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**FANCAMP EXPLORATION LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
For the year ended April 30, 2024

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## Management Discussion & Analysis for the year ended April 30, 2024

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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 year ended April 30, 2024, and 2023. The Company's reporting currency is Canadian dollars. **The date of this Management Discussion and Analysis is August 28, 2024.** Additional information on the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and the Company's website at [www.fancamp.ca](http://www.fancamp.ca).

### Forward-Looking Statements

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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

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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 advanced asset play poised for growth and selective monetization with a portfolio of mineral properties across Ontario, Québec and New Brunswick, Canada, including copper, gold, zinc, titanium, chromium, strategic rare-earth metals, among others. The Company is advancing exploration programs on select and priority mineral projects in highly prospective regions in addition to identifying near term cash-flow generating opportunities. 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, Platinex Inc. and 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 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 four years. The Company recorded total assets at a value of \$55,282,044 at year ended April 30, 2024, compared to \$24,944,103 at year ended April 30, 2020.



## Management Discussion & Analysis for the year ended April 30, 2024

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- During the year ended April 30, 2024, the Company received \$540,000 in dividend income from Champion Iron Ltd. (TSX: CIA) and \$2,552,230 in interest income on the \$34.5 million secured convertible promissory note from Canadian Chrome Co. (CACR), formerly KWG Resources Inc.
- The Company completed a private placement for gross proceeds of \$4,561,581, through the issuance of 4,000,000 Flow Through common shares and 60,165,455 common shares. The proceeds will be used to fund the Company's exploration programs, joint venture exploration programs as well as general working capital.
- 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 are Grasset, Diléo, Stoke, Clinton and Ste-Marguerite – see "Significant Mineral Properties" section.
- The Ontario properties have all been monetized through sale and/or joint ventured with partners with significant presence in Ontario, to further advance these properties.
- 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 recently acquired a new package of mineral claims, the Riley Brook property, establishing a notable land position in one of the most attractive mining jurisdictions in Canada, in the Appalachian region of in New Brunswick, which aims to be the target of future exploration work.
- The Company has made investments in associates which include: EDM Resources Inc., South Timmins Mining Inc. and NeoTerrex Corporation. NeoTerrex Corporation, a rare earths minerals company 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 has recently achieved listing on the TSX Venture Exchange, under symbol NTX.
- The Company continues to be well positioned in the strategic Ontario Ring of Fire through its \$34.5 million secured convertible promissory note with the *Canadian Chrome Co. (CACR)*, formerly KWG Resources Inc., a region where chromite, nickel, copper, zinc, and platinum group metals, among other critical minerals, are particularly abundant. Since November 2022, the Company has received 1,447,323 KWG Resources Inc. Class A (Canadian Chrome Co.) CSE: CACR.A shares for an aggregate value of \$3,096,490 for interest payments on the \$34.5 million secured convertible promissory note.
- 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 Koper Lake-McFaulds Property, 2% NSR on the Magpie Property, among other highly prospective land packages with retained interests, in addition to potential future production payments from the Fermont Properties held by Champion Iron Ltd. (TSX: CIA).



## Management Discussion & Analysis for the year ended April 30, 2024

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- The Company has entered into an agreement 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, to advance the exploration and development of certain mineral properties located in the Yukon and New Brunswick. The key highlights of the transaction are:
  - Lode Gold will transfer its McIntyre Brook mineral property and Fancamp will transfer its Riley Brook mineral property, both located in New Brunswick to a joint-venture entity in which Fancamp and Spin Co will each own 50% of the outstanding shares. Fancamp will be the Operator. Lode Gold will transfer to Spin Co, Gold Orogen, both its Golden Culvert mineral property located in Selwyn Basin, Tombstone Belt, southeastern Yukon, and its nearby Win mineral property located in the Tombstone Belt, southeastern Yukon.
  - Fancamp will invest \$2,500,000 into Spin Co in exchange for such number of common shares of Spin Co as is equal to 19.9% of the outstanding Spin Co Shares on an undiluted basis, after completion of the Spin Out. Spin Co will raise \$1,500,000 by way of equity private placement in addition to the Fancamp Investment. Fancamp will invest \$500,000 into Lode Gold in exchange for 14,285,714 special warrants on a private placement basis, at an issue price of \$0.035 per Lode Gold Special Warrant. These Special Warrants will be converted to Lode Gold shares upon completion of the Spin Out. Lode Gold will undertake a spin-out transaction of Spin Co pursuant to which each shareholder of Lode Gold will receive Spin Co shares for each common share of Lode Gold held on the effective date of the Spin Out, whereby Spin Co will become a reporting issuer.
  - More details can be found in the Company’s News Release of 27th August 2024.

