



---

**GRANADA GOLD MINE INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS -**  
**QUARTERLY HIGHLIGHTS**  
**THREE AND SIX MONTHS ENDED DECEMBER 31, 2024**

---

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS**

The following Management's Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook of Granada Gold Mine Inc. ("Granada" or the "Company"), and it has been prepared by management and should be read in conjunction with the unaudited condensed interim financial statements of Granada for the three and six months ended December 31, 2024 and in addition to the audited annual financial statements for the years ended June 30, 2024 and 2023, together with the notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). The discussion covers the three and six months ended December 31, 2024 and up to the date of filing of this MD&A. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR+ website ([www.sedarplus.ca](http://www.sedarplus.ca)).

**FORWARD-LOOKING INFORMATION**

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such reflect the current views of the Company with respect to future events and are subject to certain statements risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

**DESCRIPTION OF BUSINESS**

Granada is a junior natural resource company whose business is to seek out exploration opportunities with a focus on the Granada Gold Mine in Rouyn-Noranda, Quebec. Operations are conducted either directly or through consulting agreements with third-parties. The Company finances its properties by way of equity or debt financing or by way of joint ventures. Additional information is provided in the Company's audited financial statements for the year ended June 30, 2023. These documents are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Company also maintains a website at [www.granadagoldmine.com](http://www.granadagoldmine.com).

The Company is a reporting issuer in the Provinces of British Columbia and Alberta, and trades on the TSX Venture Exchange ("TSXV") under the symbol GGM, the US OTC market under the symbol GBBFF and the Frankfurt Stock Exchange under the symbol B6D-FRA.

The corporate office of the Company is located at 3028 Quadra Court, Coquitlam, BC V3B 5X6.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

---

**GOING CONCERN**

The unaudited condensed interim financial statements for the three and six months ended December 31, 2024, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company had cash and cash equivalents of \$202,175 at December 31, 2024 (June 30, 2024: \$9,146), but management cannot provide assurance that the Company will ultimately achieve profitable operations, or raise additional debt and/or equity capital.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral deposits that are economically recoverable. The Company will periodically have to obtain additional funds to continue its exploration activities, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continuing existence is dependent upon the discovery of economically recoverable reserves and resources, the preservation of its interest in the underlying properties, the ability of the Company to obtain necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and the achievement of profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, and renegotiation of contracts.

The unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed inappropriate. Such adjustments could be material.

As at December 31, 2024, the Company had not yet achieved profitable operations, has an accumulated deficit, has a working capital deficiency and expects to incur further losses in the development of its business.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing accumulated operating losses and a significant working capital deficiency, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These conditions indicate the existence of material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

**CORPORATE**

On July 10, 2024, the Company engaged John Glew as a Resource Development Advisor for the Granada Gold Mine Property.

On July 16, 2024, the Company outlined the process for gold recovery using conventional crushing, screening and gravity concentration to recover high-grade native gold and gold-bearing sulfide concentrate for further off-site processing to recover the gold into dore bars.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

---

On July 23, 2024, the Company announced an estimate of the potential in-ground values at its Granada Gold deposit in Quebec for both gold and aggregate.

Highlights of Potential in-Ground Values:

- Value per tonne of gold-mineralized material at a grade of 2 grams per tonne gold is \$211.30 Canadian dollars. Value of one tonne of gravel classed as 0 inches to 0.75 inches is \$36.00 Canadian dollars.
- Ratio of Gold-mineralized material to waste rock is 1 to 8.
- Potential in-ground value combined is \$499.30 Canadian dollars for each 9 tonnes material mined: \$211.30 for one tonne gold-mineralized material plus \$288.00 for 8 tonnes of waste rock.

On September 27, 2024 provided an update on meetings and site visits by aggregate and cement producers for the use of waste rock for aggregate. The Company is committed to the re-use and repurposing of the waste rock for the use as aggregate.

Waste Rock Utilization Strategy Highlights:

- Produce waste rock free of any mineralization
- Produce various client-specific aggregate size classes
- On-site sub-contractor processing of waste rock to aggregate

The Company will review the proposals from the potential aggregate purchasers in the coming weeks and develop a path forward that will mesh with the mining of the surface high-grade gold. Emphasis will be on over-size aggregate which is destined for placement on shorelines to counter erosion from increased water levels due to climate change.

On October 15, 2024, the Company announced a comprehensive strategy to increase shareholder value through improved processing technology by using a high-grade gravity circuit onsite before milling, resource optimization, and a novel financing approach originally detailed in the June 6, 2023 news release regarding the preferred share structure.

On October 30, 2024, the 5,729,654 shares related to the August 16, 2023 debt settlement with CCW, were delivered settling the debt of \$286,483.

On October 18, 2024, the Company announced the appointment of Maya Basa as a director of the Company. Concurrent with the appointment of Ms. Basa, Dianne Tookenay is no longer a director of the Company.

On October 23, 2024, the Company announced a comprehensive deep drill program to the north of the current open pit resource in an area known as the Big Claim to define the extent of gold mineralization within the 2 kilometer east-west strike length of the greater 5.5 kilometer defined mineralized gold structure. Gold mineralization is expected to extend beyond 1600-meter vertical depth based on the last drill program.

On December 9, 2024, the Company reviewed a recent updated news release of a mid-tier local gold operator's production costs. It is estimated, that upon completion of the Company's ongoing deep drilling program in 2027, that the potential exists for custom milling with three separate mid-tier gold producers in Quebec along the Cadillac Break in 2027 due to the exhaustion of their resources.

On December 30, 2024, the Company closed a private placement of 5,714,286 Quebec Flow-Through (QFT) of the Company, at a price of \$0.035 per QFT for aggregate gross proceeds of \$200,000. The Company issued 571,428 non-transferable finder's warrants. Each finders warrant is exercisable into one non-flow-through common share at exercise price of \$0.05 per share for a period of three years.

#### **EVENTS SUBSEQUENT TO DECEMBER 31, 2024**

On January 9, 2025, the Company provided an update on the progress of an on-site sampling plant. The potential installation of an on-site sampling plant is to further confirm the near-surface open pit resource from the two 500-tonne bulk samples recently taken which correlates well with historic open pit mining results of 3.5 to 5 grams per tonne gold.

On January 13, 2025, the Company reported that it has engaged the services of Goldminds Geoservices to complete the required revision to its restoration plan at Granada Gold Mine. This revision is required every 5 years to account for changes in any activities on site that may affect the terrain as well as the costs or modifications to proposed activities.

On January 22, 2025, the Company showcased recent property transactions on the Cadillac Break. With the recent increase in the price of gold, and the acute shortage of permitted mineable resources on the Cadillac Break located in the Rouyn-Noranda-Val d'Or area, operating gold mining companies have been buying up companies and resources to sustain their "Fill the Mill" operating requirements.

On January 27, 2025, the Company announced that it will hold its Meeting of Security Holders on March 13, 2025.

