



FANCAMP EXPLORATION LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended January 31, 2025

The following discussion of performance, financial condition and future prospects should be read in conjunction with the financial statements of the Company and notes thereto for the nine months ending January 31, 2025, and 2023. The Company's reporting currency is Canadian dollars. The date of this Management Discussion and Analysis is March 31, 2025. Additional information on the Company is available on SEDAR+ at www.sedarplus.ca and the Company's website at www.fancamp.ca.

Forward-Looking Statements

This report may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as “believes”, “expects”, “potential”, “anticipates”, “estimates”, “intends”, “plans”, and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

The Company

Fancamp is a growing Canadian mineral exploration corporation focused on acquiring strategic interests and investments in high potential mineral projects and creating accretive value for shareholders through its vast royalty portfolio and the identification of near-term cash-flow generating opportunities. The Company is advancing exploration programs on priority mineral projects in highly prospective regions and is selectively monetizing its portfolio of mineral properties across Ontario, Québec and New Brunswick, Canada, including copper, gold, zinc, titanium, chromium, strategic rare-earth metals, among others. Fancamp has investments in an existing iron ore operation in the Quebec-Labrador Trough, a rare earth elements company, NeoTerrex Minerals Inc., a copper-gold exploration company, PTX Metals, an opportunity to develop an emerging gold-copper exploration play with Lode Gold Resources, in addition to a near term cash flow generating zinc mine in Nova Scotia, EDM Resources Inc. The Company has future monetization opportunities from its Koper Lake transaction in the highly sought-after Ring of Fire in Northern Ontario. Fancamp is developing energy reduction and titanium waste recycling technology with its advanced titanium extraction strategy.

The Company is a reporting issuer in British Columbia, Alberta, Ontario and Québec and its common shares are listed for trading on the TSX Venture Exchange under the symbol FNC.

Key Current Company Highlights and Outlook

- As announced on October 9, 2024, the Company finalized a transaction as it relates to an agreement entered into with Lode Gold Resources Inc. (“Lode Gold”) (TSX Venture Exchange: LOD) and 1475039 B.C. Ltd. (“Spin Co”, also referred to as “Gold Orogen”), a wholly owned subsidiary of Lode Gold. The Transaction represents the opportunity for the joint advancement of significantly sized and under-explored land packages, in highly prospective regions for gold and polymetallic mineral discovery in New Brunswick and Yukon, with the potential to create district scale projects on orogenic belts where other major developers are established and host certain world-class deposits. The key highlights of the transaction and recent joint venture developments are:
 - Lode Gold has transferred all of its interests in the McIntyre Brook mineral property and Fancamp has transferred all of its interests in the Riley Brook mineral property, both located in the

Appalachian region of New Brunswick, to a joint-venture entity in which Fancamp and Spin Co/Gold Orogen each own 50% of the outstanding shares, referred to as Acadian Gold Corp. (“Acadian Gold”). Acadian Gold, of which Fancamp is the Operator, is an opportunity for an emerging, district-scale, Au-Cu exploration play in a highly prospective geological domain that hosts other gold-focused development projects such as Calibre Mining Corp.’s Valentine Lake Project and New Found Gold Corp.’s Queensway Project. This region also hosts significant recent Au discoveries by New Found Gold Corp, Galway Metals Inc. and Puma Exploration Inc. Acadian Gold’s McIntyre Brook property lies adjacent and on trend with Puma Exploration’s Williams Brook Project, which is the subject of an option agreement with Kinross Gold Corp.

