

# ELYSEE

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## DEVELOPMENT CORP.

**Management's Discussion and Analysis  
For the Six-month period Ended June 30, 2025**

Contact Information

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## **ELYSEE DEVELOPMENT CORP.**

### **Management's Discussion and Analysis**

#### **For the Six-month period Ended June 30, 2025**

*This management's discussion and analysis ("MD&A") of Elysee Development Corp. ("Elysee" or "the Company"), dated August 7, 2025 should be read in conjunction with the accompanying condensed consolidated interim financial statements and notes for the six-month period ended June 30, 2025. The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as noted, all financial amounts are expressed in Canadian dollars. Additional information relating to the Company is available on SEDAR+ and may be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).*

#### **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

This document contains certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, that address events or developments that the Company expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans" "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. In particular, the forward-looking statements in this MD&A include: (i) under the heading "*Outlook*" statements relating to the Company's capital expenditure plans for 2025; and (ii) under the heading "*Liquidity and Capital Resources*" the statement that the Company believes it has sufficient funds to fund its currently planned administrative budget through the balance of fiscal 2025. Forward-looking statements involve numerous risks and uncertainties. Estimates and forward-looking statements are based on assumptions of future events and actual results may vary from these estimates.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, and continued availability of capital and financing, and general economic, market or business conditions and other factors discussed under the heading "*Risks and Uncertainties*". Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

NAV is a non-GAAP (generally accepted accounting principles) measure calculated as the value of total assets less the value of total liabilities divided by the total number of common shares outstanding as at a specific date. For the purpose of this calculation, share purchase warrants held by the Company were valued using the Black-Scholes model calculation, as reported in our annual and quarterly financial statements. The term NAV does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. There is no comparable GAAP measure presented in the Company's consolidated financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial measure. The Company believes that NAV can provide information useful to its shareholders in understanding its performance and may assist in the evaluation of its business relative to that of its peers.

## OVERVIEW AND OVERALL PERFORMANCE

Elysee completed a Change of Business (“COB”) from a “mining issuer” to an “investment issuer” on December 31, 2015.

The Company believes that the experience and contacts of its board of directors and management will enable it to identify and capitalize upon investment opportunities as an “investment issuer”. The Company’s goal is to seek returns through investments in the securities of other companies. The Company’s primary investments have been in junior mining and exploration companies active in the gold and silver sector and other metals. Occasionally the Company invests in other sectors as well.

On June 30, 2025 the Company had assets of \$16,734,358 and shareholder’s equity was \$14,899,343.

The net asset value (“NAV”) of the Company was \$0.527 per share as of June 30, 2025 compared to a NAV of \$0.422 on December 31, 2024. The NAV is based on the fair market value for the investment warrants as compared to \$0.513 per share using the intrinsic value for the investment warrants. The increase in the NAV is largely due to an increase in the share price of the companies in Elysee’s investment portfolio. Since the start of the year share prices of gold and silver miners and copper mining companies have significantly increased in value as a result of a higher gold and copper price. The increase was partially offset by a further write down of Elysee’s investment in US Vanadium LLC.

During the six-month period ended June 30, 2025 the Company had net and comprehensive earnings of \$2,946,468 compared to a net and comprehensive loss of \$63,363 during the same period a year before. The current six-month period earnings were mainly due to a realized gain on marketable securities of \$862,053, an unrealized gain on marketable securities of \$2,483,146 and interest and dividend income of \$107,688 offset by general and administrative expenses of \$373,843.

On June 14, 2024, the Company closed a non-brokered private placement of convertible debentures for gross proceeds of \$2,000,000. The convertible debentures will mature on June 14, 2028 (the “Maturity Date”) and bear interest at 8% per annum, payable quarterly. At the option of the holder, the principal amount of the convertible debentures is convertible into common shares of the Company at any time until the Maturity Date at a price equal to \$0.38 per common share. The Company may elect to redeem the convertible debentures at 102% of the face value at any time after June 14, 2027 and prior to the Maturity Date. The Company incurred issuance costs of \$26,025.