#### **EXPLORATION AND EVALUATION PROJECTS**

In total, the Company currently retains rights to 2 mining leases and 52 mining claims for a cumulative total of 1586 hectares. The mining leases are subject to a 2% GMR, of which half may be purchased for \$1,000,000. There is an additional 1% NSR on the 2 leases and 23 of the original mining claims. Additionally, there are a further 26 claims representing 421.48 ha, which retain a 2% NSR where 1% can be purchased back for \$1,000,000. In July 2022, the total land package (including the Mining Leases BM813 and BM852) increased from 1473.77 ha to 1524.09 ha due to a governmental restructuring of lot sizes and distribution.

The Granada deposit is a quartz-vein mesothermal gold deposit hosted by late Archean Timiskaming sedimentary rock and younger syenite porphyry dykes. The dykes belong to a late tectonic suite that hosts the mesothermal gold mineralization in the Kirkland Lake and Timmins gold camps in Ontario and in Duparquet, north of Rouyn-Noranda, in Quebec.

Gold mineralization is hosted by east-west trending, smokey-grey, fractured quartz veins and stringers. Free gold occurs at vein margins or within fractures of the quartz veins or sulphides. Late northeasterly-trending, sigmoidal faults also host high-grade gold mineralization.

As of the date of this report, mineralization at the Granada gold mine remains open to the east and west and consistently to depth, down-dip to the north.

In 2007, the Company processed a bulk sample of 140,000 tonnes from an open pit at the Granada site of which 30,000 tonnes was milled using an on-site mill. The average gold grade from this large sample was 1.62 g/t with a 90-per-cent rate of recovery realized. The waste from this bulk sample, along with stockpiled waste from past bulk sampling programs from previous operators at Granada, was also assayed returning a grade of 1.75 g/t gold. These results confirmed the presence of gold mineralization between the known individual east-west trending vein structures. All core drilled from 2009 through 2012 was analyzed to determine whether there is sufficient grade between the higher-grade vein structures to allow for bulk, open pit extraction.

The first four phases of the drill campaign between Dec 2009 and May 2012 totaled just under 90,000 metres drilled. A table of a few select highlights from all drilling can be found below. Most of the drill holes have been drilled close to perpendicular to the veins. The core length is, in general, 85% to 90% of the true width for the holes drilled south-southwest.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

Drill Hole	From (m)	To (m)	Interval (m)	Weighted grade g/t Au
<b>PHASE 1 HIGHLIGHTS</b>				
GR-09-02	15.50	48.00	32.50	1.78
including	40.70	41.00	0.30	96.60
GR-09-08	17.00	68.00	51.00	0.93
GR-10-12	4.30	87.00	82.70	0.90
GR-10-13	32.20	59.95	27.75	1.27
GR-09-15	73.20	147.00	73.80	0.88
<b>PHASE 2 HIGHLIGHTS</b>				
GR-10-33	23.00	146.50	123.50	1.07
GR-10-53	5.00	112.50	107.50	1.37
including	8.00	73.30	65.30	2.14
GR-10-117	3.00	201.00	198.00	0.74
including	4.60	77.50	72.90	1.02
GR-10-126	29.10	85.05	55.95	1.01
GR-10-138	116.00	171.50	55.50	0.77
including	116.00	125.00	9.00	2.16
GR-10-141	3.00	279.00	276.00	0.52
<b>PHASE 3 HIGHLIGHTS</b>				
GR-10-153	3.90	139.00	135.10	0.62
including	3.90	4.90	1.00	54.98
GR-10-157	45.50	116.50	71.00	1.06
including	56.50	61.00	4.50	3.75
including	69.00	70.00	1.00	44.80
GR-11-200	50.50	156.50	106.00	0.81
GR-11-216	1.50	57.60	56.10	0.56
GR-11-223	3.40	54.00	50.60	0.56
GR-11-235	2.20	150.00	147.80	0.50
including	6.50	96.00	89.50	0.78
GR-11-237	42.00	130.00	88.00	0.50

The Company completed a 450-metre trenching program during the summer of 2013 that was undertaken to further evaluate the near-surface mineralized zones of the potential open pit at the Granada Gold Mine. Assays from channel samples taken from the trenched areas varied from 22.42 g/t Au over 1.04 metres to 0.01 g/t Au over 0.82 metres. The higher grades were from samples in the eastern section of the extended LONG Bars zone. Significant visible gold was also encountered very near surface at a depth of 10 centimetres in the western area of trenching.

In September 2014, approximately 600 metres of additional trenching in 6 trenches was completed immediately east of Pit 2A. Bedrock was uncovered with the majority of the work conducted as continuous channel sampling. The program was carried out by Technominex and supervised by L. Caron, Géo. GoldMinds Geoservices Inc.

Gold mineralization was identified within the quartz veinlets through the syenite porphyry and the conglomerate of the Granada Formation in the Temiskaming Group. The conglomerate shows a chlorite alteration in the footwall of the mineralized zone that is rather sericitic and ankeritic. Trenching work outlined the mineralization zones that were cut by the previous diamond drill holes and provided important information in terms of where to commence upcoming surface mining operations within the context of the PFS.

In 2015, three trenches were completed in the area covering the smallest proposed pit located furthest west with channel sampling from the middle trench, TR15-11, returning 6.05 g/t Au over 8 metres including 14.98 g/t Au over 3 m (Press Release April 22, 2015). Surface channel sampling grades confirmed the continuity of the near-surface, drill-intersected mineralization over a potential strike length of 3.5 kilometres from the western to the eastern trenches – this is a very positive development within the rolling start mining plan.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

---

The Company announced on May 26, 2016 that it had received its Certificate of Authorization "C of A" from Quebec's Government of Environment (MDDELCC) for gold mining at the Granada property for 75,000 ounces of near-surface, high-grade gold at a cash cost of US \$797 per ounce. The MDDELCC is now satisfied that the Company has answered all prerequisite questions, submitted all requested studies, all of which have now been reviewed with the file deemed to be in order (Press Release May 26, 2016).

Sound studies, completed in 2014, measured average noise levels at three stations between 700 and 900 metres from the proposed Mousseau Pit at 40db to 50db during the night and at 45db to 55db during the day with no mining activity taking place. Installation of water and air monitoring stations has been completed and are in operation.

In addition, in January 2015, a Memorandum of Understanding (MOU) was signed between the Timiskaming First Nations and Granada Gold Mine Inc. to work together moving forward towards a rolling production start at Granada (see Company Press Release January 30, 2015).

With initial stripping in the summer and fall of 2016, a new high-grade mineralized zone was uncovered with visible gold found on surface (Press Release September 28, 2016). The zone, associated with the feldspar porphyry, is in a quartz vein zone up to 3 metres thick and has been noted over 125-metre strike length. A 5-tonne mini bulk sample was taken by breaking the rock with a hydraulic hammer on an excavator then taking grab samples arbitrarily every 0.5 metre along 3 lines across the zone with lines spaced approximately 10 metres apart. Samples from each line were sampled separately as described in the press release. A total of 9 samples were assayed giving results ranging from 1.1 to 13.3 g/t gold with an average of 4.37 g/t gold.

A drill program of 2500 metres was initiated in September 2016 initially targeting the new mineralized zone as well as the western end of the Aukeko zone, resulting in the following early highlights from a press release on November 9, 2016.

