

**Fitzroy Minerals Inc. (formerly Norseman Silver Inc.)**  
**Management's Discussion and Analysis**  
For the periods ended December 31, 2023 and 2022

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**Effective Date**

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial results of Fitzroy Minerals Inc. (the "Company") for period ended December 31, 2023 and 2022. It should be read in conjunction with the Company's consolidated financial statements for the period ended December 31, 2023, and 2022 and related notes thereto. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website [www.fitzroyminerals.com](http://www.fitzroyminerals.com).

All monetary amounts in this MD&A and in the Company's consolidated financial statements are expressed in Canadian dollars, unless otherwise stated.

The effective date of this MD&A is February 27, 2024.

**Forward-Looking Information**

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from actual future results and achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Readers are also advised to consider such forward-looking statements while considering the risks set forth below.

**Caution Regarding Forward-Looking Statements**

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of gold; the success of exploration activities; cost and timing of future exploration and development; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on the reasonable assumptions, estimates, analysis, and opinions of management made in light of its experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:

- The Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic resources.
- Management's economic outlook regarding future trends.
- The Company's ability to meet its working capital needs at the current level in the short term.
- Expectations with respect to raising capital; and
- Governmental regulation and environmental liability.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results

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and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

**Critical Accounting Policies and Estimates**

The Company's significant accounting policies can be read in Note 3 to the Company's annual audited consolidated financial statements as at and for the year ended September 30, 2023.

**Description of Business and Overall Performance**

The Company was incorporated on September 25, 1985, under the laws of British Columbia, Canada and is a junior natural resource company. The common shares of the Company are listed on the TSXV under the symbol FTZ.V.

The address of the Company's registered office and principal place of business is 309 – 2912 West Broadway, Vancouver, British Columbia, V6K 0E9.

The Company is an exploration stage company with no revenues from mineral-producing operations. Activities include acquiring mineral exploration properties and conducting exploration programs. The mineral exploration business is considered risky and most exploration projects will not result in producing mines. The Company may offer an opportunity to other mining companies to acquire an interest in a property in return for funding all or part of the exploration and development of a particular property. For the funding of property acquisitions and exploration that the company conducts, the Company depends on the issuance of shares from the treasury to investors. These stock issuances depend on a number of factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

**Activities**

Most of the costs incurred have been incurred in reorganizing the capital of the Company, arranging the financing, and examining acquisitions of mining resources. During the period ended December 31, 2023, the Company sought opportunities to acquire mineral exploration properties and conduct exploration programs.

	<b>Caribou</b>	<b>Silver Switchback</b>	<b>Silver Vista</b>	<b>New Moon</b>	<b>Taquetren</b>	<b>Total</b>
<b>Balance September 30, 2021</b>	<b>582,020</b>	<b>461,817</b>	<b>1,529,903</b>	<b>1,390,000</b>	<b>114,344</b>	<b>4,078,084</b>
Option Payments - Cash	50,000	20,000	20,000	-	-	<b>90,000</b>
Option Payments - Shares	175,000	123,000	102,500	-	78,000	<b>478,500</b>
Exploration expenditures	32,489	380,563	43,965	10,093	349,254	<b>816,364</b>
<b>Balance September 30, 2022</b>	<b>839,509</b>	<b>985,380</b>	<b>1,696,368</b>	<b>1,400,093</b>	<b>541,598</b>	<b>5,462,948</b>
Option Payments - Shares	-	-	-	-	125,000	<b>125,000</b>
Exploration expenditures	-	48,563	1,293	-	389,181	<b>439,037</b>
Government mining credit	(51,117)	(17,062)	(104,747)	-	-	<b>(172,926)</b>
Impairment of mineral properties	-	(1,016,881)	(1,592,914)	(1,400,093)	-	<b>(4,009,888)</b>
<b>Balance September 30, 2023</b>	<b>788,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,055,779</b>	<b>1,844,171</b>
Exploration expenditures	-	-	-	-	6,114	<b>6,114</b>
<b>Balance December 31, 2023</b>	<b>788,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,061,893</b>	<b>1,850,285</b>

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Caribou Property

On June 3, 2020, the Company entered into an option agreement with Cloudbreak Discovery (Canada) Ltd. ("Cloudbreak"), a company with a common officer, to acquire a 100% interest in certain mining claims located in the Skeena Mining Division area in British Columbia, known as the Caribou Property.