- The Company filed an Independent NI 43-101 technical report on its Riley Brook property describing the geology, historical work and proposed a work program to identify potential copper-gold mineralization, accessible on SEDAR+ (www.sedarplus.ca) and on the Company’s website (www.fancamp.ca). Acadian Gold granted Fancamp a 2% net smelter returns royalty on the Riley Brook property.
 - Fancamp and Spin Co/Gold Orogen entered into a Shareholders’ Agreement to govern Acadian Gold, pursuant to which, among other terms, the initial strategic budget for Acadian Gold exploration work to be completed by May 31, 2025, will total ~\$1.8 million.
 - Lode Gold has transferred to Spin Co/Gold Orogen, both its Golden Culvert and its nearby Win mineral properties located in the Tombstone Belt, southeastern Yukon. The Yukon assets encompass a 99.5 km² land package across a 27-km strike length situated in a high-grade-gold-mineralized trend, as part of the Tombstone Belt, which extends across the Yukon and is host to numerous multi-million-ounce gold deposits.
 - Fancamp invested \$2,500,000 into Spin Co/Gold Orogen in exchange for such number of common shares that is equal to 19.9% of the outstanding Spin Co/Gold Orogen Shares on an undiluted basis. A portion of the Fancamp investment was completed through an indirect flow through offering by Spin Co/Gold Orogen which resulted in Spin Co/Gold Orogen receiving approximately \$3,000,000 in proceeds under the Fancamp investment. Fancamp also invested \$500,000 into Lode Gold on a private placement basis in exchange for 1,428,571 special warrants of Lode Gold at an issue price of \$0.35 per Lode Gold Special Warrant, with each Lode Gold Special Warrant automatically convertible on the earlier of the completion of the Spin Out and March 31, 2025, into one common share of Lode Gold and one common share purchase warrant of Lode Gold. Each Lode Gold Warrant shall be exercisable for one Lode Gold Share at a price of \$0.5 for a period of five years from the date of issue. Prior to the completion of Spin Out, Spin Co/Gold Orogen will raise an aggregate of \$1,500,000, in addition to the Fancamp investment.
 - More details can be found in the Company’s News Releases dated August 27, 2024, and October 9, 2024.
- Fancamp’s shareholding in KWG Resources Inc. (“KWG”), carrying on business as the Canadian Chrome Co. (CSE:CACR), continues to increase progressively due to the quarterly issue of shares in lieu of interest payments for the Fancamp Secured Convertible Promissory Note for \$34.5 million in KWG. During the nine months ended January 31, 2025, the Company received \$1,043,506 in interest income on the \$34.5 million secured convertible promissory note from KWG. Upto January 2025, the Company has received a total of 2,599,950 KWG Resources Inc. Class A Canadian Chrome Co. (CSE: CACR.A) shares for an aggregate value of \$4,656,082 as interest payments on the \$34.5 million secured convertible promissory note. The Company continues to be well positioned in the prolific Ontario Ring of Fire through its shareholding and interests in KWG,

Fancamp holds a 2% net smelter returns royalty on the Black Horse Koper-Lake McFaulds claims, which are strategically surrounded by Wyloo Metals/Ring of Fire Metals claims, a region where chromite, nickel, copper, zinc, and platinum group metals, among other critical minerals, are particularly abundant

- During the nine months ended January 31, 2025, the Company received \$270,000 in dividend income from Champion Iron Ltd. (TSX:CIA) as it relates to its shareholding. The Company also holds retained interests in the form of potential future finite production payments as it relates to the Fermont Properties held by Champion Iron Ltd. These Properties are located in the Fermont Iron Ore District in eastern Quebec, on the southern end of the Labrador Trough which offers excellent potential for iron. The Fermont Properties are situated adjacent to or nearby currently producing assets held by Champion Iron Ltd. and/or ArcelorMittal S.A.
- The Company's joint venture with PTX Metals Inc. (CSE:PTX), namely the South Timmins Mining Inc. ('GoldCo'), continues to be advanced and offers an exciting opportunity for scale in the highly prospective Southwest Abitibi Greenstone Belt, Canada's largest gold producing region (refer to news releases dated March 14, 2023, May 18, 2023, and January 31, 2024).
- The Company's experienced geological team is engaged in efficient and effective exploration planning, as well as delineating new and attractive opportunities through systematic technical analysis as the Company continues to seek prospective mineral property opportunities.
- The Company has investments in associates which include EDM Resources Inc., South Timmins Mining Inc., PTX Metals Inc., Lode Gold Resources Inc. and NeoTerrex Minerals Inc.
- Fancamp participated in a recent private placement in EDM Resources Inc. ("EDM"), a mining company focused on near term zinc production, to maintain its ~11% stake in the company. This private placement will enable EDM to progress the environmental permitting plan and move closer to financing the investment required for commencement of production. EDM continues to offer significant upside to Fancamp as it moves towards production at the shuttered zinc mine and plant 75 kilometers north of Halifax, Nova Scotia.
- The Company holds a significant royalty portfolio which includes a 1% net smelter return royalty (NSR) on the Mallard/Heenan/Dorothy Properties, 2% NSR on the Black Horse Koper Lake-McFaulds Property, 2% NSR on the Magpie Property, 2% NSR on Riley Brook among other highly prospective land packages with retained interests.
- The Company was issued 1,600,000 common shares of Canadian Gold Resources Ltd. ("Canadian Gold"), valued at approximately \$368,000 as of January 31, 2025, as part of a previously announced mining claims sale agreement for the Company's package of 34 mineral claims associated with the Robidoux property, located in the Gaspé region of Quebec (*refer to press release dated January 31, 2023 and December 19, 2024*). Canadian Gold is a mineral exploration firm focused on developing known, historic high-grade gold projects in the Gaspé Gold Belt of Quebec, Canada, which now includes Robidoux, a property that sits along the Grand Pabos Fault, a major geological occurrence known for orogenic gold mineralization.
- The Company's prospective mineral property claims that are being actively explored are Clinton and Grasset – see "Significant Mineral Properties" section.