GR-16-03 intersects 3.62 g/t Au over 15m including 43.58 g/t Au over 1m
GR-16-11 intersects 5.67 g/t Au over 2m including 9.31 g/t Au over 1m
GR-16-12 intersects 9.25 g/t Au over 3m including 24.99 g/t Au over 1m

The drill program was extended to include an additional 8000 metres targeting a significant resource expansion in the northern part of the Granada property (press release December 2, 2016). Hole GR- 16-14, the first deep hole of this program, intersected one of the best intersections at depth on the property to date with 14.5 g/t Au over 4.0m including 55.9 g/t Au over 1.0m at a depth of 881 metres and 7.3 g/t over 1m at 710 metres downhole.

In late Fall 2018, Granada Gold completed a 4-hole drill program totaling 2,889m. Holes GR-18-01 and GR-18-03 targeted the down-dip extension of gold mineralization below the Pit-Constrained resources. Hole GR-18-03 intersected multiple gold-bearing quartz veins between 564 and 680 metres downhole, exhibiting similar character to the veins typically exposed at surface within the stripped area. Hole GR- 18-01 intersected a high-grade zone at around 270 metres from surface, associated with a silicified zone with disseminated pyrite within the conglomerate unit.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

**Select Drill Hole Assay Results**

Hole Name	From (m)	To (m)	Length (m)	Au g/t	Type
GR-18-01	365.00	368.00	3.00	8.15	FA
including	366.00	367.00	1.00	23.30	FA
GR-18-01	495.00	500.00	5.00	1.10	FA
GR-18-01	517.00	520.00	3.00	1.75	FA
GR-18-01	525.00	528.00	3.00	2.30	SM
including	525.00	526.00	1.00	4.12	SM
GR-18-01	551.00	552.00	1.00	3.75	FA
GR-18-03	572.00	578.00	6.00	8.39	FA
including	573.00	577.00	4.00	12.42	FA
including	573.00	574.00	1.00	45.70	FA
GR-18-03	564.00	570.00	6.00	1.05	FA
including	569.00	570.00	1.00	3.32	FA
GR-18-03	613.00	614.00	1.00	1.09	FA
GR-18-03	686.00	687.00	1.00	1.36	FA
GR-18-04	660.00	664.00	4.00	5.45	SM
including	662.00	663.50	1.50	13.70	SM
including	662.50	663.00	0.50	37.30	SM
GR-18-04	367.00	368.00	1.00	1.48	FA

Core length, not capped FA=Standard Fire assay, SM Screen Metallic 1kg

In August 2019, the Company started a short drill program. Three surface-outcropping, mineralized structures have been defined. Drilling was to be completed, all within 150 metres of surface, to assess near-surface mineralization within the two-kilometre extended LONG Bars zone of the potential 5.5- kilometre long, east-west-trending mineralized structure.

Initial results were reported in a press release on October 15, 2019. The 450-metre drill program focused on testing the gold grade continuity and variability within mineralized structures. Six holes were drilled to test for near surface high-grade mineralization. Coarse, native gold was observed in the drill core.

GR-19-E intersected a high-grade zone with 12.32 g/t Au over 2 m including 48.80 g/t over 0.50 m at a core length depth of 35.5 metres on the extended LONG Bars zone.

GR-19-C intersected a high-grade zone with 7.67 g/t Au over 15 m of core length from 18.5 m to 33.5 m downhole on the extended LONG Bars zone.

GR-19-B intersected 3.41 g/t Au over 6.0 m from surface down to 6.0. The mineralized zone is composed of smoky quartz veins adjacent to a porphyry dyke intruded by multiple quartz veinlets south of the altered sheared conglomerate (Press Release November 6, 2019).

The Company further reported, in a press release January 9, 2020 additional highlights from Hole GR- 19-A which was drilled down-dip from a surface exposure of the mineralized zone composed of a massive quartz vein within a sheared and altered conglomerate adjacent to feldspar porphyry to the south. The entire mineralized zone has a 9-metre horizontal thickness in that sector. GR-19-A was drilled at azimuth 21 degrees North with a dip of 41 degrees in NQ core size.



**Granada Gold Mine Inc.  
Management's Discussion and Analysis  
For The Three And Six Months Ended December 31, 2024  
Dated - February 25, 2025**

---

Hole GR-19-A intersected 11.45 g/t over 33.0 metres from 0 to 33 m core length including high-grade intercepts of 42.5 g/t over 1.5 m from 0 to 1.5 m, plus 480 g/t over 0.4 m from 8.1 to 8.5 m, and another of 70.8 g/t over 0.5 m from 31.9 to 32.4 m. The horizontal width, based on outcrop, is about 9 metres and true width is estimated at 6.3 metres. The core length reported is estimated to have intersected only 15-20% of the entire thickness of the zone. However, it is a real known extent in that direction down dip of gold mineralization within the intersected length. Assays are uncut except where indicated.

A further 50 metre strike length of stripping uncovered a massive mineralized quartz zone exposing strong veining with visible gold on surface.

These preliminary results highlight the potential of near-surface, high-grade mineralization and continue to support higher grades that are in line with historic production grades of 8 to 10 g/t gold when it was mined in the 1930s from the two shafts and with later open pit grades from 5 to 3.5 g/t gold. The Company's earlier drill programs were designed to define structures. Drill holes intersected the mineralized structure perpendicularly. This recent program was designed to unlock the higher-grade potential of mineralized intersections near surface identified from previous drill holes.

In 1994, Granada Gold Mine Inc. extracted a bulk sample of 87,311 tonnes from surface grading 5.17 g/t gold from Vein 1 containing 451,397.87 grams (13,167.97 troy ounces) gold. The current drill program is east of, and on strike with Pit 1 which was taken from East-West-trending Vein 1. This recent drilling confirms the extension of Vein 1 from Pit 1 for 500 metres east to hole GR-19-E which intersected 2.0 metres grading 12.3 g/t Au (see company press release dated October 15, 2019). The Vein 1 zone is open to the east and is within the 5.5-kilometre East-West mineralized structure.

Drill programs in 2019 focused on testing the gold grade continuity and variability within mineralized structures (refer to holes GR-19-A to GR-19-F above, as well as the follow-up holes). Coarse, native gold was observed in the drill core of hole GR-19-E which intersected a high-grade zone with 12.32 g/t Au over 2 metres core length at a depth of 35.5 metres on the extended LONG Bars zone (refer to Oct 15, 2019, news release). The core length reported is estimated to have intersected 85-90% of true thickness of the zone. Assays are uncut except where indicated. It is important to note that the current NI 43-101 resource calculation by SGS (press release February 13, 2019) does not include the above mineralized zone as it was recently uncovered by stripping for a water sump.

A grab sample totaling 1,220 kilograms of mineralized material was taken in 2020 over a 3-metre strike length from Vein No 1 structure where diamond drill hole GR-19-A intersected 11.45 g/t gold from 0 to 33 metres core length. Visible gold was present in the core. True width is estimated at 6.3 metres (refer to January 9, 2020, news release). The 1,220-kg sample returned a calculated grade of 55.6 g/t from the native gold component. The sample was processed at Temiskaming Testing Labs in Cobalt, Ontario, which is fully owned by Nord Precious Metals Mining Inc., a related company with common directors and officers. Conventional gravity concentration was used and therefore only native gold was recovered and quantified. The gold-bearing sulfides were not recovered (Press release, August 11, 2020). The native gold component has been defined for the Granada Gold Mine to represent an average of 50% percent of the recoverable gold from the mineralized deposit (43-101 Technical Report dated February 13, 2019 on the Granada Gold Project Mineral Resource Estimate, Rouyn Noranda, Quebec authored by the Qualified persons, Allan Armitage, Ph. D., P. Geo and Maxime Dupere, B.SC., Geo both of SGS Canada Inc. - Section 13.1).

