FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
Nine Month Period Ended January 31, 2025

The following Management Discussion and Analysis ("MD&A"), prepared as of March 12, 2025, of the results of operations and financial position of Metalex Ventures Ltd. (the "Company") for the nine month period ended January 31, 2025 should be read together with the unaudited condensed consolidated interim financial statements for the nine month period ended January 31, 2025 and related notes attached thereto, which are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the annual audited consolidated financial statements for the years ended April 30, 2024 and April 30, 2023 and the MD&A for those years.

Additional related information is available on the Company's website at www.metalexventures.com or on SEDAR at www.sedarplus.ca.

Description of Business

The Company's principal business activity is the acquisition, exploration and development of mineral properties and it is considered to be at the exploration stage. The Company has not yet determined whether the properties contain ore reserves that are economically recoverable. The Company trades on the TSX Venture Exchange under the symbol MTX.

The Company's areas of work are in Quebec, where the Company has a 77.94% contributing interest in diamond exploration and 100% of the non-diamond commodity exploration on various mineral claims. Metalex also has a 100% interest in certain mineral claims in the James Bay Lowlands area of Northern Ontario ("Kyle Lake"). The Company holds an exploration licence in Morocco and has entered into an agreement in South Africa to acquire up to a 70% interest in a prospecting licence.

The reader is referred to the relevant sections in this, and previous Management Discussion and Analysis for further details on these projects.

Cautionary Note Regarding Forward Looking Statements

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about current mineral property interests, the global economic environment, the market price and demand for diamonds, gold and other minerals and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand for or price of gold and other minerals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Performance Summary

The following is a summary of significant events and transactions that occurred during the nine month period ended January 31, 2025:

Mineral Properties

Mineral property expenditures (net of recoveries) incurred during the period were as follows:

James Bay, Quebec	$	304,517
Kyle Lake, Ontario		112,098
Morocco		10,829
South Africa		34,723
Total	$	462,167

Details of activities on the properties are provided in the following commentary. The technical information and results reported in this section have been reviewed by Metalex President & CEO, Chad Ulansky P.Geol. Mr. Ulansky is a Qualified Person under National Instrument 43-101 and is responsible for the technical content herein.

Wemindji James Bay Property, Quebec

The Company also has interest in various mineral claims located in the Wemindji James Bay region of Quebec, Canada, which were originally acquired from Kel-Ex. As of August 2017, the Company holds 100% of the project for the exploration of non-diamond commodities (various base and precious metals), as well as a 77.94% contributing interest in the original project which will explore solely for diamonds within the same claim area.

In August 2005, it was announced that anomalous concentrations of metals were discovered within the reconnaissance area. In addition to analysis for diamond indicator minerals, the heavy mineral concentrates were subjected to multi-element analysis by both atomic absorption and neutron activation.

Anomalous gold concentrations were found in more than 400 samples, anomalous copper values were found in 109 samples and anomalous uranium values were found in 173 samples. As the Archaean shield of eastern Canada contains a number of world-class metal mines, e.g. gold in the Val d'Or region of Quebec, nickel - copper - cobalt at Sudbury and Voisey Bay, and Uranium at Blind River, the geochemical results obtained above are regarded as most encouraging; particularly since they are spread throughout the regional area. A follow up program of priority results was conducted during 2006.

In May 2016, the Company announced the staking of two claim blocks totaling over 1,000 hectares covering the apparent heads of two indicator mineral trains. In late 2016, samples were collected from the two claim blocks to further refine the locations of the sources of the indicator mineral trains.

In August of 2017, the Company signed an agreement with Threegold Resources Inc, ("Threegold") regarding the non-diamond commodities joint venture. Threegold agreed to assign its right, title and interest in this joint venture to the Company in exchange for $5,000 and the issuance of 100,000 common shares. Approval of this agreement was obtained from the TSX Ventures Exchange on August 11, 2017; 100,000 common shares were subsequently issued to

Threegold, and the payment was made. As such, the Company now owns 100% of the non-diamond commodities project.

In 2020, the Company staked three claim blocks which contain the apparent source areas of strong gold anomalies detected in its heavy mineral sampling programs. One of these three areas also contains strongly anomalous scandium values. A further 46 gold anomalous trains have been identified.

In 2021, an airborne VTEM survey was flown over the Company's five claim blocks. In addition, nearly 1,250 heavy mineral samples were collected from these claim blocks and also from the 46 gold anomalous trains previously identified. At the time of writing these results are being received.