During the six-month period ended June 30, 2025 the Company invested approximately \$2.8 million in publicly listed companies in the U.S. and Canada.

The value of the warrants in the Company’s portfolio increased to \$422,397 as at June 30, 2025 from \$324,322 as at December 31, 2024. The fair market value of the warrants is determined based on the Black-Scholes Pricing Model. The intrinsic value of the Company’s investment warrants was \$45,089 on June 30, 2025 (\$1,750 on December 31, 2024). The intrinsic value is equal to the difference between the market value of the underlying share less the exercise price of the warrant.

On May 7, 2025, the Company received approval from the TSX Venture Exchange (the “Exchange”) to renew its Normal Course Issuer Bid (the “NCIB”). The original NCIB started on May 3, 2013. Pursuant to the NCIB, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,411,751 of its issued and outstanding common shares. The price which the Company will pay for any shares purchased will be the prevailing market price of such common shares on the Exchange at the time of such purchase. The renewed NCIB commenced on May 13, 2025 and will terminate on May 12, 2026, or such earlier time as the NCIB is completed or at the option of the Company. Research Capital Corporation of Vancouver, B.C. will conduct the NCIB on behalf of the Company. During the six-month period ended June 30, 2025, the Company purchased 38,500 shares at an average price of \$0.31 per share for a total cost of \$11,805.

The Board of Directors of the Company believes that from time-to-time market prices for the Company’s common shares do not always reflect the underlying value and that, accordingly, the purchase of common shares under the NCIB will increase the Net Asset Value per share and be advantageous to all remaining shareholders. The NCIB

purchases will also afford an increased degree of liquidity to current shareholders who would like to sell their shares and will serve to stabilize the market price for the Company's shares.

## **SIGNIFICANT EQUITY INVESTMENTS**

Management considers the Company's most significant investments during the three-month period ended June 30, 2025 to be as follows:

One of the Company's significant other investments is, US Vanadium LLC ("US Vanadium"), a US Limited Liability Corporation ("US LLC") which owns and operates facilities in Hot Springs and in Benton both located in the State of Arkansas. US Vanadium produces high-purity vanadium oxides and downstream vanadium chemicals for customers in the catalyst, chemical, petrochemical, titanium and energy storage industries. As a US LLC, US Vanadium has a fixed number of capital units that always remains the same. When new investments are made, the units are re-allocated among the investors with changes to the effective amount paid per capital unit. During the six-month period ended June 30, 2025, the Company's ownership interest held in US Vanadium decreased from 0.71% to 0.61% as a result of US Vanadium completing further investment financings that the Company did not participate in. As a result of this and as a result of a weaker US dollar, the Company reduced the fair value of its investment from \$1,685,043 to \$1,541,722 to reflect the change to its ownership interest and recognized an unrealized loss on other investments of \$143,321.

During Q2 several buy-out offers were made or acquisitions closed for companies in which we hold shares. For example: Lumina Gold Corp, Calibre Mining Corp., Golden Ocean Group Ltd. among others. In addition the Company sold several investments thereby realizing a gain on the sale of marketable securities of \$382,503 for the three months ended June 30, 2025. In Q2 the Company reduced its positions in Dundee Precious Metals Inc., Taseko Mines Ltd., Niocorp, Oceana Gold Corporation, Orla Mining Ltd. and others. Investments were made in Solgold plc, Blackrock Silver Corp, Foran Mining Corp., Goldstorm Metals Corp. and several smaller developing copper and gold companies.

## **OUTLOOK**

At June 30, 2025 the Company's statement of financial position includes working capital of \$14,739,351 inclusive of \$2,250,761 of cash and cash equivalents and \$12,236,840 in marketable securities.

Our current cash position, in excess of \$3.0 million, allows us to take advantage of opportunities that are currently being presented to us.

Management believes the Company's financial position remains strong and is sufficient to cover planned administration costs for at least a twelve-month period.

## **RESULTS OF OPERATIONS – SIX-MONTH PERIOD ENDED JUNE 30, 2025**

The Company's net and comprehensive earnings for the six-month period ended June 30, 2025 was \$2,946,468 (\$0.10 basic earnings per share) compared to a net and comprehensive loss of \$63,363 (\$0.00 basic loss per share) for the six-month period ended June 30, 2024.