Significant Assets

The Company currently holds 2,700,000 common shares of Champion Iron Ltd.

The Company currently holds 5,737,121 common shares of EDM Resources Inc., 390,000 warrants exercisable at \$0.75, 1,450,909 warrants exercisable at \$0.14 and 1,547,727 warrants exercisable at \$0.11 to purchase common shares of EDM Resources Inc.

The Company currently holds a \$34.5 million secured convertible promissory note (with a 6% annual interest rate), 4,280,000 common shares of KWG Resources Inc., carrying on business as the Canadian Chrome Co., 2,857,045 multiple voting shares and 4,044,493 warrants in KWG.A to purchase multiple voting shares.

The Company currently holds 6,467,435 common shares of PTX Metals Inc. and 3,233,718 warrants exercisable at \$0.22 to purchase common shares

The Company currently holds 11,799,000 common shares and 1,433,500 warrants of NeoTerrex Minerals Inc exercisable at \$0.40 to purchase common shares.

The Company currently holds 1,600,000 common shares of Canadian Gold Resources Ltd.

The Company currently holds 1,428,571 special warrants in Lode Gold Resources Inc., automatically convertible on the earlier of the completion of the Spin Out and March 31, 2025, into one common share and one purchase warrant of Lode Gold., exercisable at \$0.5 to purchase common shares.

The Company currently holds 96% interest in The Magpie Mines Inc. which owns a significant Titanium property, "Magpie" located ~130 km from Havre St. Pierre, Quebec, a district that also hosts Fancamp's 100%-owned Mangan ferro-titanium property. These projects are located in the same region as Rio Tinto's Lac Tio Mine, the world's largest hard rock titanium deposit in production (*USGS Professional Paper 1802: Critical Mineral Resources of the United States—Economic and Environmental Geology and Prospects for Future Supply*). Magpie is one of the world's largest undeveloped hard rock titanium (+V) deposits, *per USGS data*. – See "Contingencies: The Magpie Mines" section.

See Note 5 "Marketable Securities", Note 8 "Investments in Associates" and Note 9 "Exploration and Evaluation Assets" attached to the financial statements for the nine months ended January 31, 2025, and 2023.

Significant Mineral Properties

Riley Brook and McIntyre Brook Properties, New Brunswick The Riley Brook property is a 334.5 km² land package of mineral claims (33,454 cells) which Fancamp acquired by claim staking, located in New Brunswick, within the highly prospective Appalachian geological province. Riley Brook was combined with the 111 km² McIntyre Brook mineral claims (11,035 cells) as part of the Acadian Gold joint venture with Lode Gold Resources Inc. to create a dominant 445 km² land holding, which constitute gold mineralized zones that extend over several kilometres on an orogenic belt in a highly prospective region for gold and polymetallic mineral discovery (*refer to press releases dated August 27, 2024, and October 9, 2024*). These properties lie in a geologic domain of other gold-focused development projects such as Calibre Mining Corp.'s Valentine Lake Project (*Au producer*) and New Found Gold Corp.'s Queensway Project (*tier 1 explorer*), a region with significant recent gold discoveries made by Galway Metals, New Found Gold and Puma Exploration Inc. Puma Exploration's William Brook property, situated 30 km Northeast of Riley Brook, and adjacent/on trend to McIntyre Brook, is subject of an option agreement with Kinross Gold Corp. Results received from this first phase of exploration by Acadian Gold

has significantly increased the known surface expression of the previous data and historical drilling at McIntyre Brook, which confirmed by trenching and chip channel sampling expansion of the known mineralization, a gold bearing rhyolitic horizon presenting a minimum strike extension of 200-metres and up to 9-metre thickness, with preliminary trench results that include 5.3 metres of 1.19 gpt Au (*refer to press release dated [January 20, 2025](#)*). Mineralization defined insofar appears comparable to the description of a similar mineralized lithological unit found on neighboring Puma Exploration's Williams Brook Project. The integration of soil geochemistry and geophysical data has indicated the potential for highly prospective mineralized systems at McIntyre Brook, and defined new targets which would be subject to further exploration in 2025. The Heliborne HeliTEM² Survey revealed, among other aspects, the presence of a series of EM conductors in the northeastern part of the McIntyre Brook Property, which create an open ellipsoid over a significant area. The soil geochemical survey conducted in November 2024 at the periphery of the southeast and northeast area of the conductors revealed the presence of gold-in-soil anomalies associated with Arsenic (As), Antimony (Sb) and Tungsten (W) anomalies (*refer to press release dated [March 3, 2025](#)*). These new results from McIntyre Brook reveal coincident gold-in-soil anomalies and prominent electromagnetic conductors, significantly enhancing the potential for a substantial gold-copper discovery. Analysis of recent HeliTEM² magnetic and radiometric data has identified additional faulting and a coincident elevated radiometric signature, potentially indicative of rhyolites or hydrothermal activity, key indicators of significant gold mineralization in the Wapske Formation. Consequently, this area at McIntyre Brook has been designated a high-priority target for Acadian Gold's 2025 exploration program, offering considerable potential for a new gold discovery.