The mineralized Vein 1 structure has been traced on surface for over 115 metres east-west trend by stripping in stages over the past several years. Stripping continues to the west along strike. The structure extends over 500 metres when we connect the pierce points with the drill holes. Historically, the mill grades at Granada Mine were higher than drill grades. This is common with high-grade native gold concentration deposits on the Cadillac Trend - as it is with this deposit. The 1,220-kg sample returned 4 times the drill grade of the core – when considering only the native gold component.

Also in 2020, a 500-tonne mineralized material, and 900-tonne waste rock bulk sample was taken from surface 400 metres east of Pit #1 on the Vein 1 structure which trends approximately 5.2 kilometres east-west. Historically, Vein 1 was mined from underground in the 1930s at 9-10 grams per tonne gold, and mined by open pit in 1993-94 grading 5.15 grams per tonne gold in 87,000 tonnes and again in 1996 at a grade of 3.46 grams per tonne gold in 22,095 tonnes.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

From the 500-tonnes of mineralized material, a 10.5-tonne composite sample was crushed, ground and screened at 20-mesh to ensure no visible gold was in the sample to be evaluated. The screened, minus 20 mesh material was passed through the sampling tower at Temiskaming Testing Laboratory (TTL) in Cobalt, Ontario. Five super sacs were sampled by taking four samples from each super sac for assaying. Duplicate assays were run on one sample per super sac. The table below identifies the sample assay results. No visible gold was recovered when processing the minus 20 mesh portion of the bulk sample. Visible gold was present in the plus 20 mesh material. At this stage of evaluating the surface mineralization sample, the company is assessing the grade of the material without any high-grade visible gold (Press Release May 10, 2022). It has been estimated, based on metallurgical testing, that close to 50 percent of the gold at Granada is in native form (43-101 Technical Report Updated Mineral Resource Estimate, March 15, 2021).

Further, test work was carried out on a 100-kilogram sample from the 900-tonne mineralized waste rock. The 100-kilogram sample was sent to Gekko Systems. The combined test results from three gravity concentration processes carried out on a low-grade sample indicate that the Granada Gold sample is amenable to pre-concentration. The concentrate, produced by the three combined tests, had an average grade of 1.16 g/t gold, which was 251 percent higher than the 0.33 g/t assayed grade of the test sample. The concentrate amount was 18.2 percent of the sample size but with 47.1 percent recovery of the gold. (Press Release, June 28, 2021).

An additional bulk sample was taken to the west of this location to further quantify the grade of the mineralized material. The area was cleaned and blasted in late fall of 2022, and removed in the Spring of 2023. The bulk sample is to be processed at Temiskaming Testing Labs, Cobalt, Ontario.

Assay results from drill holes below pit-constrained mineral resource (press release September 30, 2020):

Hole ID	From (m)	To (m)	Length (m)	Gold (g/t)
GR-20-10	364.64	371.50	6.86	5.64
Including	364.64	365.84	1.20	4.47
Including	370.00	371.50	1.50	20.40
GR-20-11	292.50	294.00	1.50	3.37
GR-20-12	338.70	341.70	3.00	3.07
Including	339.70	340.20	0.50	14.40
GR-20-13	290.50	295.00	4.50	4.26
Including	292.00	293.50	1.50	11.90
GR-20-14	304.90	306.00	1.10	4.51
AND	324.15	324.65	0.50	11.65
AND	430.90	431.40	0.50	5.92
AND	445.30	446.80	1.50	4.41
GR-20-16	356.66	360.15	3.47	2.87
Including	358.16	359.16	1.00	7.17

Lengths stated are core length and are close to true widths, no capping applied. Au is Gold by Fire assay, or by gravimetric finish or screen metallic method.

This drill hole data under the pit-constrained resource could potentially change the economics of developing the Granada Mine Property. The property was previously explored as a low-grade, open-pit deposit but the company now envisions an initial open pit with a ramp from the bottom of the pit into the higher-grade mineralization below, significantly adding more ounces to the current resource.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

---

Subsequent drilling in 2020 targeted near-surface mineralization of vein 1 in our 100-series holes. Press releases on October 21st and December 18th identified significant high-grade mineralization in several holes. The highlights are as follows:

- 3.66 g/t gold over 26.5m in hole GR-20-110 from 35.2 to 61.7m
- 5.25 g/t gold over 3.0m in hole GR-20-109 from 60.0 to 63.0m
- 2.62 g/t gold over 6.42m in hole GR-20-101 from 34.5 to 40.5m
- 2.39 g/t gold over 29m in hole GR-20-111 from 0.0 to 29.0m
- 7.72 g/t gold over 4.5m in hole GR-20-112 from 31.0 to 35.5m
- 7.29 g/t gold over 5.02m in hole GR-20-117 from 49.21 to 54.23m

Throughout 2021, the Company continued drilling the 100-series and 200-series holes with the aim of being able to convert the existing low-grade open pit resource at 1 gram per tonne to a smaller, higher grade open pit with the majority of the future potential ounces in a resource underground. The holes are a series of short holes drilled down-dip to maximize the intersection of native gold in the mineralized veins, to test continuity within the mineralized veins, and to provide extension to current mineralization with the 200-series holes targeting deeper mineralization. The 100-series holes were drilled to intersect the vein uncovered by stripping and to follow the high-grade corridor.

Typical true thickness of the number 1 vein is 1.5 to 6.0 metres. The halo effect around vein 1 has been measured up to 20 metres true thickness with numerous mineralized veinlets hosting native gold. It has been estimated, based on metallurgical testing, that close to 50 percent of the gold is in native form and can be recovered from these veinlets (company press release, January 27, 2021).

The results in 2020 have proved the continuity along the main structure and confirmed the extent to depth of high-grade gold mineralization thus supporting the view that the gold grades and occurrences are continuous and have substantial thickness to the zone. The mineralized zone beneath the eastern extension of Pit #1 contains a collection of multiple veins with sulfide mineralized halos. The zone contains 3 distinct sub-parallel mineralized veins which connect with the former Pit #1 to the west. The true thickness of these mineralized structures varies between 2m and 11m. The main zone of these 3 structures is what was tested with the 200-Series drill holes (primarily holes GR-21-05, GR-21-09, GR-21-10, and GR-21-11).