The significant changes in net and comprehensive earnings during the current fiscal six-month period compared to the prior year are as follows:

There was a realized gain on the sale of marketable securities of \$862,053 for the six-month period ended June 30, 2025 compared to a realized loss on the sale of marketable securities of \$515,752 in the prior year. Transactions costs of \$11,880 were recognized for the six-month period ended June 30, 2025 compared to \$7,849 in the prior year.

There was an unrealized gain on marketable securities of \$2,483,146 for the six-month period ended June 30, 2025 compared to an unrealized gain of \$800,514 in the prior year.

There was an unrealized loss on other investments of \$133,321 for the six-month period ended June 30, 2025 compared to an unrealized loss of \$169,698 in the prior year as the Company wrote down private company investments.

Interest and dividend income increased \$23,378 to \$107,688 for the six-month period ended June 30, 2025 from \$84,310 during the six-month period ended June 30, 2024.

Other income of \$20,000 was recognized for the six-month period ended June 30, 2025 due to a fee associated with an investment.

Interest and accretion expenses of \$102,806 for the six-month period ended June 30, 2025 were due to accretion interest of \$23,463 and payments of interest of \$79,343 on convertible debentures.

Management fees increased \$33,000 to \$93,000 for the six-month period ended June 30, 2025 from \$60,000 during the six-month period ended June 30, 2024 mainly due to a performance bonus.

There was a share-based payment expense of \$15,303, a non-cash item, related to vested RSU's during the six-month period ended June 30, 2025 as compared to \$5,445 during the same period a year prior.

Travel costs decreased \$8,671 to \$6,279 for the six-month period ended June 30, 2025 from \$14,950 incurred during the six-month period ended June 30, 2024 as costs were incurred to attend trade shows and investor forums in the prior year.

All other general and administrative costs incurred during the current six-month period were comparable to those incurred in the six-month period a year prior.

## **RESULTS OF OPERATIONS – THREE-MONTH PERIOD ENDED JUNE 30, 2025**

The Company's net and comprehensive earnings for the three-month period ended June 30, 2025 was \$1,023,604 (\$0.04 basic earnings per share) compared to a net and comprehensive loss of \$341,799 (\$0.01 basic loss per share) for the three-month period ended June 30, 2024.

The significant changes in net and comprehensive earnings during the current fiscal three-month period compared to the prior year are as follows:

There was a realized gain on the sale of marketable securities of \$382,503 for the three-month period ended June 30, 2025 compared to a realized loss on the sale of marketable securities of \$369,166 in the prior year. Transactions costs of \$5,832 were recognized for the three-month period ended June 30, 2025 compared to \$3,774 in the prior year.

There was an unrealized gain on marketable securities of \$899,885 for the three-month period ended June 30, 2025 compared to an unrealized gain of \$315,785 in the prior year.

There was an unrealized loss on other investments of \$133,321 for the three-month period ended June 30, 2025 compared to an unrealized loss of \$169,698 in the prior year as the Company wrote down private company investments.

Interest and dividend income increased \$27,638 to \$53,664 for the three-month period ended June 30, 2025 from \$26,026 during the three-month period ended June 30, 2024.

Other income of \$20,000 was recognized for the three-month period ended June 30, 2025 due to a fee associated with an investment.

Interest and accretion expenses of \$51,850 for the three-month period ended June 30, 2025 were due to accretion interest of \$11,960 and payments of interest of \$39,890 on convertible debentures.

There was a share-based payment expense of \$9,186, a non-cash item, related to vested RSU's during the three-month period ended June 30, 2025 as compared to \$174 during the same period a year prior.

Travel costs increased \$4,118 to \$5,778 for the three-month period ended June 30, 2025 from \$1,660 incurred during the three-month period ended June 30, 2024 as costs were incurred to attend trade shows and investor forums.

All other general and administrative costs incurred during the current three-month period were comparable to those incurred in the three-month period a year prior.

## SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's quarterly financial statements for the past eight quarters:

| Quarter Ended                 | Net and Comprehensive Earnings (Loss) | Basic Earnings (Loss) per Share |
|-------------------------------|---------------------------------------|---------------------------------|
| June 30, 2025 (Q2, 2025)      | \$1,023,604                           | \$0.04                          |
| March 31, 2025 (Q1, 2025)     | \$1,922,864                           | \$0.07                          |
| December 31, 2024 (Q4, 2024)  | \$(248,391)                           | \$(0.01)                        |
| September 30, 2024 (Q3, 2024) | \$963,981                             | \$0.03                          |
| June 30, 2024 (Q2, 2024)      | \$(341,799)                           | \$(0.01)                        |
| March 31, 2024 (Q1, 2024)     | \$278,436                             | \$0.01                          |
| December 31, 2023 (Q4, 2023)  | \$(2,131,366)                         | \$(0.07)                        |
| September 30, 2023 (Q3, 2023) | \$(1,400,850)                         | \$(0.05)                        |

The Company's net and comprehensive earnings fluctuate significantly from quarter to quarter depending on the valuation of its marketable securities. The marketable securities are based on the fair market value of the underlying shares or convertible debentures that are traded in an active market and the warrant valuations are based on the Black-Scholes Option Pricing Model. These fair value measurements can change dramatically depending on the price of the underlying securities and other observable inputs.

The Company's net and comprehensive earnings were \$1,023,604 for the three-month period ended June 30, 2025 (Q2, 2025) and was mainly the result of a \$382,503 realized gain on marketable securities, \$899,885 unrealized gain on marketable securities, \$53,664 of interest income and \$20,000 other income offset by \$5,832 in transaction costs, \$133,321 unrealized loss on other investments, \$21,327 unrealized foreign exchange loss and \$171,968 in general and administrative expenses.

The Company's net and comprehensive earnings were \$1,922,864 for the three-month period ended March 31, 2025 (Q1, 2025) and was mainly the result of a \$479,550 realized gain on marketable securities, \$1,583,261 unrealized gain on marketable securities, \$13,952 unrealized foreign exchange gain, \$54,024 of interest income offset by \$6,048 in transaction costs and \$201,875 in general and administrative expenses.

The Company's net and comprehensive loss was \$248,391 for the three-month period ended December 31, 2024 (Q4, 2024) and was mainly the result of a realized loss on marketable securities of \$47,272, a realized loss on other investments of \$70,489, an unrealized loss on marketable securities of \$245,750, and \$225,656 in general and administrative expenses offset by an unrealized gain on other investments of \$258,451, \$54,445 of interest and dividend income and an unrealized foreign exchange gain of \$31,534.

The Company's net and comprehensive earnings were \$963,981 for the three-month period ended September 30, 2024 (Q3, 2024) and was mainly the result of a \$1,127,047 unrealized gain on marketable securities, \$203,728 recovery of other investments, \$76,590 of interest income offset by a \$280,580 realized loss on marketable securities, \$1,860 in transaction costs, \$5,257 unrealized foreign exchange loss and \$155,687 in general and administrative expenses.

The Company's net and comprehensive loss was \$341,799 for the three-month period ended June 30, 2024 (Q2, 2024) and was mainly the result of a realized loss on marketable securities of \$369,166, unrealized loss on other investments of \$169,698, \$3,774 in transaction costs, \$31,685 for interest write-offs and \$110,593 in general and administrative expenses offset by a \$315,785 unrealized gain on marketable securities, \$26,026 of interest and dividend income and an unrealized foreign exchange gain of \$1,306.

The Company's net and comprehensive earnings were \$278,436 for the three-month period ended March 31, 2024 (Q1, 2024) and was mainly the result of a \$484,727 unrealized gain on marketable securities, \$58,285 of interest income and a \$2,565 unrealized foreign exchange gain offset by a \$146,587 realized loss on marketable securities, \$4,075 in transaction costs and \$116,479 in general and administrative expenses.