Results from sampling on the Company's A5 claim block southeast of Chibougamau has shown that stream sediments upstream on the drainage previously yielding the highest gold and scandium results consistently contain some of the highest ilmenite counts to near the headwaters of the drainage. This area is in the centre of a large airborne magnetic high anomaly and down-ice from a near-surface resistivity anomaly. According to the airborne resistivity results, the near-surface resistivity anomaly gets stronger and wider to depths greater than 450 metres. Portions of this resistivity anomaly were tested by a drill program in late summer 2023. Significant mineralization was not intersected by this program.

Three claim blocks were staked in 2022. Claim block B1, covering 28,620 hectares, covers an area anomalous in gold, arsenic, copper and cobalt. Claim block B2 was staked to cover an area measuring 20,800 hectares anomalous in gold, arsenic, silver, copper, nickel and cobalt. Claim block B3 has been staked to cover a broad area (24,322 hectares) of anomalous nickel-copper- cobalt-molybdenum-arsenic with gold in places.

During the 2023 field season heavy mineral sampling, soil sampling, prospecting and rock sampling has been undertaken over the claim blocks to advance them towards drill testing. In addition, an airborne electromagnetic geophysical survey has been completed over claim block B3. This survey indicates there are 18 significant conductors on the property, of which eight are thought to likely represent sulphide mineralization.

Reprocessing of the heavy mineral samples collected from claim blocks A1 and A2, which are in the vicinity of Patriot Battery Metals' Corvette and Winsome Resources' Adina lithium discoveries, has shown that these two properties also show potential to host lithium deposits in pegmatite. The claims are underlain by abundant pegmatites and an initial rock sampling program was undertaken at the end of the 2023 field season.

Work in 2024 consisted of a soil sampling program designed to prioritize the conductors on the B3 claim block for drill testing.

Kyle Lake Property, Ontario

As at January 31, 2025, the Company has a 100% earned interest in certain mineral claims located in the Kyle Lake area of Ontario, located approximately 200 km west of James Bay in Northern Ontario and about 80 km west of De Beers' Victor Mine. These claims are subject to a 10% carried interest in favour of Kel-Ex Development Ltd. ("Kel-Ex").

The Company acquired, by staking, a 100% interest in certain mineral claims located in the Kyle Lake area then entered into an agreement effective June 30, 2004 to sell a 20% contributing interest in the property to Arctic Star Diamond Corp ("Arctic Star") for proceeds of $100,000, reimbursement of 20% of previous staking and exploration costs incurred on the property and an agreement to pay 20% of on-going exploration costs. During 2005, Arctic Star advised the Company that it declined to contribute financially to exploration of the Kyle Lake project and the Company elected to increase its interest in the project by funding Arctic Star's contribution. In September 2011, the Company acquired all of Arctic Star's remaining joint venture interests in the Company's Kyle Lake, James Bay Lowlands and Attawapiskat projects for a lump sum payment of $264,862.

Technical Rationale

The Kyle lake region is considered prospective for commercial diamond bearing kimberlite pipes as all of the known kimberlite pipes in the area are diamondiferous. This proportion of diamond bearing kimberlite pipes is much higher than the global average of 14% and indicates that this part of the Superior craton is extremely fertile for diamonds.

T1 Kimberlite

In 2005, the Company discovered the T1 kimberlite by drilling. Promising diamond counts and diamond quality were returned from the discovery hole and subsequent delineation core holes supported the decision to collect a mini bulk sample from T1. Twenty 8 ¾ inch diameter reverse circulation holes were drilled collecting approximately 450 tons of kimberlite. Processing of this kimberlite at the Stornoway Diamond Corp processing plant in North Vancouver recovered 12,446 commercial sized (larger than 0.425mm) diamonds. The size distribution of the parcel suggests that the pipe is not economic at the current time and no additional work is planned at this time.

Discovery of the U1, U2 and U2NW Kimberlites at the Kyle Project

A 28,620 line kilometre airborne geophysical survey was flown in late 2006. Testing of priority targets during the winter of 2006/2007 discovered three additional kimberlites between the T1 kimberlite and DeBeers' Victor Diamond Mine ("Victor"): U1, U2 and U2NW. Although all three kimberlites are diamondiferous, work has focused on the U2 kimberlite due to its large size. At over nine hectares, the U2 kimberlite is one of the largest kimberlites in the region, second only to Victor.