The Riley Brook area has seen little modern exploration programs and is underexplored for gold mineralization, associated with an underlying geology of Devonian volcano-sedimentary stack belonging to the Wapske Formation, situated between the Rocky Brook Millstream Fault and Woodstock-Catamaran Fault. Work conducted at Riley Brook by Acadian Gold included geochemical soil surveys that revealed the presence of strong soil anomalies in the southern end of the property that seems to correlate with a number of discrete intrusives mapped throughout the property by the New Brunswick Geological Survey. A recon soil sampling which only covered ~10% of the Riley Brook property has revealed multiple gold anomalies of similar tenor demonstrated on other Appalachian gold belt deposits such as Puma Exploration's Williams Brook Property (>20ppb Au in soils). At Riley Brook, a significant multi-element soil anomaly coincident with a Conductive EM Anomaly indicates the possibility of an Intrusion Related Gold System in the southwestern section of the property.

The Heliborne HeliTEM² Surveys across the properties revealed, among other aspects, the presence a conductive EM anomaly coincident with the soil geochemical anomaly. With work conducted in 2024 and early 2025, the Company has further substantiated the prospectivity of the Acadian Gold joint venture to expand into a district scale gold-copper play.

Clinton Property, Quebec The Clinton Project is a 100%-owned copper-zinc VMS (Volcanogenic Massive Sulphide) sizeable 7,472-hectares property, comprised of 127 claims, located within the Appalachian geological province of the Eastern Townships of Québec, a region which hosts highly prospective targets due to the geological potential and occurrences of high-grade base metals validated by numerous past-producing mines across a 130-kilometre trend. The property hosts a series of Cu-Zn rich VMS mineralization lenses ("AB", "C", "D", "E" and "O" lenses) extending over a 5-km Northeast horizon and encompasses around 20 kilometres of favorable stratigraphy within the Clinton River volcano-sedimentary belt. The Clinton Project is a past producing mine, characterized by five copper bearing mineralized lenses, with historical drilling having occurred across multiple exploration programs since 1953. From 1973 to 1975, a mine was opened to exploit lens O and historic production reported the extraction of 126,000 tonnes of material with an average grade of 2.74% Cu, 2.86% Zn, 0.53% Pb and 30.79 grams per tonne (g/t) Silver (Ag).

Since 2020, Fancamp has conducted several exploration programs, including prospecting, ground geophysics, diamond drilling and targeting using AI. The 2023 drilling program was comprised of 2,678 meters in 11 holes, and the 2022 drill program intersected 3.15 meters grading 3.30% Cu and 12.64 g/t Ag (*refer to press release dated June 14, 2022*) which effectively extended historical lens "A" mineralization an additional 100 meters along strike. Other mineralized lenses show strong copper and gold exploration potential, with the best intersection being 24.7 meters grading 2.78% Cu and 16.9 g/t Ag (*refer to press release dated October 14, 2014*) and previous significant intersections of sulphide copper mineralization across various lenses and extensions, including 3.0 meters at 0.72% Cu, 2.87 g/t Ag and 0.02 g/t Au (*refer to press release dated August 17, 2022*).

The Company's recent exploration work reported positive results from a Gravity Survey conducted in December 2024, successful at identifying multiple, new, high-density targets at depth and delineated the potential VMS deposit root system, fundamental elements to allow for the extension of current mineralization, to demonstrate a significant VMS deposit at Clinton and provide for new copper discovery. The survey targeted the favorable geological horizon which hosts the past producing Clinton "O" mine and the known massive sulphide lenses containing historical non-compliant NI 43-101 resources of 1.52 Mt at 2.02% Cu and 1.54% Zn (*MRNFQ Fiche de Gite 21E07-0007*), an area where known copper mineralization had been identified across past exploration work. Recent results of work conducted at Clinton are highly encouraging, proving that new targets exist at depth, conceivably larger than on surface, with the potential to extend the already defined mineralized lenses and uncover new meaningful Cu-Zn bearing massive sulphides lenses. The survey consisted of the acquisition of 2,000 gravity stations, on line, spaced every 100 metres with reading stations every 25 metres, in the northern sector of the property, which investigated the potential of identifying deep seated VMS lenses under the known mineralized occurrences. Twenty-three anomalies indicative of sources in positive density contrast with the host rocks have been identified, the survey also identified new, high-density targets at depth, below and between the known lenses, which represent compelling drill targets for Cu-Zn massive sulfide mineralization. A second, stratigraphically lower corridor, which correlates with the known "V Zone," may represent the root system of a VMS deposit, where the property's highest-grade intersection to date, 2.78% Cu, 16.9 g/t Ag over 24.7 metres (*refer to press release dated October 14, 2014*) was drilled along this corridor. The survey identified a new, high-density target along this trend, located below the known "C" lens, which constitutes another high-priority drill target at Clinton.