### Significant Assets

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At August 28, 2024, the Company holds 2,700,000 common shares of Champion Iron Ltd.

At August 28, 2024, the Company holds 4,189,394 common shares and 390,000 warrants at \$0.75 and 1,450,909 warrants at \$0.14, to purchase common shares of EDM Resources Inc.

At August 28, 2024, the Company holds a \$34.5 million secured convertible promissory note (with a 6% annual interest rate), 4,044,493 warrants to purchase multiple voting shares, 1,447,323 multiple voting shares and 4,280,000 common shares of KWG Resources Inc.

At August 28, 2024, the Company holds 25,869,741 common shares of PTX Metals Inc. and 12,934,870 warrants at \$0.055 to purchase common shares.

At August 28, 2024, the Company holds 11,799,000 common shares of NeoTerrex Minerals Inc. and 1,433,500 warrants at \$0.40 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 years ended April 30, 2024, and 2023.



## Significant Mineral Properties

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**Dileo 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 16 claims over 8 km<sup>2</sup>, 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.

**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.). The Grasset Project is uniquely located in a favorable geological environment and is of significant size which covers the northern margin of the Abitibi greenstone belt. The Grasset Project, comprised of 295 claims over 162 km<sup>2</sup>, is located 40 km Northwest of Matagami and 35 km East of Wallbridge Mining Company Ltd.'s Fenelon Gold Deposit. 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 results ([refer to press release dated September 8, 2022](#)).

**Riley Brook, New Brunswick** This property has been recently acquired by claim staking, for a total of 1,404 claim units in New Brunswick, covering an area of 309 km<sup>2</sup> and is located within the highly prospective Appalachian geological province, the location of several recent major gold discoveries such as New Found Gold's Queensway Project ([refer to press release dated July 8, 2024](#)). The Company's staking of the Riley Brook property, as part of its grassroots generative program, is highly strategic given its localization within a new prospective area for both copper and gold mineralization, such as observed on Puma Exploration Inc.'s William Brook property, situated 30 km Northeast of Riley Brook ([refer to Puma Exploration's Website](#)). The 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.

Fancamp's Technical Team intends to conduct systematic exploration, including but not limited to, soil geochemistry, prospecting, geophysics and drilling to uncover potential copper gold mineralization.

**Clinton Property, Quebec** This property is located in the Appalachian region, an area with a proven mining history which hosts highly prospective targets due to geological potential and occurrences of high-grade base metals validated by 5 past-producing copper zinc mines across a 130-km trend.

The Clinton Property is comprised of 127 map designated claims cells, covering 7,471 hectares (74.71 km<sup>2</sup>). The property hosts a series of Cu-Zn rich VMS mineralization lenses extending over a 5-km Northeast



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horizon and encompasses around 20 km 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. Historic production at the Clinton Project reported from 1973-75 includes 122,251 tons mined at an average grade of 2.08% Cu (*DV 85-08: Gîtes minéraux à tonnage évalué et production minérale du Québec – Claire Lavergne, 1985*).

Since 2020, Fancamp has conducted several exploration programs, including prospecting, ground geophysics, diamond drilling and targeting using AI. The latest drilling program, in 2023, 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 (*refer to press release dated June 14, 2022*) which effectively extended historical lens “A” mineralization an additional 100 metres along strike.

Other mineralized lenses show strong copper and gold exploration potential, with the best intersection being 24.7 metres 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 metres at 0.72% Cu, 2.87 g/t Ag and 0.02 g/t Au (*refer to press release dated August 17, 2022*).