Shortly after the U2 kimberlite was discovered by a vertical core hole, four inclined core holes were completed to delineate the pipe. Diamonds recovered from these holes have a coarse size distribution and are predominantly gem quality, similar to those recovered from DeBeers' Victor Mine. The large size of the U2 kimberlite, its high proportion of white, gem quality stones, its similar age and diamond indicator mineral content to Victor and a coarse diamond distribution curve all supported the decision to collect a mini bulk sample from U2.

Prior to commencing the large diameter RC drill program seven delineation core holes were drilled to better define the pipe walls. RC drilling commenced early in 2010 and approximately 450 tons of kimberlite was collected from 11 holes.

The U2 mini bulk sample was processed at the Stornoway plant and a total of 1,946 commercial sized (larger than 0.425mm) diamonds were recovered. Size distribution information for the diamonds recovered is presented in the following table:

Sieve Sizes (Through / On)								**Total**
0.6mm 0.425mm	0.85mm 0.6mm	1.18mm 0.85mm	1.7mm 1.18mm	2.36mm 1.7mm	3.35mm 2.36mm	4.75mm 3.35mm	6.7mm 4.75mm	
338	804	505	213	56	23	5	2	1,946

As seen above, the size distribution of the diamonds is very coarse with a high proportion of the diamonds being in the large size categories. This is important for a high average carat value. Included in the above figures are a 2.61 carat white gem quality diamond as well as a 1.25 carat diamond and two 0.73 carat diamonds which have been recovered from four separate holes. The 86 largest (+1.7mm) diamonds totalled 15.95 carats.

Dr. Luc Rombouts, renowned diamond specialist from Antwerp, Belgium, flew to Kelowna to examine the diamonds. Of the 86 largest diamonds, he classified 73 as white, six as brown, five as grey and two as coloured (yellow and pinkish brown). This equates to 88.8% white, 7.3% brown, 2.8% grey and 1.1% coloured by weight. Dr. Rombouts confirmed that the two largest diamonds (2.61 and 1.25 carats) recovered from U2 would cut as high quality white gems.

Dr. Rombouts concludes that the parcels of diamonds from U2 is too small to give a reliable average price per carat estimate. The U2 size distribution plots are relatively coarse and indicate significantly larger samples will yield significantly larger diamonds of consequently higher value than the diamonds recovered from this mini bulk sample.

Based on the high proportion of gem quality diamonds, the large size of the U2 kimberlite and the diamond grades, the U2 kimberlite merits the collection of a 10,000 ton bulk sample so that at least 1,000 carats of diamonds can be recovered for assessment. A large diamond parcel is necessary to accurately define the diamond grade and average value per carat.

The proposed bulk sample is to be collected by 48 large diameter (60cm) reverse circulation holes. The drill and all other supplies needed for the program will be mobilized to site by winter road. Drilling and processing of the bulk sample are expected to take approximately 18 months. This will allow the drill and unneeded equipment to be demobilized by winter road the following winter.

Geological and geotechnical logging of 25 pilot holes drilled at U2 where an embedded diamond was discovered in the core while logging. This work is being undertaken under the direction of Dr. Barbara Scott-Smith, a world renowned kimberlite petrologist, and aided in the planning of the bulk sample and interpretation of the bulk sample results.

AMEC Environment and Infrastructure ("AMEC") was contracted in September, 2011 to complete the permitting required for the program, which was completed in 2015. AMEC has also commenced environmental baseline studies for the project area.

In April 2015, the Company was issued the permits which will allow the bulk sample collection to commence. With the necessary permits in place, Metalex must now secure funding for the bulk sample, as well as secure a signed agreement with the First Nations bands in the area. Preliminary discussions with interested parties have been undertaken in regards to financing the project. Management also continues in its efforts to negotiate with the First Nations bands. The Company does not plan to undertake further work on this project until such agreements with all relevant First Nations bands are in place.

Morocco

In May 2004, the Company entered into an agreement with the Office National de Hydrocarburers et des Mines ("ONHYM") to conduct preliminary exploration work in Southern Morocco in order to identify areas on which to undertake further exploration work. In May 2005, the Company added additional areas for exploration work on the same terms and conditions as the first agreement. The agreements were governed by the laws and regulations of the Kingdom of Morocco and were valid until November 2006.