The Company filed an Independent NI 43-101 technical report on the Clinton property entitled "*Clinton Cu-Zn Property, Lac Mégantic, Quebec – 43-101 Technical Report*" with an effective date of September 26, 2024. The Technical Report describes the historical exploration work completed on the Clinton Project, discloses a historical mineral estimate on 5 mineralized lenses totaling 1.8 Mt at 2.02% Cu and 1.54% Zn, including 20% dilution, describes the geology as well as proposed a future work program aimed at expanding already known mineralized lenses or discovering new ones, including a proposed deep penetrating gravity survey followed by a drilling program to test the newly generated targets at depth (*refer to press release dated November 29, 2024*) accessible on SEDAR+ (www.sedarplus.ca) and on the Company's website (www.fancamp.ca).

Grasset Property, Quebec Grasset is a wholly-owned property located along the Detour-Fenelon Gold Trend and is of significant size, comprised of two blocks of claims, Grasset East (291 claims for 16,141 hectares) and Grasset North West (136 claims for 526 hectares). The Grasset property covers the northern margin of the Abitibi greenstone belt and is situated 30 kilometers northwest of the Matagami mining camp. Grasset is positioned within a favorable volcanic belt known to host significant gold and base metal occurrences, approximately 35 kilometers east of Wallbridge Mining Company's Fenelon Gold deposit, and on the same greenstone belt which hosts the prominent Detour Lake open-pit gold mine in Ontario (Agnico Eagle Mines Ltd.). A VTEM survey completed in 2022 delineated multiple discrete conductive anomalies for VMS and Ni-Cu targets, with additional ground staked Southeast of the property following VTEM. Fancamp initiated helicopter borne VTEM™ time-domain electromagnetic and horizontal magnetic gradiometer surveys, conducted by Geotech Ltd. The program

consists of a 665-line kilometers survey, with line spacing at 100 meters and flight altitude clearance of 35 meters, with the aim to investigate the potential for the occurrences of Ni-Cu or Cu-Zn massive sulfide type mineralization.

Stoke Property, Quebec This Stoke property is located in the Appalachian region, in an area of extensive mineral occurrences, situated in the Eastern Townships of Québec, and covering 20 kilometers of favorable geology within the Ascot-Weedon VSED Belt which hosts 6 historical VMS deposits. Fancamp has held the property since 2010, which is comprised of 126 claims covering an area of 7,342 hectares divided into two blocks, 1 of 116 contiguous claims for 6,738.01 hectares and another block of 10 contiguous claims for 603.15 hectares. The Stoke Project exhibits historical drilling with moderate grade mineral occurrences of copper and gold across two distinct zones: Copper Zone and Grand Prix Showing. The Stoke Project is surrounded by past producing mines and hosts historical high-grade copper intersections including 7.29% Cu over 6.4 meters and 17.6 g/t Ag (*refer to Hole ST-2011-06, MRN Report GM 66485, 2012*), the widest sulphide mineralization intersection discovered to date. The 2022 drill program conducted at Stoke intersected 98.0 meters at a grade of 0.12% Cu (Hole STDD-22-05), from 275 to 373 meters, downhole length (*refer to press release dated September 8, 2022*). Since 2020, Fancamp has conducted several exploration programs including prospecting, ground geophysics and drilling. In June of 2022, Fancamp conducted a limited drilling program consisting of 1,194 meters of diamond drill holes in 3 holes. In 2023, a ground IP survey was conducted over 25.1-line km over the northern part of the property.