The 200-Series holes were designed with an azimuth of 10-30 degrees to the north attempting to drill down the vein structures as opposed to obliquely. Normally, the drill holes are aimed southward which are designed to intersect the structures at a high angle, with an azimuth in the general range of 170-190 degrees. Previous intercepts into this structure have returned 6.95 g/t gold over 3.50 metres (true thickness) in hole GR-11-380 (Press release September 18, 2012), and 11.45 g/t gold over 33.00 metres in hole GR-19-A (Press Release January 9, 2020). The grades we see in the 200-Series drill holes validate the grades encountered previously in other drill programs and confirm the continuity of the gold mineralization. They also demonstrate that the system is a multi-vein system, as opposed to a single discrete vein. This is why the true thickness of the gold mineralization at Granada varies significantly from small high-grade intervals, such as 95.00 g/t over 0.50m, to even 0.31 g/t over 301m (Press Release September 18, 2012) depending on the location within the property and cut-off grade used for the calculation.

The mineralized zone at the western extension of Pit #2 contains a collection of multiple veins with sulfide mineralized halos. The zone contains 2 distinct sub-parallel mineralized veins which connect with the former Pit #2 to the east. The true thickness of these mineralized structures varies between 2m and 11m. 200-series holes in this zone are GR-21-26 and GR-21-28.

Drill holes GR-21-15, GR-21-16, GR-21-17 & GR-21-18 were designed to verify if gold mineralization was present beneath the Orphan Tailings Pond. These new assays confirm that the gold mineralization is both present and continuous at depth.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

In late 2021, the Company began preparations for extracting a bulk sample in 2022 on the extension of high-grade zone on Mining Lease BM813 (Press Release, December 8, 2021). Stripping of overburden was completed and block sorting of historical broken mineralized material on BM813 continued as part of its ongoing work to assess the grade on the structure east of former Pit #1. This work will enable extraction and sampling of the mineralized structures which links to the structure on the mining lease BM 852 where a previous bulk sample was taken 250m to the East (see Press Release June 16, 2021). This third bulk sample was blasted in 2022 just east of Pit 1 where a bulk sample of 100,000 tonnes was previously taken out in the 1990s and graded 3.5 to 5.0 g/t gold. This recent sample was blasted in the 3rd quarter of 2022 and has not yet been extracted. Extraction is planned for 2022 followed by processing at TTL in Cobalt, Ontario. The gold grade, based on the drill cuttings from the blast holes, is 1.6 g/t gold.

On March 15, 2021, the Company released an updated NI 43-101 resource estimate for the Granada Gold project (see January 29, 2021 news release) with a combined total of 713,000 gold ounces of measured, indicated, and inferred. This estimate contains 351,000 gold ounces of combined measured, indicated, and inferred for the open pit and 362,000 gold ounces of combined measured, indicated, and inferred for the underground. Please see Table 2 below for full details. Report reference: Granada Gold Project Mineral Resource Estimate Update, Rouyn-Noranda, Quebec, Canada authored by Yann Camus, P.Eng. and Maxime Dup  r  , B.Sc, P.Geo., SGS Canada Inc. with an effective date of December 15, 2020 and signature date of March 15, 2021.

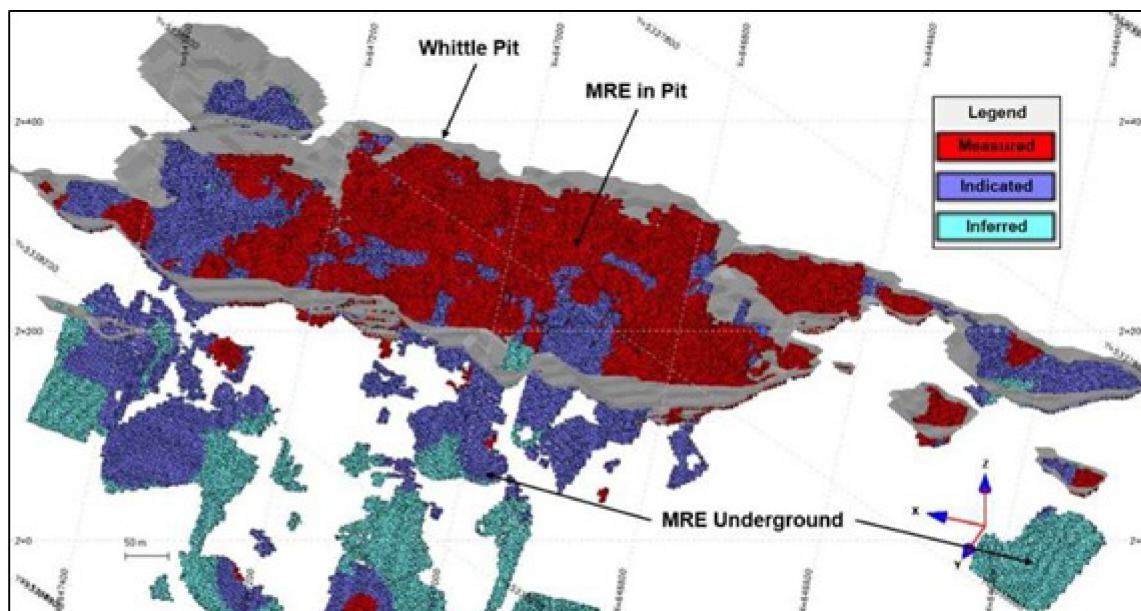
**Updated Mineral Resource Estimate Base Case with Details Between the Open Pit Portion and the Underground Portion**

Type	Category	Tonnes	Avg Grade Au (g/t)	Gold Ounces
Open Pit	Measured	3,756,000	1.89	228,000
	Indicated	1,357,000	2.55	111,000
	<b>Measured + Indicated</b>	<b>5,113,000</b>	<b>2.06</b>	<b>339,000</b>
	Inferred	34,000	11.29	12,000
Underground	Measured	37,000	4.22	5,000
	Indicated	807,000	4.02	104,000
	<b>Measured + Indicated</b>	<b>844,000</b>	<b>4.03</b>	<b>109,000</b>
	Inferred	1,244,000	6.33	253,000

1. Cut-off grades are based on a gold price of US\$1,600 per ounce, a foreign exchange rate of US\$0.76 for CA\$1, a gold recovery of 93%
2. Pit constrained mineral resources are reported at a cut-off grade of 0.9 g/t Au within a conceptual pit shell
3. Underground mineral resources are reported at a cut-off grade of 3.0 g/t Au within reasonably mineable volumes

**Isometric View Looking South-southeast Showing the Block Model of the Granada Deposit Updated Mineral Resource by Category, and its Whittle Pit**

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**



The Company released, on March 23, 2021 and further results on May 12, 2021, some significant levels of Scandium (Sc), Rubidium (Rb), and Cesium (Cs) on the Big Claim of the Granada Gold Mine property, in Quebec, Canada. The company encountered unusual facies of altered rock which have been selectively sampled. Those core samples from holes GR-20-20 and GR-20-22 have been assayed for 56 metals. Hole GR-20-22 intercepted 21 distinct mineralized zones ranging in core length from 2.8 metres up to 177 metres.