In April 2011, the Company entered into a new joint venture agreement with the ONHYM for further exploration of the claim areas. The Company will hold a 60% interest while ONHYM will retain a 40% interest in the project. Both parties will be responsible for funding their respective interests. A change in the mining laws required the re-negotiation of the Company's agreement with ONHYM; the Company is in the process of defining the terms of this new agreement with ONHYM.

The licenses cover an area that is one of the only remaining areas of the world that is underlain by an Archean craton (ie rocks older than 2.6 billion years) that has yet to be explored. Archean cratons are considered highly prospective for diamond bearing kimberlite, gold and base and precious metals are very favorable areas for significant mines. All kimberlite diamond mines are on cratons. Many of the world's largest gold mines are also located on cratons such as the mines at the Witswatersrand in South Africa, the Yilgarn craton in Australia and the Abitibi and Timmins areas in Canada. The prospectivity of the license is further demonstrated by the presence of Kinross' 20 million ounce Tasiast gold mine located 100 kilometers to the south and SNIM's world class 5.7 billion ton iron mine 200 kilometers to the east.

In 2006, follow up work of geochemical and geophysical anomalies discovered from earlier reconnaissance sampling indicated that G10 peridotitic garnets occur in 6 drainage/loam samples collected over an area of approximately 1,000 km^2. One of these samples contained an outstanding result of three G10 garnet grains comprising one G10 - 9, one G10 - 5 and one G10 - 3. Many of the G10 grains are fresh, and they are interpreted to be derived from nearby diamond bearing kimberlite(s). Additionally, 17 sample sites contain picroilmenite grains clustered over an area of 1,000 km^2. Several samples sites also contain pyrope garnet and a diamond stability field olivine has been found at one location. These results are interpreted to reflect an undiscovered kimberlite field.

From August 2011 to March 2012, an 88,146 line kilometer magnetic and radiometric survey that was flown over virtually the entire 17,100 km^2 license area where the extensive geochemical survey indicated potential for a variety of commodities. The survey data has been processed and interpreted by Scott Hogg and Associates and targets for ground truthing were identified.

Based on the results, 22 separate blocks totalling 4,021 square kilometres were retained for continued exploration. A new agreement needs to be finalized with the government of Morocco.

Viljoenshof Diamond Project, South Africa

In late 2020, the Company entered into an option agreement with Invest in Property 126 Pty Ltd to acquire up to a 70 percent interest over the Viljoenshof Diamond Project in South Africa through funding conversion of the exploration permit to a mining license, exploration, feasibility studies and mine development.

The property hosts several known kimberlite bodies. Samples collected from these contain diamond indicator minerals of exceptional quality, suggesting a high diamond grade.

The application for the mining right is still underway.

General

Certain Metalex exploration projects are managed by Kel-Ex Development Ltd., a company owned by Dr. Charles Fipke, an internationally recognized diamond geologist. Dr. Fipke is the Chairman of Metalex. Kel-Ex provides Metalex with access to its advanced proprietary databases and interpretational techniques. In return, Kel-Ex receives a 10% administration fee on certain projects to cover costs and, in the case of certain projects, a 10% interest carried to production. Dr. Fipke also owns the CF Mineral Research (“CF Minerals”) laboratory, where samples collected in certain exploration programs are analyzed. Metalex’s management is satisfied that all such related party transactions are entered into on terms that are reflective of current market conditions.

Overall Performance

As at January 31, 2025, the Company has incurred cumulative losses of $101,477,245 (April 30, 2024 – $102,086,103) and has a working capital deficit of $1,705,666 (April 30, 2024 – $1,944,438). Operating activities during the nine month period ended January 31, 2025 produced a negative cash flow of $174,399 (2024 – $2,083,458).

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chance of finding and developing an economic deposit.

At present, none of the Company’s projects have reached the producing stage, therefore the Company is not anticipating profit or positive cash flow from operations. Until such time as the Company is able to realize profits from the production and sale of commodities from its mineral interests, Company will report an annual loss and will rely on its ability to obtain equity or debt financing to fund ongoing operations.

In October 2019, the Company received common shares of a private company in exchange for its claims in the Ring of Fire region of the James Bay Lowlands, Ontario (originally valued at $278,000). As at January 31, 2025, the Company owns 2,280,000 shares of this private company (3.03%), with an estimated value of $5.7 million.