Pursuant to the Option Agreement, in order to fully exercise the option (the "Option"), the Company shall pay Cloudbreak an aggregate of \$80,000 (paid) and issue 2,750,000 (issued) common shares of the Company in three instalments.

The option agreement was fully exercised on June 2, 2022. On June 16, 2022 the Company signed a Royalty Agreement with Cloudbreak, pursuant to the option agreement, the Company granted Cloudbreak a 2.0% net smelter return ("NSR") royalty. The Company has the right to acquire one-half of the NSR (1.0%) from Cloudbreak at a price of \$1,000,000 at any time prior to the commencement of commercial production. If the Company purchases the first half of the NSR, the Company shall have the right to acquire the remaining half of the NSR (1.0%) at a price of \$4,000,000, for an aggregate of \$5,000,000.

Silver Switchback Property

On August 27, 2020, the Company entered into an option agreement with Cloudbreak to acquire a 100% interest in an underlying option agreement between Cloudbreak and 1975647 Alberta Ltd ("197 Alberta"). The underlying option agreement provides the Company with the option to acquire 100% in certain mining claims located in British Columbia, known as the Silver Switchback Property.

During the year ended September 30, 2023 the Company terminated its option to acquire a 100% interest in the Silver Switchback property, pursuant to an underlying option agreement between Cloudbreak and 197 Alberta.

Silver Vista Property

On September 21, 2020, the Company entered into an option agreement with Cloudbreak to acquire a 100% interest in an underlying option agreement between Cloudbreak and 197 Alberta. The underlying option agreement provides the Company with the option to acquire 100% in certain mining claims located in British Columbia, known as the Silver Vista Property.

During the year ended September 30, 2023 the Company terminated its option to acquire a 100% interest in the Silver Vista property, and impaired the property costs.

New Moon Property

On December 9, 2020, the Company entered into an asset purchase agreement (the "Agreement") with Cabox Gold Corp. ("Cabox"), 1269270 BC Ltd. ("9270 BC"), 1236686 BC Ltd. ("6686 BC") and Samuel Hardy to acquire certain mining claims located in British Columbia, known as the New Moon Claims.

In consideration for the acquisition of the New Moon Claims, the Company shall:

- (i) Pay \$10,000 (paid) to Cabox on the effective date of the Agreement;
- (ii) Issue 2,500,000 (issued) common shares of the Company to Cabox on the closing date of the Agreement;
- (iii) Issue 600,000 (issued) common shares of the Company to 9270 BC on the closing date of the Agreement; and
- (iv) Issue 1,500,000 (issued) common shares of the Company to 6686 BC on the closing date of the Agreement.

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During the year ended September 30, 2023, the Company decided to no longer pursue exploration on this property and impaired the property costs.

Taquetren Property

On May 4, 2021, the company entered into an option agreement to acquire a 100% interest in the Taquetren Silver Project, located in the Navidad-Calcatreau mining district, Argentina.

Pursuant to the Option Agreement, in order to fully exercise the option, the Company shall:

- (i) Make payment of \$40,000 USD (paid March 3<sup>rd</sup>, 2021);
- (ii) Issue 200,000 common shares (issued May 11<sup>th</sup>, 2021);
- (iii) Issue 300,000 common shares (issued May 3<sup>rd</sup>, 2022) and incur \$70,000 USD (incurred) of exploration expenditures on the Project;
- (iv) Issue 500,000 common shares (issued, and issued an additional 500,000 common shares per the share adjustments provision of the option agreement May 3<sup>rd</sup>, 2023), and incur \$200,000 USD (incurred) of additional exploration expenditures on the Project; and
- (v) Issue 2,000,000 common shares and incur an additional \$500,000 USD of exploration expenditures on the Project on or before May 3<sup>rd</sup>, 2024.

In addition, pursuant to the Agreement, the Company shall grant to the Optionors a 2.0% NSR royalty. The Company shall retain the right to purchase at any time from the Optionors one quarter of the NSR (0.5%) for \$1,000,000 USD and a second quarter of the NSR (0.5%) for \$2,000,000 USD and 5,000,000 Common Shares.

Caballos Property

On November 23, 2023, the Company signed heads of terms to enter into an option agreement to acquire 100% of the Caballos Copper Project, located in Valparaiso region of Chile. Under the option agreement, the Company acquired the right to purchase all the project concession upon completion of (i) Stage 1: investment of USD \$1,000,000 in eligible expenses within 12 months from execution of option agreement and (ii) Stage 2: investment of USD \$4,000,000 in eligible expenses with respect to exploration activities within a 36 months period starting at the end of Stage 1. Upon exercise of the option, the Company shall pay USD \$2,000,000 to the optionor for registration of the project concessions. The Optionor shall be granted a 3% NSR Royalty on future production from the Project Concessions. This transaction is subject to execution of a definitive option agreement and exchange approval.