Diléo Property, Quebec The Diléo property is located in the Frotet-Evans greenstone belt which hosts the former producing Au-Cu Troilus mine and the recent Regnault high-grade gold discovery of Kenorland- Sumitomo. It is comprised of 20 claims over 1033 hectares, historically worked by Noranda Inc. Fancamp has held the property since the 1990's, and this property is believed to be situated in a prospective zone for copper gold mineralization. Since 2020, Fancamp has conducted several exploration campaigns, including airborne magnetics (246- line km), prospecting and mapping in 2020, and two successive exploration campaigns of prospecting, soil sampling and rock chips sampling in 2022 and 2023 (*refer to press release dated March 6, 2023*). The Company's 2023 work program at Diléo indicated a new copper showing and confirmed, as well as expanded, an Au-Cu-Ag soil anomaly.

Gaspe Bay Group Property, Quebec (including St. Marguerite) These vein-related gold system projects have the potential to present high-grade gold showings, and work is intended to focus on establishing continuity along strike, and down dip. Fancamp has previously completed rock sampling, trenching and soil sampling over portions of the property.

Other Properties

See Note 9 "Exploration and Evaluation Assets" attached to the financial statements for the periods ended January 31, 2025, for further information on the Company's other mineral property holdings.

Results of Operations

FANCAMP EXPLORATION LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Expressed in Canadian Dollars, except share amounts

	Nine Months Ended January 31, 2025	Nine Months Ended January 31, 2024
Expenses		
Accounting and Audit	\$ 116,356	\$ 230,325
Directors Fees (Note 12)	83,000	90,000
Field Administration	99,539	128,478
Insurance	26,014	22,710
Interest Expenses and Bank Charges	694	19,750
Investor Relations	45,000	42,500
Legal Fees	394,795	388,951
Licences and Permits	1,016	-
Management and Consulting	358,520	511,670
Marketing and Promotion	7,545	3,280
Mineral Property Sundry Expenses	45,326	238
Office Rent, Supplies and Services	22,922	29,039
Patent and process development	42,365	40,113
Share Transfer, Listing and Filing Fees	20,356	30,645
Share-based Payments (Note 11)	453,080	-
Trade Shows and Presentation	-	495
Travel and Accomodations	30,259	38,875
Payroll Expenses	11,810	9,038
Total Expenses	<u>1,758,598</u>	<u>1,586,107</u>
Other income	<u>89,903</u>	<u>-</u>
Loss from Operations	(1,668,695)	(1,586,107)
Interest Income	1,632,789	1,992,764
Dividends Received on Marketable Securities (Note 5)	540,000	540,000
Impairment of Exploration and Evaluation Assets	-	(158,721)
Unrealized Gain on Convertible Promissory Note (Note 7)	5,310,000	600,000
Loss on Acquisition of Assets	(2,106)	-
Loss on Equity Pick-up of Investments In Associates (Note 8)	-	(450,911)
Dilution Gain on Investment in Associates (Note 8)	2,665	-
(Loss) Gain on Marketable Securities	-	(1,000)
Unrealized (Loss) Gain on Marketable Securities (Note 5)	551,316	1,246,477
Income (Loss) before Taxes	<u>6,365,968</u>	<u>2,182,502</u>
Income and Comprehensive Income for the Period	<u>\$ 6,365,968</u>	<u>\$ 2,182,502</u>
Comprehensive Income attributable to:		
Non-controlling interest	(974)	-
Owners of the parent	6,366,942	2,182,502

Nine months ended January 31, 2025:

The Company reported a net income of \$6,365,968 for the nine months ended January 31, 2025, compared to a net income of \$2,182,502 for January 31, 2024. The net income during 2025 was due to

- a) Increase in unrealized gain on Convertible Promissory Notes: \$4,710,000,
- b) Lower Management and consulting expenses by \$153,150; that was offset by
- c) Lower unrealized gain on marketable securities by \$695,161
- d) Lower dividends received on marketable securities by \$180,097;
- e) Lower interest income by \$359,975
- f) Higher share-based compensation due to options issued to directors and managerial personnel by \$453,080

Selected financial information for the quarters ended January 31, 2025, and the preceding 7 quarters:

	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter
Three months ended	31-Jan-25	31-Oct-24	July 31 2024	30-Apr-24
Net income (loss)	1,602,504	3,948,718	814,747	(949,289)
Income (Loss) per share	0.01	0.02	-	-
Fully diluted income (loss) per share	0.01	0.02	-	-

	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter
Three months ended	31-Jan-24	31-Oct-23	July 31 2023	30-Apr-23
Net income (loss)	1,982,549	2,133,845	(1,933,891)	(7,836,607)
Income (Loss) per share	0.01	0.01	(0.01)	(0.03)
Fully diluted income (loss) per share	0.01	0.01	(0.01)	(0.03)

Financing

See Note 11 – “Share Capital” and Note 16 – “Subsequent Events” attached to the financial statements for the nine months ended January 31, 2025 and 2024 for further information on the Company’s financing activities.