In July 2023, the Company completed a private placement of flow-through shares (“the FT Shares”), which were issued at $0.05/FT Share. A total of 10,400,000 FT Shares were issued for total proceeds of $520,000. Finder’s fees of $25,900 and other share issuance costs of $5,980 were incurred in conjunction with this private placement.

In December 2024, the Company closed a private placement of FT shares, which were be issued at $0.025/FT share. The Company issued 42,000,000 FT shares and received total proceeds of $1,050,000 in proceeds from this financing, which will be used on the Quebec projects. Finder’s fees of $73,500 and other share issuance costs of $13,704 were incurred in conjunction with this financing.

Selected Annual Information

The following table provides a brief summary of the Company's financial data for the three most recent fiscal years. For more detailed information, refer to the financial statements.

	Year Ended April 30, 2024	Year Ended April 30, 2023	Year Ended April 30, 2022
Total revenues	$ -	$ -	$ -
Income (loss) before other items	(3,077,479)	(1,372,904)	(1,830,289)
Income (loss) for the year	(2,568,455)	(1,217,608)	1,587,112
Basic and diluted income (loss) per share	(0.01)	(0.01)	0.01
Total assets	6,581,052	8,421,932	6,793,523

Annual and quarterly information for all periods since May 1, 2010 have been prepared in accordance with IFRS.

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

Results of Operations

For the nine month period ended January 31, 2025

Net income for the nine month period ended January 31, 2025 amounted to $608,858 (income of $0.00 per share) compared to net loss of $2,334,052 (loss of $0.01 per share) in the nine month period ended January 31, 2024. This change stems mainly from the timing of the Quebec program, which was offset by the timing of the recovery of flow through premiums, as well as the change in estimated valuation of the Company's investment in a private company during the current period.

Some of the significant expenses for the nine month period ended January 31, 2025 are as follows:

- During the period, the Company expensed directors' fees of $45,000 (2024 – $45,000) which are issuable at the end of each quarter under a deferred share unit ("DSU") plan. Under the Company's DSU plan, fees are accrued each quarter, with the number of DSUs set upon the issuance; any difference between the volume-weighted average trading price used in the calculation, and the market price on the day of issuance is treated as a gain or loss on settlement, which is included in the Statement of profit or loss. During the nine month period ended January 31, 2025, a gain on settlement of $25,500 was recorded (2024 – gain of $17,500).
- Exploration expenditures of $462,167 have decreased significantly from $2,528,865 in the prior period. The Company was active on its Quebec project during the comparative period, with both a drill program and a sampling program occurring during calendar 2023; the current period has been a period of down time for that project. There were also additional legal and assessment fees paid for the ongoing mining right application in South Africa during the nine month period ended January 31, 2024. Please refer to Note 7 in the condensed consolidated interim financial statements for additional detail on exploration expenditures.
- The Company had net office and administrative expense of $70,798 (2024 – $123,405). The decrease stems in part from additional management time spent on the new DSU issuances in the comparative period. The Company had also begun incurring Part XII.6 taxes on the unspent balance of the December 2022 flow through funds in the comparative period, which had a higher unspent balance resulting in a higher expense; in the current period, Part XII.6 tax relates to the smaller amount of flow through funds raised in 2023, resulting in a smaller amount of this expense.
- Share-based compensation relates to both the gain or loss on settlement of issued DSUs, as noted above, and to stock options vested during the period. During the nine month period ended January 31, 2025, the Company incurred $16,095 in vested share-based compensation (2024 – $16,095).
- Transfer agent and filing fees of $20,056 (2024 – $23,375) have decreased slightly as the Company has incurred less Exchange filing fees in the current period.

- A flow through premium was associated with the financings completed in December 2022 and July 2023; to January 31, 2024, there was a higher amount of flow through funds spent, resulting in a higher recovery of the premium than in the current period.
- During the nine month period ended January 31, 2025, the Company revalued its investment in a private company based on the most recent financial information available, resulting in an Unrealized gain of $1,140,000 (2024 – $Nil). In the comparative period, the financial information for the private company had remained consistent, so there had been no change in valuation.

During the nine month period ended January 31, 2025, the Company used cash of $174,399 on operating activities (2024 – $2,083,458). Please refer to the condensed consolidated interim statements of cash flows in the financial statements for a breakdown of the operating activities.