**Stoke Property, Quebec** This property is located in the Appalachian region, in an area of extensive mineral occurrences, situated in the Eastern Townships of Québec, and covering 20 km of favorable geology within the Ascot-Weedon VSED Belt which hosts 6 historical VMS deposits.

Fancamp has held the property since 2010. The property is comprised of 126 claims covering an area of 7,341.16 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 metres 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 metres at a grade of 0.12% Cu (Hole STDD-22-05), from 275 to 373 metres, 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 metres 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.

**Gaspe Bay Group Property, Quebec (including Boisbuisson and 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.



## Management Discussion & Analysis for the year ended April 30, 2024

### Other Properties

See Note 9 “Exploration and Evaluation Assets” attached to the financial statements for the years ended April 30, 2024, and 2023 for further information on the Company’s other mineral property holdings.

### **Selected Annual Information**

	Years Ended April 30		
	2024	2023	2022
Revenue	-	-	-
Operating Expenses	2,243,650	2,075,081	5,117,545
Net Income (Loss)	1,233,213	5,369,769	(4,330,040)
Net Income (Loss) Per Share - Basic and Diluted	0.01	0.03	(0.02)
Working Capital	18,762,468	18,014,361	27,671,166
Total Assets	55,282,044	53,689,079	41,677,402
Exploration and Evaluation Assets	6,171,872	6,611,548	13,151,637
Total Liabilities	6,917,301	10,999,323	4,475,152

### **Results of Operations**

	Year Ended April 30, 2024	Year Ended April 30, 2023
<b>Expenses</b>		
Accounting and Audit	\$ 355,425	\$ 242,900
Amortization and Depreciation	3,498	2,245
Directors Fees (Note 11)	120,000	120,000
Field Administration	203,156	221,761
Insurance	30,280	28,375
Interest Expenses and Bank Charges	19,910	1,473
Investor Relations	57,500	65,500
Legal Fees	538,833	741,018
Licences and Permits	1,076	-
Management and Consulting	674,955	334,075
Marketing and Promotion	4,780	18,706
Mineral Property Sundry Expenses	342	7,682
New project Examinations	7,560	-
Office Rent, Supplies and Services	41,636	62,056
Patent Expense	11,493	24,586
Share Transfer, Listing and Filing Fees	41,621	21,846
Share-based Payments (Note 10)	-	24,467
Technical Fees and Process Development	28,620	80,000
Trade Shows and Presentations	2,387	10,876
Travel and Accomodations	86,832	58,444
Payroll Expenses	13,746	9,071
<b>Total Expenses</b>	<u>2,243,650</u>	<u>2,075,081</u>
<b>Loss from Operations</b>	(2,243,650)	(2,075,081)



## Management Discussion & Analysis for the year ended April 30, 2024

Interest Income	2,552,230	1,100,988
Dividends Received on Marketable Securities (Note 5)	540,000	620,000
Gain from Sale of Mineral Property and Royalty Interests (Note 9)	-	10,971,062
Impairment of Exploration and Evaluation Assets (Note 9)	(1,187,164)	(359,842)
Gain on Deconsolidation of a Subsidiary (Note 16)	-	429,696
Unrealized Gain on Convertible Promissory Note (Note 7)	710,000	2,810,000
Loss on Equity Pick-up of Investments In Associates (Note 8)	(918,967)	(283,308)
Dilution Gain on Investment in Associates (Note 8)	885,467	-
Realized (Loss) Gain on Marketable Securities (Note 5)	(1,000)	313,740
Unrealized (Loss) Gain on Marketable Securities (Note 5)	<u>(2,770,867)</u>	<u>(1,091,693)</u>
<b>Income (Loss) before Taxes</b>	<b>(2,433,950)</b>	<b>12,435,562</b>
Current Tax Expense	-	(6,665,113)
Deferred Tax Recovery (Expense)	<u>3,667,164</u>	<u>(400,680)</u>
<b>Income and Comprehensive Income for the Year</b>	<b>\$ 1,233,214</b>	<b>\$ 5,369,769</b>

The Company reported net income of \$1,233,214 for the year ended April 30, 2024, compared to net income of \$5,369,769 for April 30, 2023. The higher net income in 2023 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 years ended April 30, 2024, and 2023 for further information.