**Financing Activities during the period ended December 31, 2023**

During the period ended December 31, 2023, there were no financing activities.

During the period ended December 31, 2023, no options or warrants were exercised.

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**Results of Operations**

During the period ended December 31, 2023, the Company incurred a net loss of \$196,340 as compared to a net loss of \$293,356 for the period ending December 31, 2022. The smaller loss was attributed to the following:

	For the three months ended December 31, 2023	For the three months ended December 31, 2022	Variance	Discussion
Audit, accounting and legal	34,220	26,000	8,220	Professional fees were higher in this period due to the addition of a corporate secretary at the end of 2022
Consulting fees	98,877	114,968	(16,091)	Decrease this period due to additional exploration consulting fees being paid in 2022
Insurance	12,500	20,522	(8,022)	Decrease in insurance expense this period due to lower premiums and timing difference of when premiums were paid
Office and miscellaneous	-	19,072	(19,072)	Decrease in office expense as the Company did not rent out office space during the current period
Salary and wages	-	45,000	(45,000)	Decrease in salary and wages as the company's new VPX is a contractor and not an employee
Stock-based compensation	6,818	-	6,818	Options issued during the current period whereas in the prior period there were no options issued
Travel	5,954	18,622	(12,668)	Reduced travel during the current quarter compared to prior year

**Summary of Quarterly Results**

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Three months ended	30-Sep-23	30-Sep-23	30-Jun-23	31-Mar-23
Loss before non-operating items	\$ (196,430)	\$ (152,956)	\$ (212,228)	\$ (4,408,192)
Loss before income taxes	\$ (196,430)	\$ (152,956)	\$ (212,228)	\$ (4,408,192)
Loss per common share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.07)
Net and comprehensive loss	\$ (196,430)	\$ (152,956)	\$ (212,228)	\$ (4,408,192)
Net and comprehensive loss per common share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.07)

  

Three months ended	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22
Loss before non-operating items	\$ (293,356)	\$ (154,999)	\$ (356,909)	\$ (417,608)
Loss before income taxes	\$ (291,076)	\$ (154,999)	\$ (356,909)	\$ (417,608)
Loss per common share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Net and comprehensive loss	\$ (291,076)	\$ (154,999)	\$ (356,909)	\$ (417,608)
Net and comprehensive loss per common share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)

Significant variances in the Company's reported loss from quarter to quarter in 2023 was due to the property impairment charge recorded in the March 31, 2023 quarter.

**Summary of Financial Results for the Most Recently Completed Period**

The following summarizes the financial results of operations for the year ended September 30, 2023, and 2022:

	September 30, 2023	September 30, 2022
	\$	\$
Expenses	(5,066,732)	(1,216,366)
Net loss	(5,066,732)	(1,216,366)
Loss per share - basic & diluted	(0.08)	(0.02)

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**Liquidity and Capital Resources**

As at December 31, 2023, the company reported a working capital surplus of \$464,232 (September 30, 2023 - \$214,585) and a net loss for the period of \$196,430 (December 30, 2022 – \$293,356 loss).

The Company has financed its operations through equity issuances. Although the Company has been successful in raising funds in the past, there can be no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities. The Company is dependent upon the equity markets to finance all of its activities and it is anticipated that it will continue to rely on this source of funding for its exploration expenditures and to meet its ongoing working capital requirements.

On February 13, 2023, the Company completed a non-brokered private placement whereby the Company issued 7,800,000 units at a price of \$0.10 per unit for gross proceeds of \$780,000. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable into one common share at an exercise price of \$0.25 expiring on August 13, 2024. Cash finder's fees of \$55,200 and 268,000 finder warrants have been paid in connection with the Private Placement to qualified parties. The warrants issued to the finders have an exercise price of \$0.25 for a period of 18 months from the date of issuance. The finder's warrants were ascribed a fair value of \$20,237 based on the following variables: weighted average risk-free rate – 4.16%; volatility – 115.90%; and expected life (years) – 1.5.

On March 31, 2022 the company closed a private placement whereby the company issued 7,500,000 units at a price of \$0.20 per unit for gross proceeds of \$1,500,000. Each Unit is comprised of one common share and one half of one warrant. Each whole warrant will be exercisable into a common share at an exercise price of CDN\$0.30 expiring on March 31, 2023.