Summary of Quarterly Results

	Three month periods ended			
	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024
Total revenues	$ -	$ -	$ -	$ -
Income (loss) before other items	(176,059)	(180,168)	(290,054)	(288,419)
Income (loss) for the period	(149,242)	(148,509)	906,609	(234,403)
Basic and diluted income (loss) per share	(0.001)	(0.001)	0.004	(0.000)

	Three month periods ended			
	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023
Total revenues	$ -	$ -	$ -	$ -
Income (loss) before other items	(653,340)	(1,128,743)	(1,006,977)	(386,912)
Income (loss) for the period	(550,060)	(947,466)	(836,526)	(303,054)
Basic and diluted income (loss) per share	(0.000)	(0.000)	(0.000)	(0.002)

Preparation for the 2023 drill program had begun during the three month period ended April 30, 2023, with the program commencing in May 2023 and running through the three month period ended July 31, 2023. The three month period ended October 31, 2023 included both a sampling program and an airborne geophysical survey for the Quebec project, resulting in significantly higher costs. During the three month period ended January 31, 2024, the Company was not active in Quebec, but did incur significant lab costs; there was also additional legal costs and assessment fees for the South Africa project. From October 2023 to date, the Quebec project was dormant, but did incur maintenance charges. Also during the three month period ended July 31, 2024, the Company revalued its investment in a private company, resulting in net income for the period.

Directors' fees are allocated on a quarterly basis with the allocation of deferred share units (original value of $15,000 per quarter). The Company's new DSU plan was adopted in January 2023, at which point the DSUs became issuable in shares only (as opposed to cash or shares). DSUs were issued under the new plan and a gain or loss on settlement of shares (based on the difference between the volume weighted average price used to determine the number of DSUs issued and the market price on the grant date) is recorded in the Statement of profit and loss.

The Company charges all exploration costs to operations in the period incurred until such time that there is a determination of the feasibility of mining operations and a decision to proceed with development, in which case subsequent exploration and property development costs will be capitalized. All direct costs related to the acquisition of resource property interests have been capitalized as an asset.

Liquidity and Capital Resources

The Company has financed its operations to date primarily through the issuance of common shares. The Company continues to seek capital through various means including joint ventures partnerships and the issuance of equity and/or debt.

As mentioned in the Performance Summary, the Company will be endeavouring to complete a large-scale bulk sample program on the U2 kimberlite project which is estimated to cost approximately $50 million. In 2015, the Company received the required permits for the U2 bulk sample. Despite significant time delays in being able to move the project forward, the Company remains committed to the U2 project and has been in touch other parties to find a finance partner for the project. The Company has also continued its work in obtaining a signed exploration agreement with the First Nations bands in the area.

As at January 31, 2025, the Company had cash of $1,210,510 (April 30, 2024 – $422,113) and a working capital deficit of $1,726,851 (April 30, 2024 – $1,944,438). The Company has sufficient funds to meet its working capital requirements through the current year. Beyond that, to continue operations, the Company will require non-flow through funds either through a private placement financing, the exercise of stock options and/or the sale of unproven mineral interests. Current market conditions may impact the Company's ability to raise further capital and fund ongoing operations.

The condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The ability of the Company to continue operations is dependent upon the existence of economically recoverable reserves, successful development of the Company's mineral properties, complete equity financings, and generate profitable operations in the future. As shown in the condensed consolidated interim financial statements, the Company has suffered recurring losses, has had negative working capital and has a significant deficit from operations. Management plans to obtain additional financing through future private placements for common shares or from the issuance of common shares on the exercise of outstanding options and warrants. These conditions may raise significant doubt regarding the Company's ability to continue as a going concern. The condensed consolidated interim financial statements do not give effect to any adjustment should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the condensed consolidated interim financial statements. There can be no assurance that sufficient working capital can be generated from operations and external financing to meet the Company's liabilities and commitments as they become due. Failure to generate sufficient working capital from operations or obtain external financing will cause the Company to curtail operations and the Company's ability to continue as a going concern will be impaired. It is not possible to predict whether economically recoverable reserves exist, the Company's financing efforts will be successful, or the Company will attain profitable level of operations.

