

Following the acquisition of a legal right to explore a property, all direct costs related to the acquisition of the property are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Mineral property acquisition costs include cash consideration and the fair market value of common shares issued for mineral property interests based on the trading price of the shares.

On an ongoing basis, the Company evaluates each property based on results to date to determine the nature of exploration work that is warranted in the future. Indications of impairment may occur in the carrying value of mineral interests when one of the following conditions exists:

i) The Company's work program on a property has significantly changed, so that previously identified resource targets or work programs are no longer being pursued;
ii) Exploration results are not promising and no more work is being planned in the foreseeable future; or
iii) The remaining lease terms are insufficient to conduct necessary studies or exploration work.

If there is an indication of impairment, the recoverable amount, which is the higher of the asset's fair value less costs to sell and value in use, of the asset is determined. When the carrying value of the property exceeds its recoverable amount the asset is written down accordingly. As a result, an impairment loss is recognized in the statement of loss and comprehensive loss.

The Company may occasionally enter into property option agreements, whereby the Company will transfer part of a mineral interest, as consideration for the incurring of certain exploration and evaluation expenditures by the optionee which would otherwise have been undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the property, with any excess cash accounted for as recovery of exploration and evaluation properties.

Proceeds received from the sale of any interest in a property are first credited against the carrying value of the property, with any excess included in the statement of loss and comprehensive loss for the period.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of loss and comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted.

Where the terms and conditions of options are modified before they vest, any increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of loss and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss and comprehensive loss, unless they are related to the issuance of shares, in which case they are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes Option Pricing Model. The expected life used in the model is adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, the shares are issued from treasury and the amount reflected in reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Taxation

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in the statement of loss and comprehensive loss except to the extent that they relate to items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax is recognized on loss carry-forwards and tax credits, and on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and law that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company records provisions for uncertain tax provisions if it is probable that the Company will make a payment on tax positions as a result of examinations by the tax authorities. These provisions are measured at the Company's best estimate of the amount expected to be paid. Provisions are reversed to income in the period in which management assesses that they are no longer required or determined by statute.

8. Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Cash, trade payables and due to related parties are recognized at amortized cost.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit and loss in the period in which they arise. Short term investments are recognized as FVTPL. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the credit risk of the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition of assets are recognized in profit and loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized at the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss.

Flow-through shares

The Company, from time to time, issues flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the

Company bifurcates the flow-through shares into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a premium reversal recorded in other income or a reduction to deferred tax expense. The Company also recognizes a deferred tax liability and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian resource property exploration expenditures, within the prescribed period. The portion of proceeds received but not yet expended at the end of the period is disclosed separately within restricted cash.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada income tax regulations. When applicable, this tax is accrued as an other expense until paid.

Decommissioning liabilities

An obligation to incur decommissioning costs arises when environmental disturbance is caused by the exploration or development of mineral property interest. These costs are discounted to their net present value and are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability, as soon as the obligation to incur such cost arises. The timing of the actual expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the Company operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Estimated costs for decommissioning costs are adjusted as changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capital costs of the related assets, in which case the capitalized cost is reduced to zero and the difference is recognized in profit or loss. As at 31 October 2024 and 2023, the Company has $Nil decommissioning liabilities.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Loss per share

Basic loss per share is computed by dividing the net income applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per common share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. In the event of a loss, diluted loss per share is equal to basic loss per share as the additional equity instruments are anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

9. Disclosure of Outstanding Security Data

As at 31 October 2024, and the date of this MD&A, the Company had 26,914,783 common shares issued and outstanding.

During the year ended 31 January 2023, the Company completed a 2.5:1 share consolidation for its outstanding common shares. All figures in the financial statements reflect number of shares post-consolidation.

Stock Options

As at 31 October 2024, and the date of this MD&A, the Company had 3,175,000 stock options issued and outstanding.

Share Purchase Warrants

As at 31 October 2024, and the date of this MD&A, the Company had nil common share purchase warrants outstanding.

10. Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

11. Qualified Person Statement

Technical sections of "Overview of Company's Projects of this report have been reviewed and approved for technical content by Ali Alizadeh, M.Sc. P.Geo, Senior Advisor for MQM and a Qualified Person under the provisions of NI 43-101.

12. Forward Looking Information

Forward-looking information is included in this MD&A, which involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this MD&A. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the following factors (as discussed under "Risks and Uncertainties"): industry; commodity prices; competition; foreign political risk; government laws; regulation and permitting; title to properties; estimates of mineral resources; cash flows and additional funding requirements; key management; possible dilution to present and prospective shareholders; material risk of dilution presented by large number of outstanding share purchase options and warrants; trading volume; volatility of share price; foreign currency risk; and, conflict of interest.

Although the forward-looking information contained in this MD&A is based upon what the Company's management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects management's current beliefs and is based on information currently available to the Company. Such information reflects current assumptions regarding future events and operating performance including, without limitation, a strong global demand for mineral commodities, continued funding and continued strength in the industry in which the Company operates, and speaks only as of the date of this discussion. The forward-looking information is made as of the date of this MD&A.

13. Outlook

The Company is continually seeking new opportunities.

Even though current management has demonstrated its ability to raise funds in the past, with the current financial market conditions and global economic uncertainty, there can be no assurance it will be able to do so in the future. Although the Company has been successful in all of its Court actions, as with all disputes, there is no guarantee that the results from the appeals will be favorable towards the Company or that there will be further spurious acts. Because of these uncertainties, there is substantial doubt about the ability of the Company to continue as going concern. These financial results and discussion do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

14. Additional Information

Additional information relating to the Company is available on SEDAR at www.sedarplus.ca or on the Company's website at www.metalquestmining.com .

For more information, please contact:
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TRADING SYMBOLS
TSX Venture Exchange: MQM
OTCQB: MQMIf
Frankfurt Stock Exchange: E7Q