Hole	Length metres	From metres	To metres	Cs ppm	Rb ppm	Sc ppm	Zr ppm	Ce ppm	Ga ppm	Hf ppm	Nd ppm	Sr ppm
GR-20-20	12.00	351.00	363.00	13.5	101.8	21.0						
GR-20-20	98.00	451.00	549.00	3.5	69.1	13.8						
GR-20-20	15.00	573.00	588.00	1.1	42.1	12.2						
GR-20-22	53.00 ( I )	1053.00	1106.50	6.6	340.2	1.0	724.3	123.0	32.5	18.3	34.4	150.9
GR-20-22	35.00 ( II )	1291.00	1326.00	6.6	144.7	9.0	301.5	121.4	19.7	7.8	53.6	1285.4
GR-20-22	30.00( III )	1596.00	1626.00	4.8	83.4	14.8	161.7	67.8	20.4	4.4	31.3	489.3

Core lengths represent approximately 40 percent true width.

Details of the uses and market price ranges, as well as links to additional information of rare earth and alkali metals, can be found in the Company's press releases of March 23, 2021 and May 12, 2021.

Granada's rare earth and alkali metal discovery was encountered during the Company's deep drilling program for gold on the defined gold zone that is dipping at 50 degrees to the north towards the renowned Cadillac Break. The target depth for the gold mineralization extension in the northern portion of the Big Claim is about 2,500 metres. The 1.6 kilometre step out between these two holes and along the Cadillac Break could potentially represent a massive, rare-earth and alkali-metals mineralized discovery zone which would greatly impact the value of the property. The company has 5.5 kilometres of east- west strike length to further explore along the Cadillac Break.

In January 2022, the Company released results of SGS Bench-scale test work where leach extraction of 99% rubidium was achieved using its Re-2Ox process thereby demonstrating its flexibility in treating other feeds using the same chemicals and process equipment there were used to produce base metal EV salts. Drill core from the EV battery metals discovery zone, from the northern part of the Big Claim at Granada Gold Mine, was used for the test work at SGS Canada. The core was crushed and ground to 80 percent passing 200 mesh, followed by a conventional flotation process to remove pyrite. Pyrite removal minimizes chemical consumption during the Re-2Ox leaching process. Multiple bench-scale tests were undertaken to optimize leach extraction, achieving 99 percent of contained rubidium metal, by varying leach time, chemical concentrations, and temperatures. Project economics are thus enhanced by having gold bullion as the primary metal recovery, and rubidium carbonate as a secondary by-product metal recovery (Press release, January 11, 2022).

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

---

Additionally, SGS Canada has been retained to conduct metallurgical and environmental studies for the planned application to modify the Company's existing Quebec Certificate of Authorization, which currently allows for the open-pit mining of 8,000 tonnes per day at the property and the custom milling of 550 tonnes per day (200,000 tonnes per year) at a local mill. SGS Canada will be testing ore processing with the addition of calcite with gravity and cyanidation of gravity tails, as well as processing the ore by gravity and flotation for production of gold sulfides concentrates. (Press release November 15, 2021).

In May, 2022, results for the 500-tonne bulk sample taken in late 2020 were released. From the original 500 tonnes, a composite sample of 10.5 tonnes was screened at 20-mesh to remove any visible gold so as not to affect the results of the smaller size fraction. The screened, minus 20 mesh material was passed through the sampling tower at Temiskaming Testing Laboratory (TTL) in Cobalt, Ontario. While visible gold was present in the plus 20 mesh material, no visible gold was recovered when processing the minus 20 mesh portion of the bulk sample.

At this stage of evaluating the surface mineralization sample, the company is assessing the grade of the material without any high-grade visible gold. It has been estimated, based on metallurgical testing, that close to 50 percent of the gold at Granada is in native form (43-101 Technical Report Updated Mineral Resource Estimate, March 15, 2021). The results of this bulk sample returned 4.33 g/t gold for only the fine fraction.

In July 2022, the Company released an updated mineral resource estimate for gold.

The updated mineral resource titled Technical Report on the Granada Gold Project Mineral Resource Estimate Update, Rouyn-Noranda, Quebec was dated August 20, 2022 and showed that the drilling had increased the Measured and Indicated Mineral Resource by 21% to 543,000 ounces gold at a grade of 2.05 g/t Au and Inferred by 715% to 456,000 ounces gold at a grade of 4.71 g/t Au. The estimates combine in-pit constrained and underground mineral resources estimates and include the results of the 30,000-meter drill program conducted on the Big Claim at Granada since the last estimate was published in January 2021.

With the successful leaching of the rubidium using Nord Precious Metals Mining Inc., Re-2Ox process, along with the global demand for EV metals, the potential exists for a significant revised economic evaluation of the Granada Gold Mine Property if rubidium is recovered as a by-product of the gold mining process. Metallurgical testwork conducted on drill core samples at SGS Lakefield facilities were positive and prove that rubidium can be recovered at a high recovery of 99 percent (new release January 11, 2022).

Blasted material from the third bulk sample which was blasted late 2022 just next to the east of Pit 1 where a bulk sample of 100,000 tonnes was previously taken out in the 1990s and graded 3.5 to 5.0 g/t gold, graded 1.6 g/t gold based on the blasters drill cuttings. This material will be extracted in 2023 and will be processed at TTL, in Cobalt, Ontario.

The purpose of the bulk sample is to correlate drill core data to mill grade data, to engineer a plant design, and to improve process economics. The current deposit at Granada Gold Mine, a former high-grade producer at 10 grams per tonne, is only 20 percent explored.

On May 8, 2023 the Company announced that ALS GoldSpot has completed its first round of deliverables as part of its approach to identifying highly prospective areas for new discoveries at existing gold deposits. The Company expects the second round to produce new machine learning drill targets for both the main Granada Block and the Aukeko block to the east.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

---

Infill sampling was initiated on a 2021 deep hole. This high-risk, step-out, deep hole was drilled near the northern margin of the property. The hole was drilled to a downhole depth of 2004 metres and intersected multiple high-grade gold zones. Highlights are as follows:

- from 1209.8 meters down hole, 12.7 grams per tonne gold over 1.5 meters (duplicate #1: 13.47 grams per tonne, duplicate #2: 10.82 grams per tonne gold).
- from 1239.9 meters down hole, 4.6 grams per tonne gold over 1.0 meters (duplicate #1: 5.01 grams per tonne gold, duplicate #2: 8.03 grams per tonne gold).
- from 1267.9 meters down hole, 5.5 grams per tonne gold over 0.8 meters (duplicate #1: 4.14 grams per tonne gold).
- from 1326.5 meters down hole, 2.41 grams per tonne gold over 0.75 meters.
- from 1835.8 meters down hole, 6.42 grams per tonne gold over 0.6 meters.

These results confirm that gold grades increase with depth, and with proximity to the Cadillac Break – the source of many multi-million-ounce gold deposits.

## **RISK FACTORS**

### **Overview**

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk, including commodity price risk;
- foreign currency exchange risk;
- interest rate risk; and
- operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout the notes to the three and six months ended December 31, 2024, and the year ended June 30, 2023 financial statements.

### **Risk Management Framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board fulfills its responsibility through the Audit Committee, which is responsible for overseeing the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management practices are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has an established code of conduct which sets out the control environment within which framework all directors' and employees' roles and obligations are outlined.

The Company's risk and control framework is facilitated by the small-sized and hands-on executive team. There have been no changes in the risks, objectives, policies and procedures during the periods ended December 31, 2024 and 2023.

Credit risk is the risk of an unexpected financial loss to the Company if a customer or third-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and receivables.

