



FANCAMP EXPLORATION LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
For the six months ended October 31, 2023



Management Discussion & Analysis for the six months ended October 31, 2023

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 six months ended October 31, 2023 and 2022. The Company's reporting currency is Canadian dollars. **The date of this Management Discussion and Analysis is December 31, 2023.** 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 company focused on creating value through medium term growth and monetization opportunities with its strategic interests in high potential mineral projects, royalty portfolio and mineral properties. The Company is focused on an advanced asset play poised for growth and selective monetization with a portfolio of mineral claims across Ontario and Québec, Canada; including copper, gold, zinc, titanium, chromium, strategic rare-earth metals and others. The Company continues to identify near term cash-flow generating opportunities and in parallel advance its investments in strategic mineral properties. The Company has investments in an existing iron ore operation in the Quebec-Labrador Trough, a rare earth elements company, NeoTerrex Corporation, a copper – gold exploration company Platinex Inc. in addition to an investment in a near term cash flow generating zinc mine, EDM Resources Inc. in Nova Scotia. 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 an 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

- The Company's asset base has more than doubled in the past three years. The Company recorded total assets at a value of \$53,689,679 at year ended April 30, 2023 compared to \$24,944,103 at year ended April 30, 2020.
- The mineral property claims holdings have been re-evaluated and re-organized. The many claims held in Quebec which offered little prospective ground have been allowed to expire. The prospective claims are being actively explored – Stoke, Clinton, Ste Marguerite and DiLeo – see “Significant Mineral Properties” section.



Management Discussion & Analysis for the six months ended October 31, 2023

- The Ontario properties have all been monetized through sales and/or joint ventured with partners with significant presence in Ontario, to further advance these properties.
- The Company continues to seek out new highly prospective mineral property opportunities.
- The employment of a new geological team has allowed the Company to proceed with its exploration plans in an efficient and effective manner.
- The Company completed a private placement for gross proceeds of \$4,561,581, through the issuance of 4,000,000 FT common shares and 60,165,455 common shares. The proceeds will be used to fund the Company's exploration programs and joint venture exploration programs as well as general working capital.
- The Company has made significant investments in associates – EDM Resources Inc. South Timmins Mining Inc. and NeoTerrex Corporation. NeoTerrex Corporation has recently completed a three-cornered amalgamation resulting in the entity NeoTerrex Minerals Inc. Fancamp holds approximately 15% of the issued and outstanding shares of NeoTerrex Minerals Inc. which is expected to be listed on the TSX Venture Exchange, under symbol NTX, in the immediate future.
- The investment in NeoTerrex Minerals Inc. provides the Company with considerable upside potential in the much sought-after rare earth mineral sector.
- Since November, 2022 the Company has received 1,103,233 KWG Resources Inc. Class A (Canadian Chrome Co) CSE: CACR.A shares for an aggregate value of \$2,580,409 for interest payments on the \$34.5M secured debenture.
- The Company has been regularly receiving dividends from Champion Iron Ltd. (TSX: CIA) on its investment.

Significant Assets

At December 31, 2023, the Company holds 2,700,000 common shares of Champion Iron Ltd.

At December 31, 2023, the Company holds 2,738,485 common shares and 390,000 warrants to purchase common shares of EDM Resources Inc.

At December 31, 2023, the Company holds a \$34.5M 6% secured convertible promissory note, 4,044,493 warrants to purchase multiple voting shares, 1,103,223 multiple voting shares and 4,280,000 common shares of KWG Resources Inc.

At December 31, 2023, the Company holds 25,869,741 common shares of Platinex Inc. and 12,934,870 warrants to purchase common shares.

See Note 5 "Marketable Securities", Note 8 "Investments in Associates" and Note 9 "Exploration and Evaluation Assets" attached to the financial statements for the six months ended October 31, 2023 and 2022.

Significant Mineral Properties

Clinton Property, Quebec This property is located in the Appalachian region, an area which hosts highly prospective targets due to geological potential and occurrences of high-grade base metals validated by 5



Management Discussion & Analysis for the six months ended October 31, 2023

past-producing mines across a 130km trend, a belt that offers potential for the discovery of Cu and Zn rich VMS-type, massive sulfide deposits. Both Clinton and Stoke hold strong copper, gold exploration potential.