Liquidity and Capital Resources

The Company is an exploration stage company in the business of mineral exploration. It is in the process of exploring its mineral properties interests and has not yet determined whether these properties contain ore reserves that are economically recoverable. With no producing properties, the Company has no current operating income or cash flow. All of the Company’s short and medium-term operating and exploration cash flow is derived through external financing, joint venture option and royalty payments.

The Corporation’s approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Corporation’s holdings of cash that might be raised from equity financings. As at January 31, 2025, the Corporation had current assets of \$24,967,421 (2024 – \$28,847,171) and current liabilities of \$6,417,016 (2024 - \$6,154,076). All of the Corporation’s accounts

payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Corporation believes that these sources will be sufficient to cover the expected short and long term cash requirements.

The Company had working capital of \$18,550,405 as at January 31, 2025 (2024 working capital- \$22,693,096).

Transactions with Related Parties

See Note 12 – “Related Party Transactions and Balances” attached to the financial statements for the nine months ended January 31, 2025 and 2023.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Contingencies

The Magpie Mines Inc.

In April 2019, the Corporation and The Magpie Mines Inc. (“Defendants”) received a statement of claim relating to liquidated damages for termination of the agreement dated January 1, 2018 whereby a former director (the “Former Officer”) acted as consultant to Fancamp (the “Agreement”) and to assist Magpie with mineral engineering research and development activities. Fancamp has not recognized a provision for the claimed amount given the conditions to recognize a provision were not met.

In June 2019, the Defendants filed a statement of defense in the Ontario Superior Court of Justice whereby they alleged that Former Officer breached his obligations towards the Defendants by misappropriating part of the intellectual property of The Magpie Mines Inc. through the named Corporation controlled by the Former Officer, and misusing the funds of The Magpie Mines Inc., including a grant from Sustainable Development Technology Canada. These actions led to the termination of the Agreement in November 2018.

Based on the facts of the case, Fancamp believes that the litigation instituted by the Plaintiffs is without merit and believes that the Plaintiffs are not entitled to any of the Damages. Fancamp intends to vigorously defend itself against the Plaintiffs and has filed a Statement of Defense and Counterclaim.

On January 23, 2024, the Corporation filed an application in Quebec against The Magpie Mines Inc. for the payment of \$1,964,510.97 plus interest and court costs in regards to the non-secured, on demand note.

As of January 31, 2025, all litigations are still in process.

Canadian Chrome Co. (KWG Resources), The Magpie Mines Inc., Peter Smtih and Fouad Kamaledine

On August 11 2023, the Corporation provided comment an announcement made by The Canadian Chrome Co. (“Chrome Co.”), a registered business style of KWG Resources Inc., with respect to Chrome Co.’s acquisition of two thirds of the issued and outstanding special shares in the capital of The Magpie Mines Inc. from Peter Smith and Fouad Kamaledine (the “Transaction”).

Fancamp is a major shareholder of The Magpie Mines Inc., with ninety-six percent (96%) of the issued and outstanding common shares in the capital of Magpie Mines. In addition, Fancamp has a two-percent (2%) NSR on the Magpie deposit and is the largest creditor of Magpie Mines.

Each common share of Magpie Mines carries one (1) vote for the election of forty-nine percent (49%) of the total number of Directors of Magpie Mines, while each special share of Magpie Mines carries one (1) vote for the election of fifty-one percent (51%) of the total number of Directors of Magpie Mines. As a result of the issuance of special shares, which were allocated to previous Directors of Fancamp and of Magpie Mines, holders of these special shares control decisions relating to the election of Magpie Mines Directors and, as a result, decisions taken by its Board of Directors.

The proposed Transaction was not previously known to Fancamp. Smith's and Kamaleddine's ownership of the Magpie special shares is disputed and the subject of pending litigation.

On May 27, 2021, the Corporation discontinued the lawsuit against the third individual after the special shares issued to that individual were conveyed to Fancamp.

On August 8, 2023, Fancamp wrote to Chrome Co. to advise that:

1. There is pending litigation with respect to the validity and ownership of the special shares;
2. In light of that information Fancamp expects that Chrome Co. will not proceed with its acquisition of the special shares, and that it will issue a news release to that effect by no later than Friday, August 11, 2023; and
3. Chrome Co. now has full knowledge of Smith's and Kamaleddine's breaches of fiduciary duty and of trust, and would be proceeding as a knowing participant in those breaches. If Chrome Co. proceeds with the Transaction despite that knowledge Fancamp anticipates it would be entitled to seek relief directly against Chrome Co., including injunctive relief and compensation for its damages (including legal fees).

On August 16, 2023, the Corporation announced that it had been informed by Chrome Co of the expiration of this proposed transaction.