**a) Cash**

The Company's cash is held through large Canadian financial institutions. The Company has a corporate policy of investing its available cash in Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks, unless otherwise specifically approved by the Board. The Company does not own asset-backed commercial paper. Management believes the risk of loss to be minimal.

**b) Receivables**

When necessary, the Company establishes a provision for credit losses that represents its estimate of incurred losses in respect of receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures. Further, when the Company engages in corporate transactions, it seeks to manage its exposure by ensuring that appropriate recourse is included in such agreements upon the counterparty's failure to meet contractual obligations. Management believes that the credit risk with respect to financial instruments included in receivables is minimal.

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking undue damage to the Company's reputation. The Company generates cash flow primarily from its financing activities.

The Company's objective is to maintain sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. This is accomplished by budgets and forecasts which are updated on a periodic basis to understand future cash needs and sources. Spending plans are adjusted accordingly when possible to provide for liquidity.

The Company manages its liquidity risk through the mechanisms described above and as part of Capital Disclosures below. The Company has historically relied on issuances of shares to develop projects and to finance day-to-day operations and may do so again in the future.

The Company has no significant long-term liabilities other than reclamation obligations. All other contractually obligated cash flows are payable within the next fiscal year.

**Classification of Financial Instruments**

The Company's financial instruments consist of cash, amounts receivable, marketable securities, trade other payables and provisions, and secured loans payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and current market rates for similar financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).



**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

As at December 31, 2024 and June 30, 2024, the Company did not have any assets measured at fair value and that require classification within the fair value hierarchy, except for its marketable securities:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
December 31, 2024 - marketable securities	44,642	12,905	-	<b>57,547</b>
June 30, 2024 - marketable securities	102,186	9,625	-	<b>111,811</b>
<b>Total</b>	<b>146,828</b>	<b>22,530</b>	<b>-</b>	<b>169,358</b>

There were no transfers to or from Level 2, or level 3 during the period ended December 31, 2024, and year ended June 30, 2024.

### **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate risk, and commodity prices will affect the Company's income, the value of its evaluation and exploration properties or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### **a) Commodity price risk**

The Company is exposed to price risk with respect to fluctuation in gold and silver prices which impacts the future economic feasibility of its mining interests. Gold and silver prices are affected by numerous factors such as the sale or purchase of gold and silver by various institutions, interest rates, exchange rates, inflations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold and silver producing countries throughout the world. As the Company is still in the exploration and evaluation stage, the fluctuation of gold and silver prices does not have a significant impact on the Company.

#### **b) Foreign currency exchange risk**

The Company is exposed to foreign currency exchange risk with respect to future gold and silver sales, since gold and silver sales are denominated in US dollars and the Company's functional and reporting currency is the Canadian dollar. The movement on US rates related to the Canadian dollar may impact the future economic feasibility of the Company's mining interests. As the Company is still in the exploration and evaluation stage, the fluctuation of the US dollar does not have a significant impact on the Company.

#### **c) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company's policy as it relates to its cash balance is to invest excess cash in financial instruments guaranteed by and held with a Canadian chartered bank.

#### **d) Price risk**

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies.

### **Sensitivity Analysis**

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

---

- i) The Company receives low interest rates on its cash balances and carries debt with fixed interest rates. As such, the Company does not have significant interest rate risk.
- ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign currency risk.
- iii) The Company's receivables are composed primarily of refundable sales taxes owing from the government of Canada. As such, the Company does not have significant credit risk relating to its receivables.
- iv) The Company's marketable securities are comprised of common shares and warrants of NTH and Coniagas. A 10% change in the share price of the Company's marketable securities would result in a corresponding change to net loss in the amount of \$6,700 for the period ended December 31, 2024.

### **Operational Risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. The Company has a small but hands-on and experienced executive team which facilitates communication across the Company. This expertise is supplemented, when necessary, by the use of experienced consultants in legal, compliance and industry-related specialties. The Company also has standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Development of contingency plans;
- Ethical and business standards; and
- Risk mitigation, including insurance when this is effective and available.

### **CAPITAL MANAGEMENT DISCLOSURES**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation projects. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise and ability to raise financing of the Company's management to sustain future development of the business.

The Company considers its capital to be shareholders' equity, which is comprised of common shares, reserves and deficit, which as at December 31, 2024 totaled a shareholders' deficiency of \$12,736,336 (June 30, 2024 – \$12,215,315).

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company currently has no significant source of revenues, and therefore is dependent on external financing to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended December 31, 2024 and 2023.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of December 31, 2024, the Company may not be compliant with all of the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

## **SELECTED QUARTERLY INFORMATION**

### **RESULTS OF OPERATIONS**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates.

The following schedule provides the details of the Company's corporate operating expenditures for the three and six months ended December 31, 2024 and 2023.

	Three Months Ended December 31,		Six Months December 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Corporate</b>				
Administrative and general expenses	16,195	6,505	20,718	10,946
Financing fees	28,723	-	56,875	25,988
Professional fees	391,812	172,684	436,015	270,737
Filing costs and shareholders' information	15,687	2,116	19,437	34,055
Travel	1,038	487	2,052	487
<b>Total corporate</b>	<b>453,455</b>	<b>181,792</b>	<b>535,097</b>	<b>342,213</b>

The following schedule provides the details of the Company's expenditures on its exploration and evaluation projects for the three and six months ended December 31, 2024 and 2023.

	Three Months Ended December 31,		Six Months December 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Exploration and evaluation</b>				
Assay and testing	3,700	46,917	3,700	51,516
Consulting fees	-	4,000	-	1,109
Depreciation	3,950	7,579	8,681	15,158
Equipment	745	22,977	745	(1,504)
Facility expenses	12,585	18,704	17,461	36,664
Geology, geophysics and surveys	(35,000)	35,000	-	70,000
Mining tax credits	-	-	-	-
Personnel costs	56	1,040	338	27,549
Project management and engineering	(74,365)	75,760	4,270	154,624
Reclamation and restoration costs	1,616	1,631	3,231	3,261
Security	300	-	300	-
Taxes, permits and licensing	4,889	6,946	5,353	8,714
<b>Total exploration and evaluation</b>	<b>(81,524)</b>	<b>220,554</b>	<b>44,079</b>	<b>367,091</b>

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

**Three months ended December 31, 2024, compared with three months ended December 31, 2023**

Comprehensive loss for the three months ended December 31, 2024 was \$420,117 as compared to \$465,480 for the three months ended December 31, 2023. The decrease in comprehensive loss of \$45,363 was mainly attributable to the net effect of:

A decrease of \$302,078 in exploration expenses driven primarily by a reduction equipment related expenses, and a reclass of certain geological consulting fees, and the CEO's consulting fee to corporate professional fees.

An increase of \$271,663 in corporate expenses caused primarily due to a reclass of certain geological consulting fees, and the CEO's consulting fee to corporate professional fees.

An increase of \$14,948 in other (income) expenses from expenses of \$63,134 to expenses of \$48,186 was driven primarily a net by the unrealized loss on marketable securities of \$9,529 during the three months ended December 31, 2024 versus an unrealized loss on marketable securities of \$200 during the prior period, a net increase in part XII.6 penalty and interest and flow-through indemnification action provision of \$61,319, offset by a gain on settlement of debt of \$114,593.