Related Party Transactions

During the nine month periods ended January 31, 2025 and 2024, the Company had related party transactions with the following companies related by way of common directors or shareholders:

- C.F. Mineral Research Ltd. ("CF Minerals") – a private company owned by Metalex Chairman, Charles Fipke. CF Minerals provides heavy mineral geochemistry services to the Company.
- Kel-Ex Development Ltd. ("Kel-Ex") – a private company owned by Metalex Chairman, Charles Fipke. Kel-Ex provides administration, payroll and office services to the Company, as well as some shared exploration expenditures.
- Element 29 Ventures Ltd. ("Element 29") – a private company owned by Metalex CEO, Chad Ulansky. Element 29 provides geological consulting services to the Company.
- FourIrons Consulting ("FourIrons") – a private company owned by Metalex CFO, Jennifer Irons. FourIrons provides financial consulting services to the Company.
- Cantex Mine Development Corp. ("Cantex") – a publicly listed company with common directors and management. Metalex and Cantex share office space and thus have certain shared expenditures which get re-billed on a cost-recovery basis.

The key management personnel of the Company are the Directors, Chief Executive Officer, and Chief Financial Officer.

The Company's related party expenses consist of the following:

		Three month periods ended January 31,			Nine month periods ended, January 31,			
		2025		2024		**2025**		2024
Laboratory and mineralogical costs, including storage fees	**$**	**45,534**	$	231,257	**$**	**242,585**	$	300,486
Consulting fees		**11,335**		9,921		**28,466**		46,509
Administration fees (10%)		**9,915**		13,286		**15,395**		136,852
Shared office and administrative costs		**4,650**		4,315		**13,400**		12,811
Shared field expenditures		**2,170**		2,100		**6,670**		6,284
	$	**73,604**	$	260,879	**$**	**306,516**	$	502,942

		Three month periods ended January 31,			Nine month periods ended, January 31,			
		2025		2024		**2025**		2024
C.F. Mineral Research Ltd.	**$**	**45,534**	$	231,257	**$**	**242,585**	$	300,486
Kel-Ex Development Ltd.		**15,315**		18,351		**30,145**		164,603
FourIrons Consulting		**9,172**		9,171		**25,703**		30,015
Element 29 Ventures Ltd.		**3,583**		2,100		**8,083**		7,838
	$	**73,604**	$	260,879	**$**	**306,516**	$	502,942

The above noted transactions represent amounts incurred or accrued, but not necessarily paid, during the periods indicated.

The Company's expenses recovered from related parties consist of the following:

		Three month periods ended January 31,			Nine month periods ended January 31,			
		2025		2024		**2025**		2024
Shared field expenditures	**$**	**7,230**	$	11,293	**$**	**42,741**	$	31,615
Shared office and administrative costs		**4,979**		4,735		**19,469**		15,280
	$	**12,209**	$	16,028	**$**	**62,210**	$	46,895

		Three month periods ended January 31,			Nine month periods ended January 31,			
		2025		2024		**2025**		2024
Cantex Mine Development Corp.	**$**	**9,842**	$	14,363	**$**	**51,071**	$	42,079
Kel-Ex Development Ltd.		**2,367**		1,665		**11,139**		4,816
	$	**12,209**	$	16,028	**$**	**62,210**	$	46,895

Metalex shares office space with Cantex and Kel-Ex, and thus has certain shared expenditures.

Included in accounts payable of the Company are the following amounts due to related parties:

		January 31, 2025		April 30, 2024
C.F. Mineral Research Ltd.	$	**1,799,145**	$	1,564,535
Element 29 Ventures Ltd.		**735**		735
FourIrons Consulting		**2,475**		2,445
Kel-Ex Development Ltd.		**927,283**		717,074
Glenn Nolan, independent director		**7,500**		7,500
Lorie Waisberg, independent director		**7,500**		7,500
	$	**2,744,638**	$	2,299,789

Included in receivables of the Company are the following amounts due from related parties:

		January 31, 2025		April 30, 2024
Cantex Mine Development Corp.	$	**3,461**	$	2,956
Kel-Ex Development Ltd.		**914**		3,985
	$	**4,375**	$	6,941

The remuneration of directors and officers is as follows:

	Three month periods ended January 31,				Nine month periods ended January 31,			
		2025		2024		**2025**		2024
Director fees(1) and share-based compensation(3)	$	**14,038**	$	11,038	$	**34,613**	$	42,613
Consulting fees(2)		**10,585**		9,171		**27,116**		31,569
	$	**24,623**	$	20,209	$	**61,729**	$	74,182

(1) Directors' fees are amounts accrued under the Company's deferred share unit plan. For the nine month periods ended January 31, 2025 and 2024, $45,000 in directors fees was accrued and included in accrued liabilities to represent the amount entitled by the independent directors as at the period end. These were settled with the issuance of the DSUs in the respective months following the issuances.