Fancamp will continue to take appropriate steps to protect its interests including but not limited to the recovery of the special shares.

Termination of Peter H. Smith

In August 2020, at the request of the Board, Peter H. Smith stepped down as President. On April 1, 2021, the consulting agreement between the Corporation and Peter H. Smith was terminated with cause. On May 31, 2021, Peter H. Smith filed, by way of a counterclaim (see "Civil Lawsuit Against Peter H. Smith"), a demand for payout of \$500,000 and an additional \$27,000 for amounts owing. \$27,000 has been accrued as of January 31, 2024 and 2025.

Management has not recognized provision for claimed amount given the conditions to recognize provision were not met. Fancamp believes that any claim that may be instituted by Peter H. Smith is without merit and that he is not entitled to any damages. The Corporation intends to vigorously defend its actions.

Civil Lawsuit Against Peter H. Smith

On May 14, 2021, Fancamp filed a civil claim in the British Columbia Supreme Court seeking over \$3,000,000 in damages from Mr. Smith on behalf of our shareholders.

Environmental Contingencies

The Company's exploration and development activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. On January 31, 2025, the Company does not believe that there are any significant environmental obligations requiring expenditures in the foreseeable future.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and exploration and evaluation expenses is provided in the Company's Statements of Operations and Comprehensive Loss and Equity sections in its financial statements for the nine months ending January 31, 2025 and 2023.

Investor Relations

The Company is continuing the investor relations agreement with Tara Asfour, entered into on July 19, 2022, for payment of \$5,000.00 per month.

Board of Directors

At the Company's annual meeting held October 30, 2024 Mark Billings, Ashwath Mehra, Rajesh Sharma, Mathieu Stephens, Charles Tarnocai and Francis MacDonald were elected to serve as directors for the forthcoming year. H. Dean Journeaux and Debra Chapman are members of an Advisory Board.

Disclosure of Outstanding Share Data

Fancamp Exploration Ltd. is listed on the TSX Venture Exchange under the symbol "FNC".

The Company is authorized to issue an unlimited number of common shares and currently there are 240,933,751 common shares, 19,820,000 stock options.

As of January 31, 2025, the Company had 240,933,751 common shares outstanding, 19,320,000 stock options outstanding and nil warrants outstanding.

See Note 10 – "Share Capital" attached to the financial statements for the nine months ended January 31, 2025 and 2023.

Risks and Uncertainties

Fancamp is an exploration stage enterprise in the business of mineral exploration. It is in the process of exploring its mineral property interests and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The Company emphasizes that attention should be drawn to matters and conditions that indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Other uncertainties include the fact that the Company is currently in the exploration stage

for its interests in mineral properties, the economic viability of which have not been assessed. The Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for resources properties is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the property, and upon future profitable production or proceeds from disposition of the mineral properties. The Company's ability to maintain its existence is dependent upon the continuing support of its creditors and its success in obtaining new equity financing for its ongoing operations. Financing options available to the Company include public equity financings, sales of marketable securities, loans and tax credit refunds. Realization values may be substantially different from carrying values, as shown in these financial statements, should the Company be unable to continue as a going concern. These financial statements have been prepared under the assumptions of a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Changes in Accounting Policies and New Accounting Developments

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 1, 2024. All future accounting changes are either not applicable or do not have a significant impact to the Group and have been excluded.

Basis of Measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

Functional and Presentation Currency

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

Significant Accounting Judgments and Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgment, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of commitments and contingencies at the date of the consolidated financial statements and the reported amount of expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the revision and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

Critical Accounting Judgments

- Exploration and Evaluation Expenditures
- Contingencies and Provisions

- Control and/or Significant Influence over Investees

Critical Estimates

- Impairment of Long-lived Assets
- Current and Deferred Taxes
- Stock Based Compensation
- Fair Value of Investment in Private Companies
- Fair Value of Convertible Promissory Note

Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing a system of internal controls over financial reporting, or causing them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with Canadian generally accepted accounting principles. We have designed and implemented a system of internal controls over financial reporting which we believe is effective for a company of our size. During the review of the design of the Company's control system over financial reporting it was noted that due to the limited number of staff, there is an inherent weakness in the system of internal controls due to our inability to achieve appropriate segregation of duties. The limited number of staff may also result in identifying weaknesses with respect to accounting for complex and non-routine transactions due to a lack of technical resources, and a lack of controls governing our computer systems and applications within the Company. While management of the Company has put in place certain procedures to mitigate the risk of a material misstatement in the Company's financial reporting, it is not possible to provide absolute assurance that this risk can be eliminated.

(Rajesh Sharma)

President & Chief Executive Officer

For further information see the Company's website: www.fancamp.ca