On December 31, 2021, the Company closed a private placement whereby the company issued 1,933,334 units at a price of \$0.30 per unit for gross proceeds of \$580,000. Each unit is comprised of one flow-through common share and one-half of one common share purchase warrant. Each whole warrant entitles the subscriber to purchase one additional common share of the Company at a price of \$0.34 per share for a period of two years from the closing date. Finder's fees of \$29,680 cash and 100,333 Warrants have been paid in connection with the Private Placement to qualified parties. The Warrants issued to the finders have an exercise price of \$0.30 for a period of 2 years from the date of issuance.

**Options Issued**

On November 6, 2023, the Company granted 100,000 stock options to purchase common shares of the company at a price of \$0.15 per share for a period of 5 years to a certain consultant of the company.

On September 25, 2023, the Company granted 2,350,000 stock options to purchase common shares of the company at a price of \$0.12 per share for a period of 5 years to certain consultants, directors, and employees of the company.

On April 5, 2022, the Company granted 900,000 stock options to purchase common shares of the company at a price of \$0.20 per share for a period of 5 years to certain consultants, directors, and employees of the company.

**Off-Balance Sheet Arrangement**

The Company has no long-term debt, does not have any used lines of credit or other arrangements in place to borrow funds, and has no off-balance sheet arrangements. The Company has no current plans to use debt financing and does not use hedges or other derivatives.

**Events After the Reporting Period**

(a) On January 9, 2024, the Company completed a non-brokered private placement for 12,365,000 units of the Company (the "Units") priced at \$0.10 per unit, for gross proceeds of \$1,236,500. Each unit consists of one common

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share in the capital of the company and one-half of common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share for a period of two years at an exercise price of \$0.15 per share. Cash finder’s fees \$79,600 and 796,000 finder warrants have been paid in connection with the private placement. As at December 31, 2023, the Company held \$445,373 (net of costs) subscription receipts from this financing.

(b) On January 15, 2023, the Company granted stock options to certain consultants and directors to acquire 1,344,149 common shares of the Company, at an exercise price of \$0.15 expiring on January 15, 2029.

(c) On February 6, 2024, the Company signed heads of terms to enter into an option agreement to acquire 100% of the Polimet Gold-Copper-Silver Project, located in Valparaiso region of Chile. Under the option agreement, the Company acquired the right to purchase all the project concession upon completion of (i) a cash payment of \$80,000 USD on signing of the agreement (ii) a cash payment of \$80,000 USD on the first anniversary (iii) incur exploration expenditures of \$2,250,000 USD over a three-year period with no consecutive month period seeing less than \$500,000 USD of exploration expenses. Upon exercise of the option, the Company shall pay USD \$1,200,000 in year four to the optionor for registration of the project concessions. The Optionor shall be granted a 2% NSR Royalty on future production from the project of which the Company can repurchase 1% for a \$3,000,000 USD cash payment. This transaction is subject to execution of a definitive option agreement and exchange approval.

**Related Party Transactions**

The following is a summary of related party transactions that occurred during the period ended December 31, 2023, and 2022 and amounts in accounts payable and accrued liabilities:

	For the period ended Dec 31, 2023	For the period ended Dec 31, 2022	Amount payable as at December 31, 2023	Amount payable as at September 30, 2023
Consulting Fees - Directors & Officers	75,000	82,500	26,500	-
Accounting and Management Services	33,000	33,000	3,750	-
VP Exploration Services	22,500	45,000	-	-

The above transactions with related parties, occurring in the normal course of operations, were measured at the fair value, are unsecured with no specific terms of repayment and are non-interest bearing; unless otherwise stated.

**Management’s Responsibility for the Financial Statements**

Information provided in this MD&A, including financial information extracted from the Financial Statements, is the responsibility of management. In the preparation of the Financial Statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements.

**Outstanding Share Data**

As of the date of this MD&A, the Company had the following securities issued and outstanding:

- (1) Common shares – 80,441,491
- (2) Share purchase warrants – 11,146,500
- (3) Stock options – 8,044,149

**Additional Information**

Additional information pertaining to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company’s website [www.fitzroyminerals.com](http://www.fitzroyminerals.com).

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**Directors and Officers**

Merlin Marr-Johnson – CEO and Director  
Sean Hurd – Corporate Development and Director  
J. Campbell Smyth – Director\*  
John Seaman – Director  
David Robinson – CFO