The 2023 drill program was comprised of 2,678 metres in 11 holes, and the 2022 drill program intersected 3.15 metres grading 3.30% Cu and 12.64 g/t Ag; with the best intersection being 24.7 metres grading 2.78% Cu and 16.9 g/t Ag (FNC, 2014). Results of the induced polarization survey conducted in Winter 2023 (focused on the southern extension of the Clinton “O” lens, *refer to press release dated March 13th, 2023*) indicated strong potential for the discovery of sulfide mineralization in new and under-explored areas of the Clinton Project; delineated high-priority anomalies along the targeted favourable horizon consistent with a response from sulphide mineralization, surveyed down to a vertical depth of 300 metres and up to 5.5 kilometres south of the current known massive sulfide lenses.

Stoke Property, Quebec This property is located in the Appalachian region, an area which hosts highly prospective targets due to geological potential and occurrences of high-grade base metals validated by 5 past-producing mines across a 130km trend, a belt that offers potential for the discovery of Cu and Zn rich VMS-type, massive sulfide deposits.

Stoke is surrounded by past producing mines and hosts historical high-grade copper intersections including 6.4 metres grading 7.29% Cu and 17.6 g/t Ag [ST-2011-06:GM 66485], the widest sulphide mineralization intersection discovered to date.

DiLeo Property, Quebec This property is located in the Frotet-Evans Greenstone Belt with a broad trend of mineralization across a 2.2-kilometre corridor; the best soil assay result of a 2023 geochemical survey returned 178 ppb Au; compares favourably with Kenorland’s published 4,000 geochemical soil assays and ranked top 5 best gold assay results, of which Fancamp believes to be a sizeable gold geochemical anomaly in the NW area of the property.

Grasset Property, Quebec This property is located along the Detour-Fenelon Gold Trend, Sunday Lake Deformation Zone, which hosts the 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.

Gaspe Bay Group Property, Quebec (including Boisbuisson and St. Marguerite) These vein-related gold systems projects have the potential to present high gold grades, 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 six months ended October 31, 2023 and 2022 for further information on the Company’s other mineral property holdings.



Management Discussion & Analysis for the six months ended October 31, 2023

Results of Operations

	Three Months Ended <u>October 31, 2023</u>	Three Months Ended <u>October 31, 2022</u>
Expenses		
Accounting and Audit	98,525	54,325
Directors and Committee Fees (Note 11)	30,000	30,000
Field Administration	43,620	39,722
Insurance	7,569	7,079
Interest Expenses and Bank Charges	18,889	4,005
Investor Relations	15,000	24,000
Legal Fees	133,973	294,046
Management and Consulting	117,600	86,425
Marketing and Promotion	3,250	5,000
Mineral Property Sundry Expenses	92	471
Office Rent, Supplies and Services	9,546	20,914
Patent Expense	7,168	3,405
Process Development	28,620	-
Share Transfer, Listing and Filing Fees	23,598	8,599
Stock Based Compensation (Note 10)	-	6,116
Technical Fees and Process Development	-	24,000
Trade Shows and Presentations	495	-
Travel and Accommodations	34,033	6,360
Wages, Salaries, Payroll Expenses	2,258	2,108
Total Expenses	<u>574,236</u>	<u>616,575</u>
Net Loss from Operations	(574,236)	(616,575)
Interest Income	547,310	24,086
Dividends Received on Investments (Note 5)	-	-
Gain from Sale of Mineral Property and Royalty Interests (Note 9)	-	12,572,796
Impairment of Exploration and Evaluation Assets (Note 8)	(158,721)	(28,527)
Equity Interest Gain (Loss) (Note 8)	(298,031)	(112,840)
(Loss) Gain on Marketable Securities (Note 5)	(1,000)	(750)
Unrealized (Loss) Gain on Marketable Securities (Note 5)	<u>2,618,522</u>	<u>(1,923,243)</u>
Net Income (Loss) before Taxes	<u>2,133,845</u>	<u>9,914,947</u>

The Company reported net income of (\$2,133,845) for the three months ended October 31, 2023, compared to net income of (\$9,914,947) for October 31, 2022. The higher net income in 2022 was the result of the transfer of the rights, title and interest in the Koper Lake-McFaulds property to KWG Resources Inc. See Notes 7 – “Convertible Promissory Note” and Note 9 – “Exploration and Evaluation Assets” attached to the financial statements for the six months ended October 31, 2023 and 2022 for further information.