The Company reported an unrealized loss of \$2,770,866 on the value of its marketable securities portfolio during the 2024 period in comparison with a loss of \$1,091,693 in 2023.

The Company recorded interest income of \$2,552,230 in 2024, compared to \$1,100,988 in 2023.

Overall operating expenses were relatively consistent in 2024 as compared to 2023. Increased audit fees were incurred in 2024 due to the ongoing complexities of transactions in 2023, management and consulting fees were also higher while legal fees were much lower.

Selected financial information for the quarters ended April 30, 2024, and the preceding 7 quarters:

	IFRS 1st Quarter July 31, 2023	IFRS 2nd Quarter October 31, 2023	IFRS 3rd Quarter January 31, 2024	IFRS 4th Quarter April 30, 2024
<b>Three Months Ended</b>				
Net Income (Loss)	(\$1,933,891)	\$2,133,845	\$1,982,549	(\$949,289)
Income (Loss) Per Share	(\$0.01)	\$0.01	\$0.01	\$0.00
Fully Diluted Income (Loss) Per Share	(\$0.01)	(\$0.01)	\$0.01	\$0.00
	IFRS 1st Quarter July 31, 2022	IFRS 2nd Quarter October 31, 2022	IFRS 3rd Quarter January 31, 2023	IFRS 4th Quarter April 30, 2023
<b>Three Months Ended</b>				
Net Income (Loss)	(\$5,837,856)	\$9,914,947	\$9,097,495	(\$7,836,607)
Income (Loss) Per Share	(\$0.03)	\$0.06	\$0.06	(\$0.03)
Fully Diluted Income (Loss) Per Share	(\$0.03)	\$0.06	\$0.06	(\$0.03)





## Management Discussion & Analysis for the year ended April 30, 2024

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### Financing

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See Note 10 – “Share Capital” and Note 16 – “Subsequent Events” attached to the financial statements for the years ended April 30, 2024 and 2023 for further information on the Company’s financing activities.

### Liquidity and Capital Resources

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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 April 30, 2024, the Company had current assets of \$25,224,590 (2023 - \$24,940,421) and current liabilities of \$6,462,122 (2023 - \$6,926,060). 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 \$18,762,468 as at April 30, 2024 (2023 working capital-\$18,014,361).

### Transactions with Related Parties

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See Note 11 – “Related Party Transactions and Balances” attached to the financial statements for the years ended April 30, 2024 and 2023.

### Off Balance Sheet Arrangements

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The Company has no off-balance sheet arrangements.

### Contingencies

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#### 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



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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 April 30, 2024, all litigations are still in process.

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

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 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%) 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).



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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.

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 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 April 30, 2023 and 2024.

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 Law suit 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.

Subsequent to the termination of Peter H. Smith in August, 2020 as well as the ongoing disputes detailed in Note 15 – Contingencies, Fancamp has determined that it cannot exercise control over The Magpie Mines Inc. The directors of The Magpie Mines Inc. issued themselves Special Shares which allow for the election of 2/3 of the board of directors of The Magpie Mines Inc.

## **Environmental Contingencies**

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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 April 30, 2024, 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**

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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 years ended April 30, 2024 and 2023.

## **Investor Relations**

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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

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At the Company's annual meeting held March 25, 2024 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 re-appointed to an Advisory Board.

## Disclosure of Outstanding Share Data

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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 August 28, 2024 there are 240,933,751 common shares, 13,070,000 stock options and nil warrants outstanding.

As at April 30, 2024, the Company had 240,933,751 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 years ended April 30, 2024 and 2023.

## Risks and Uncertainties

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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 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

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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 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**



## Management Discussion & Analysis for the year ended April 30, 2024

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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.

### **COVID-19 Virus**

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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](http://www.fancamp.ca)**