The Company's net and comprehensive loss was \$2,131,366 for the three-month period ended December 31, 2023 (Q4, 2023) and was mainly the result of an unrealized loss on other investments of \$1,810,495, realized loss on marketable securities of \$207,007, \$2,243 in transaction costs, unrealized foreign exchange loss of \$3,314 and \$164,543 in general and administrative expenses offset by a \$121,310 unrealized gain on marketable securities and \$69,135 of interest and dividend income.

The Company's net and comprehensive loss was \$1,400,850 for the three-month period ended September 30, 2023 (Q3, 2023) and was mainly the result of a \$1,264,012 unrealized loss on marketable securities, \$1,825 in transaction costs, a \$166,830 write-down of other investments and \$94,489 in general and administrative expenses offset by a \$42,939 realized gain on marketable securities, \$2,202 unrealized foreign exchange gain and \$81,165 of interest and dividend income.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company relies on its working capital and equity financings to fund its investing and administrative costs.

As at June 30, 2025, the Company had working capital of \$14,739,351 mainly comprised of cash and cash equivalents of \$2,250,761 and marketable securities of \$12,236,840. This compares to working capital of \$11,732,518 at December 31, 2024, which included \$1,532,977 cash and cash equivalents and marketable securities of \$10,039,901.

The increase of \$717,784 in cash and cash equivalents during the six-month period ended June 30, 2025 was mainly due to \$3,840,803 proceeds received pursuant to the sale of investments offset by \$2,819,689 purchase of investments.

Total assets as at June 30, 2025 increased to \$16,734,358 from \$13,821,851 as at December 31, 2024.

As at the date of this MD&A, the Company has approximately \$3,000,000 in cash and cash equivalents.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

The Company's Board of Directors consists of Guido Cloetens, Gaston Reymenants, Thibaut Lepouttre and Martin Burian. Guido Cloetens is the Company's President and Chief Executive Officer, Martin Burian is the Company's Chairman and Gord Steblin is the Company's Chief Financial Officer.

The remuneration of directors and other members of key management were as follows:

|  | <b>For the<br/>three-month<br/>period ended<br/>June 30, 2025</b> | For the<br>three-month<br>period ended<br>June 30, 2024 | <b>For the<br/>six-month<br/>period ended<br/>June 30, 2025</b> | For the<br>six-month<br>period ended<br>June 30, 2024 |
|--|---|---|---|---|
| Management fees  | <b>\$ 33,000</b>  | \$ 30,000   | <b>\$ 63,000</b>  | \$ 60,000   |
| Management bonus                                       | -   | -   | <b>30,000</b>   | -   |
| Accounting fees  | <b>21,948</b>   | 17,325  | <b>40,139</b>   | 34,650  |
| Accounting bonus                                       | -   | -   | <b>20,000</b>   | -   |
| Director fees  | <b>4,804</b>  | 4,725   | <b>9,608</b>  | 9,450   |
| Share-based payments                                   | <b>9,186</b>  | 174   | <b>15,303</b>   | 5,445   |
| <b>Total key management<br/>personnel compensation</b> | <b>\$ 68,938</b>  | \$ 52,224   | <b>\$ 178,050</b>   | \$ 109,545  |

During the six-month period ended June 30, 2025, the Company recognized share-based payments of \$15,303 relating to 140,000 RSUs granted on July 15, 2024 and 100,000 RSU's granted on May 6, 2025 to directors and officers.

During the six-month period ended June 30, 2025, the Company paid \$21,000 (June 30, 2024 - \$18,000) for office rent and expenses, and administrative and general expenses including shareholder relations costs to a company controlled by the Chief Executive Officer.

During the year ended December 31, 2024, \$335,000 of the convertible debenture financing that closed on June 14, 2024 was subscribed by members of the Board of Directors. During the six-month period ended June 30, 2025, the company paid \$13,400 in interest on the convertible debenture to related parties.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

## CRITICAL ACCOUNTING ESTIMATES

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, convertible debentures, share-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.