The Company reported an unrealized gain of \$2,618,522 on the value of its marketable securities portfolio during the 2023 period in comparison with a (loss) of (\$1,923,243) in 2022.

Overall operating expenses are lower in 2023 as the company continues to manage its operations in an efficient and effective manner. Higher Legal fees were incurred in 2022 in relation to the Koper Lake-McFaulds transaction.

Selected financial information for the quarters ended October 31, 2023 and the preceding 7 quarters:



Management Discussion & Analysis for the six months ended October 31, 2023

Three Months Ended	IFRS	IFRS	IFRS	IFRS
	3rd Quarter January 31, 2023	4th Quarter April 30, 2023	1st Quarter July 31, 2023	2nd Quarter October 31, 2023
Net Income (Loss)	\$9,097,495	(\$7,836,607)	(\$1,933,891)	\$2,133,845
Income (Loss) Per Share	\$0.06	(\$0.03)	(\$0.01)	\$0.01
Fully Diluted Income (Loss) Per Share	\$0.06	(\$0.03)	(\$0.01)	(\$0.01)

Three Months Ended	IFRS	IFRS	IFRS	IFRS
	3rd Quarter January 31, 2022	4th Quarter April 30, 2022	1st Quarter July 31, 2022	2nd Quarter October 31, 2022
Net Income (Loss)	\$2,800,816	\$2,123,069	(\$5,837,856)	\$9,914,947
Income (Loss) Per Share	\$0.02	\$0.01	(\$0.03)	\$0.06
Fully Diluted Income (Loss) Per Share	\$0.01	\$0.01	(\$0.03)	\$0.06

Financing

See Note 10 – “Share Capital” and Note 16 – “Subsequent Events” attached to the financial statements for the six months ended October 31, 2023 and 2022 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 Company’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 Company’s holdings of cash that might be raised from equity financings. As at October 31, 2023, the Company had current assets of \$53,346,444 (2022 - \$17,865,421) and current liabilities of \$6,383,471 (2022 - \$680,423). All of the Company’s accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company believes that these sources will be sufficient to cover the expected short term cash requirements.

The Company had working capital of \$17,701,116 as at October 31, 2023 (2022 working capital- \$17,184,998).

Transactions with Related Parties

See Note 11 – “Related Party Transactions and Balances” attached to the financial statements for the six months ended October 31, 2023 and 2022.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.



Management Discussion & Analysis for the six months ended October 31, 2023

Contingencies

The Magpie Mines Inc.

In April 2019, Fancamp Exploration Ltd. (the “Group”) 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 provision for the claimed amount given the conditions to recognize 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 Group 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. As such, Fancamp intends to vigorously defend itself against the Plaintiffs.

As of October 31, 2023, all litigations are still in process.

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

On August 11 2023, the Group 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 Kamaleddine (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%) net smelter return royalty 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, as described in Fancamp’s news release dated May 14, 2021:

One of the self-dealing transactions that Fancamp is aware of involves The Magpie Mines Inc. (“Magpie”), a subsidiary of Fancamp.Mr. Smith caused Magpie to be incorporated with a capital structure that included a class of special shares (the “Special Shares”). The Special Shares carried the right to appoint 51% of Magpie’s directors and, as a result, the holder(s) of the Special Shares could effectively control Magpie. The Special Shares should have been issued to Fancamp, but Mr. Smith issued them to himself and two individuals. This meant that Mr. Smith and the two individuals personally controlled Magpie’s Board of Directors.



Management Discussion & Analysis for the six months ended October 31, 2023

Mr. Smith ultimately caused Fancamp to acquire 96% of Magpie's common shares, but none of the Special Shares. This scheme conferred on Mr. Smith and the two individuals' personal control of Fancamp's almost wholly-owned subsidiary. To make matters worse, Mr. Smith then had a falling out with the two individuals. This falling out has effectively paralyzed Magpie as well as the Corporation's ability to unlock value from the deposit, and destroyed value for Fancamp's shareholders.

On May 27, 2021, the Group discontinued the lawsuit against the third individual after the special shares issued to that individual were returned to treasury for cancellation.

By way of the Transaction, it appears that Smith and Kamaledine seek to sell their Special Shares for millions of dollars of personal benefit to the further prejudice of Fancamp. This is an egregious further breach of their fiduciary duties as well as a breach of trust. If completed, the Transaction is liable to be set aside by the Court.