(2) Consulting fees includes amounts paid or accrued for geological consulting fees included in exploration expenditures, as well as corporate consulting fees included in office and administrative expenses within profit or loss.

(3) Share-based compensation represents the vested portion of share options issued to management and directors based on the Black-Scholes option pricing model, as well as the gain or loss on settlement of the DSUs granted.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Proposed Transactions

The Company currently has no proposed transactions.

Risks and uncertainties

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. Certain of the Company's mineral properties are also located in emerging nations and consequently may be subject to a higher level of risk compared to developed countries. Operations, the status of mineral property rights, title to the properties and the recoverability of amounts shown for mineral properties in emerging nations can be affected by changing economic, regulatory and political situations. Other risks facing the Company include competition, environmental and insurance risks, fluctuations in metal prices, share price volatility and uncertainty of additional financing.

Financial instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Non-controlling interest in private company is carried at fair market value, which has been based on the last share purchase price used to raise funds. Any adjustments to the value of this investment will be reflected in the Company's statement of profit and loss.

The Company's reclamation deposit is a cash balance held by the Government of Ontario Ministry of Mines and is comprised of the original deposit paid, plus interest on the balance held to date. The carrying value of reclamation deposit approximates its fair value as the Government of Ontario provides the Company with the amount of interest earned during the year, which is recorded in profit or loss.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

Currency risk – While the Company's capital is raised in Canadian dollars, the Company is also conducting business internationally. As such, the Company is subject to risk due to fluctuations in the exchange rates for certain currencies including the United States and Canadian dollar. The Company does not use derivative financial instruments to reduce its exposure to foreign currency risk. The Company considers foreign currency risk to be insignificant.

Credit risk – Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is in a large Canadian financial institution and it does not have any asset-backed commercial paper. The Company's receivables consist mainly of receivables from relates parties for shared expenditures and GST receivable due from the Federal Government of Canada. The Company is subject to the risk that its joint venture partners will default on amounts owing for their portion of exploration expenditures (January 31, 2025 and 2024 – $Nil). Any such amounts defaulted would dilute that partners' interest in the exploration joint venture and would require the Company to pick up the proportionate share of future exploration expenditures. As at January 31, 2025, the Company had $4,375 (April 30, 2024 – $6,941) in outstanding related party receivables; the Company has subsequently received all of this balance.

Interest rate risk – Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no material interest bearing financial obligations or assets.

Liquidity risk – Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk – The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of diamonds and other minerals. The Company's input costs are also affected by the price of fuel. Management monitors diamond, precious metal and fuel prices to determine the appropriate course of action to be taken by the Company. The fair value of the investment in private company will fluctuate based on current market prices of its shares. Market prices may significantly impact the fair value of the investment and result in unrealized gains and losses through the Company's statement of profit and loss.

Capital risk management

The Company includes shareholders' equity, comprised of issued common shares, reserves and deficit, in the definition of capital.

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company expects its current capital resources will be sufficient to complete its currently budgeted exploration programs and operations through its current operating period. Until its equity financing was recently completed, the Company had relied on extended credit terms and/or advances from a related party to fund its operations. The Company is currently not subject to externally imposed capital requirements. The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in secure deposits in large Canadian financial institutions.

The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration and development of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity.

New accounting standards

Certain pronouncements were issued by the IASB that were mandatory for accounting periods on or after January 1, 2024 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS1 "Classification of Liabilities as Current or Non-current – Deferral of Effective Date" is an amendment to the standard that is applicable to fiscal years beginning on or after January 1, 2024. The amendments to IAS1 affects only the presentation of liabilities in the statement of financial position, and not the amount or timing of recognition of any asset, liability, income or expense, or the information that entities disclose about them. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least one year and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfers to the counterparty of cash, equity instruments, other assets or services.

There was no impact to the financial statements from the adoption of this standard.

The Company will be adopting the following new standards when they become effective for the year starting May 1, 2027:

- IFRS 18 "Presentation and Disclosure in Financial Statements"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

Outstanding share data

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

As at March 12, 2025, the Company had outstanding 276,447,918 common shares and 2,530,000 stock options with a weighted average exercise price of $0.08 per share.