## CHANGE IN ACCOUNTING POLICY

There were no new or amended accounting standards or interpretations that had a significant impact on the Company's consolidated financial statements during the periods ended June 30, 2025 and December 31, 2024.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

### Categories of financial instruments

|  | June 30, 2025        | December 31, 2024    |
|--|----------------------|----------------------|
| <b>FINANCIAL ASSETS</b>                  |                      |                      |
| <b>Fair value through profit or loss</b> |                      |                      |
| Cash and cash equivalents                | \$ 2,250,761         | \$ 1,532,977         |
| Marketable securities                    | 12,236,840           | 10,039,901           |
| Other investments                        | 2,227,015            | 2,245,070            |
| <b>Amortized cost</b>                    |                      |                      |
| Interest receivable                      | 10,398               | -                    |
| <b>Total financial assets</b>            | <b>\$ 16,725,014</b> | <b>\$ 13,817,948</b> |
| <b>FINANCIAL LIABILITIES</b>             |                      |                      |
| <b>Amortized cost</b>                    |                      |                      |
| Trade and other payables                 | \$ 7,269             | \$ 68,192            |
| Convertible debentures                   | 1,827,746            | 1,804,282            |
| <b>Total financial liabilities</b>       | <b>\$ 1,835,015</b>  | <b>\$ 1,872,474</b>  |

### Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 - fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

|   | Level 1              | Level 2           | Level 3            | Total                |
|---|----------------------|-------------------|--------------------|----------------------|
| <b>As at June 30, 2025</b>                  |                      |                   |                    |                      |
| Cash and cash equivalents                   | \$2,250,761          | \$ -              | \$ -               | \$ 2,250,761         |
| Marketable securities - shares              | 10,926,854           | -                 | -                  | 10,926,854           |
| Marketable securities - convertible debt    | 887,589              | -                 | -                  | 887,589              |
| Marketable securities - warrants            | -                    | 422,397           | -                  | 422,397              |
| Other investments - equity                  | -                    | -                 | 1,667,738          | 1,667,738            |
| Other investments - convertible debt        | -                    | -                 | 559,277            | 559,277              |
| <b>Total financial assets at fair value</b> | <b>\$ 14,065,204</b> | <b>\$ 422,397</b> | <b>\$2,227,015</b> | <b>\$ 16,714,616</b> |

|   | Level 1              | Level 2           | Level 3            | Total                |
|---|----------------------|-------------------|--------------------|----------------------|
| <b>As at December 31, 2024</b>              |                      |                   |                    |                      |
| Cash and cash equivalents                   | \$1,532,977          | \$ -              | \$ -               | \$ 1,532,977         |
| Marketable securities - shares              | 9,111,068            | -                 | -                  | 9,111,068            |
| Marketable securities - convertible debt    | 604,511              | -                 | -                  | 604,511              |
| Marketable securities - warrants            | -                    | 324,322           | -                  | 324,322              |
| Other investments - equity                  | -                    | -                 | 1,811,059          | 1,811,059            |
| Other investments - convertible debt        | -                    | -                 | 434,011            | 434,011              |
| <b>Total financial assets at fair value</b> | <b>\$ 11,248,556</b> | <b>\$ 324,322</b> | <b>\$2,245,070</b> | <b>\$ 13,817,948</b> |

### Management of financial risks

The financial risks arising from the Company's operations include credit risk, liquidity risk, interest rate risk, currency risk and market risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and receivables. The Company manages its credit risk relating to cash by dealing only with highly-rated Canadian financial institutions. As at June 30, 2025, there is interest receivable of \$10,398 (December 31, 2024 - \$Nil). As a result, credit risk is considered insignificant.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. The Company has cash and cash equivalents of \$2,250,761 (December 31, 2024 - \$1,532,977) to settle current liabilities of \$7.269 (December 31, 2024 - \$68,192), therefore liquidity risk is considered insignificant.

### **Interest rate risk**

The Company's interest rate risk is primarily related to the Company's cash for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash. However, as these investments come to maturity within a short period of time, the impact would likely not be significant. The Company also has investments in convertible debentures which have a fixed interest rate and are not subject to interest rate fluctuations.