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 Kamaledine'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 10, 2023, Fancamp received a response from Chrome Co. in which it indicated that Fancamp's letter "does provide some clarifications as part of our ongoing due diligence efforts in this matter." It is unclear to Fancamp whether Chrome Co. intends to proceed with the Transaction.

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

Fancamp's continues to maintain its shareholdings and position with respect to holding the previously announced secured convertible promissory note in the principal amount of C\$34.5 million in Chrome Co., as it relates to the sale of Fancamp's beneficial interests in Koper Lake-McFaulds mining claims.

Termination of Mr. Smith

On April 1, 2021 the consulting agreement between the Group and Peter H. Smith was terminated with cause. On May 31, 2021, Peter H. Smith filed, by way of a counterclaim, a demand for payout of \$500,000 and an additional \$27,000 for amounts owing. \$27,000 has been accrued as of April 30, 2021.

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 Group intends to vigorously defend its actions.

Civil Law suit Against Mr. Smith



Management Discussion & Analysis for the six months ended October 31, 2023

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. The claim was filed to remedy Mr. Smith's long history of wrongdoings detailed in the Group's Information Circular dated June 2, 2021. As the forensic investigation advances, Fancamp may amend the claim to address any further wrongdoings.

Application for Safeguard Order Against Mr. Smith

On May 25, 2021, Fancamp filed an Application for a Safeguard Order with the Quebec Superior Court to obtain critical technical and financial information belonging to the Group from Mr. Smith. Despite multiple demands, Mr. Smith, to the detriment of all Fancamp shareholders, has provided few relevant documents and has ignored requests to preserve all the information in his hands and has refused to return:

- Technical and financial information, including reports on Fancamp's mining properties;
- Banking information related to Fancamp or any of its subsidiaries;
- Any correspondence and/or emails between Fancamp and its partners, third parties and shareholders; and
- Documents regarding contractual obligations and other agreements such as option agreements, access agreements, drilling or other exploration contracts and waivers.

These critical items are needed for Fancamp to properly operate its business. Mr. Smith's refusal is illegal and shows a complete disregard for the interests of Fancamp and its shareholders – the exact opposite of what one would expect from a director exercising their fiduciary duties.

On August 6, 2021, the safeguard order was dismissed by the Court and the documents will then have to be recovered through the next procedural steps.

On August 20, 2021 the Group received from Mr. Smith an Application to dismiss and stay of proceedings. On January 24, 2022, the parties agreed to a discontinuance of these Quebec proceedings. This undertaking does not constitute a release by Fancamp of any claims it may have against Mr. Smith in relation to the facts alleged in either the BC Proceedings or the Quebec Proceedings.

Mineral Property

On April 14, 2022, a statement of claim was filed in the Ontario Superior Court of Justice against the Group for alleged breach of contract in relation to a mineral property purchase and sale agreement. The plaintiff is seeking compensatory damages of \$1,500,000, special damages of \$50,000 and punitive damages of \$500,000. The Group has filed a Statement of Defense and has resolved this dispute.

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. At October 31, 2023, 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 six months ended October 31, 2023 and 2022.

Investor Relations



Management Discussion & Analysis for the six months ended October 31, 2023

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 31, 2022 Mark Billings, Ashwath Mehra, Rajesh Sharma, Greg Ferron, Mathieu Stephens and Charles Tarnocai were elected to serve as directors for the forthcoming year. H. Dean Journeaux has been appointed to 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 on December 31, 2023 there were 240,933,751 common shares, 13,070,000 stock options and nil warrants outstanding.

As at October 31, 2023, the Company has 176,518,296 common shares outstanding, 13,070,000 stock options outstanding and nil warrants outstanding.

See Note 10 – "Share Capital" and Note 16 – "Subsequent Events" attached to the financial statements for the six months ended October 31, 2023 and 2022.

Risks and Uncertainties

Fancamp is an exploration stage enterprise 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.

The Company emphasizes that attention should be drawn to matters and conditions that indicate the existence of a 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 at 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 financings 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, 2023. All future accounting changes are either not applicable or do not have a significant impact to the Company 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 the 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



Management Discussion & Analysis for the six months ended October 31, 2023

Company's financial reporting, it is not possible to provide absolute assurance that this risk can be eliminated.

COVID-19 Virus

On May 5, 2023, the World Health Organization declared the end to the COVID-19 public health emergency. The Company did not experience a material negative impact to its business, results of operations, or financial position.

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