### **Currency risk**

The majority of the Company's cash flows and financial assets and liabilities are denominated in Canadian dollars, which is the Company's functional and reporting currency. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding most of its cash in Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

### **Market risk**

Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its marketable securities and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer or class of issuers. The Company's investment activities are currently concentrated primarily in junior exploration and mining companies active in the gold and silver sector as well as several technology companies.

## **RISKS AND UNCERTAINTIES**

The Company believes that the following items represent significant areas for consideration.

### ***Cash Flows and Additional Funding Requirements***

The Company has a limited history of operating earnings and no assurances that sufficient funding, including adequate financing, will be available. The sources of funds currently available to the Company include; sale of marketable securities, raising equity or debt capital.

### ***Composition of Portfolio***

The composition of the Company's securities portfolio taken as a whole may vary widely from time to time, particularly equity securities in which the Company invests in the natural resource sector which often have very high volatilities. The Company may make investments in securities that have low trading volumes. Accordingly, it may be difficult for the Company to make trades in these securities without adversely affecting the price of such securities.

### ***Stock Price and Performance***

The Company's stock price may vary according to the value of the securities in which it invests, which will depend, in part, upon the performance of the issuers of such securities. The value of the securities acquired by the Company will be affected by business factors and risks that are beyond the control of the Company. In addition, the performance of certain of the securities may be affected by business factors and risks other than their exposure to metal and mineral prices, which may be more determinative of such securities performance. Some of the factor and risks are: (i) some of

the issuers in which the Company invests may have limited operating histories; (ii) operational risks related to specific business activities of the respective issuers; (iii) quality of underlying assets; (iv) financial performance of the respective issuers and their competitors; (v) volatility in the price of metal and mineral prices; (vi) environmental risks; (vii) political risks; (viii) fluctuation in exchange rates; (ix) fluctuation in interest rates; and (x) government regulation, including regulation to prices, taxes, royalties, land tenure, land use, importing and exporting of materials and environmental protection.

There is no assurance that the investment objectives of the Company will actually be achieved. The value of the shares of the Company may increase or decrease with the value of its investment portfolio and general economic conditions beyond the control of the Company's management, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors.

### ***Key Management***

The success of the Company will be largely dependent upon the performance of its key officers and consultants. The success of the Company is largely dependent on the discretion and ability of the Company in determining the composition of the portfolio of assets, and in negotiating the pricing and other terms of the agreements leading to the acquisition of assets. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

### ***Conflict of Interest***

Some of the Company's directors and officers are directors and officers of other reporting companies. These associations may give rise from time to time to conflicts of interest. As a result of, the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The ability to liquidate investments held by the Company in corporations with common director may be impaired by trading black-out periods imposed on insiders of such entities.

## **SUBSEQUENT EVENTS**

Subsequent to June 30, 2025, the Company repurchased 50,000 common shares of the Company pursuant to the Normal Course Issuer Bid which will be returned to treasury.

## **OUTSTANDING SHARE DATA**

The Company is authorized to issue unlimited common shares without par value. As at August 7, 2025, there were 28,283,113 outstanding common shares.

The following table summarizes information regarding stock options outstanding and exercisable as at August 7, 2025:

| <b>Grant date</b>    | <b>Expiry date</b> | <b>Number of options outstanding</b> | <b>Number of options exercisable</b> | <b>Exercise price</b> |
|----------------------|--------------------|--------------------------------------|--------------------------------------|-----------------------|
| September 18, 2020   | September 18, 2025 | 500,000                              | 500,000                              | \$ 0.42               |
| May 17, 2022         | May 17, 2027       | 1,050,000                            | 1,050,000                            | \$ 0.70               |
| April 3, 2023        | April 3, 2028      | 300,000                              | 300,000                              | \$ 0.50               |
| <b>Total options</b> |                    | <b>1,850,000</b>                     | <b>1,850,000</b>                     |                       |

There were 240,000 restricted share units ("RSUs") outstanding as at August 7, 2025. The RSUs vest annually in three equal tranches over a period of three years with the first vesting on July 15, 2025.

There were no warrants outstanding as at June 30, 2025 or August 7, 2025.