**Six months ended December 31, 2024, compared with six months ended December 31, 2023**

Comprehensive loss for the six months ended December 31, 2024 was \$821,182 as compared to \$747,993 for the six months ended December 31, 2023. The increase in comprehensive loss of \$73,189 was mainly attributable to the net effect of:

A decrease of \$323,012 in exploration expenses driven primarily by decreased drilling expenses, equipment, personnel costs, and project management expenses, and a reclass of certain geological consulting fees, and the CEO's consulting fee to corporate professional fees.

An increase of \$192,884 in corporate expenses caused primarily by a reclass of certain geological consulting fees, and the CEO's consulting fee to corporate professional fees.

An increase of \$203,317 in other expenses driven primarily unrealized loss on marketable securities of \$54,264 in the six months ended December 31, 2024 versus an unrealized loss on marketable securities of \$4,390 in the prior period, a reduction in rental revenue of \$60,000 and a net increase in part XII.6 penalty and interest and flow-through indemnification action provision of \$95,020.

**Summary of Quarterly Results**

<b>Quarter Ended</b>	<b>Revenues (\$)</b>	<b>Comprehensive Income (Loss) for the period (\$)</b>	<b>Income (Loss) per Share - Basic and Diluted (\$)</b>
December 31, 2024	12,400	(420,117)	(0.003)
September 30, 2024	26,000	(401,065)	(0.002)
June 30, 2024	45,400	(869,666)	(0.006)
March 31, 2024	53,680	(312,071)	(0.002)
December 31, 2023	49,200	(465,480)	(0.003)
September 30, 2023	49,200	(282,513)	(0.002)
June 30, 2023	49,200	(840,932)	(0.006)
March 31, 2023	59,203	(564,726)	(0.004)

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

## **LIQUIDITY**

The Company has financed its operations to date primarily through the issuance of common shares and the exercise of warrants and stock options. The Company will continue to seek capital through various means including the issuance of capital stock.

The Company is in the exploration stage. These financial statements are prepared in accordance with accounting principles to a going concern, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the continued support from its directors, the ability to continue to raise the necessary financing to meet its obligations, and to achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time. These financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company has no history of profitable operations and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

As at December 31, 2024, the Company had not yet achieved profitable operations, has accumulated losses of \$87,147,048 (June 30, 2024 - \$86,417,356) since its inception, has a working capital deficiency of \$12,804,394 (June 30, 2024 - \$12,344,145) and expects to incur further losses in the development of its business.

The Company received \$200,000 from flow-through share issuances on December 30, 2024 to be spent on qualified exploration expenditures before December 31, 2025. As at December 31, 2024, the Company has \$200,000 remaining to be spent.

## **RELATED PARTY TRANSACTIONS**

The Company determined that key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The Board of Directors (executive and non-executive), President and Chief Executive Officer and Chief Financial Officer are key management personnel.

The remuneration to key management personnel during the three and six months ended December 31, 2024 and 2024 is as follows:

	<b>Three Months Ended December 31,</b>		<b>Six Months Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Key management compensation	\$ <b>161,119</b>	\$ 142,116	\$ <b>285,150</b>	\$ 287,346
	<b>161,119</b>	<b>142,116</b>	<b>285,150</b>	<b>287,346</b>

The Company retains the services of a company owned by an officer and director of the Company to carry out exploration work on its resource properties and for management services. During the six months ended December 31, 2024, the total amount for such services provided was \$220,001 (December 31, 2024 - \$220,001) of which \$nil (December 31, 2024 - \$220,000) was recorded in exploration expenses and \$200,001 (June 30, 2024 - \$1) in professional fees. As at December 31, 2024, the Company has a balance of \$1,171,692 (June 30, 2024 - \$1,139,973) payable to the company owned by the officer and director. These amounts are unsecured, non-interest bearing and due on demand.

As of December 31, 2024, the Company owed \$2,695,227 (June 30, 2024 - \$2,879,980) to NTH, a related party in which there are three common directors and two common officers. These amounts are unsecured, non-interest bearing and due on demand.

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

As of December 31, 2024, the Company owed \$75,404 (June 30, 2024 - \$26,350) to Conigas Battery Metals Inc, a related party in which there are one common directors and two common officers. These amounts are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2024, the Company recorded \$38,400 in equipment rental revenue (December 31, 2024 - \$98,400) from Nord, \$270,844 (June 30, 2024 - \$227,452) of which was recognized as amounts receivable on December 31, 2024. This amount is unsecured, non-interest bearing with no fixed terms of repayment. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

As of December 31, 2024, the Company owed \$41,487 (June 30, 2024 - \$14,030) to a company which the CFO is employed with. These amounts are unsecured, non-interest bearing and due on demand.

As of December 31, 2024, the Company owed \$129,300 (June 30, 2024 - \$99,300) to the corporate secretary. These amounts are unsecured, non-interest bearing and due on demand.

As at December 31, 2024, the Company has loans outstanding with certain shareholders in the amount of \$1,443,600 (June 30, 2024 - \$1,386,725).

Effective January 1, 2014, the Company entered into a management agreement with Mineral Recovery Management Systems Corp. ("MRMSC"), a company controlled by Frank Basa and Elaine Basa, to provide project management, engineering and geological services to the Company in consideration of \$25,000 per month for the services of Frank Basa and \$11,666.67 per month for the services of Elaine Basa. Either party may terminate this agreement by giving a four months' notice to the other, subject to certain provisions of the agreement.

## **COMMITMENTS AND CONTINGENCIES**

### **Environmental obligations**

The Company's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are hardly identifiable, whether with the outcomes, the impacts or the deadline. As at December 31, 2024, to the best knowledge of its management, the Company is, in conformity with the laws and regulations.

### **Flow-through obligations**

The Company is partly financed by the issuance of flow-through shares. However, there are no guarantees that the funds spent by the Company will qualify as Canadian exploration expenditures, even if the Company has taken all the necessary measures for this purpose. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work no later than the first of the following dates:

- i) Two years following the flow-through investment;
- ii) One year after the Company has renounced the tax deductions relating to the exploration work.

The Company does not have sufficient working capital to cover its flow-through commitment, and intends to cover its flow-through commitment through additional equity financing.

	<b>Flow-through Liability (\$)</b>	<b>Flow-through indemnification (\$)</b>
Balance, June 30, 2024	-	-
Recognition of flow-through liability	71,729	200,000
De-recognition of flow-through liability	-	-
Balance, December 31, 2024	71,729	200,000

**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

The Company has indemnified the subscribers of current and previous flow-through offerings against any tax related amounts that become payable by shareholders in the event the Company does not meet its expenditure commitment.

**Canada Revenue Agency audit**

The Canada Revenue Agency ("CRA") is auditing certain of the Company's corporate tax returns and flow-through filings from 2012 to 2017 and has assessed that the Company had flow-through shortfalls in certain of those years. Accordingly, the Company has recorded a provision for the estimated cost to indemnify flow-through share subscribers for their possible personal income tax reassessments.

In estimating the liability, the Company has assumed the following:

- The subscribers would be taxable at the highest marginal personal tax rate;
- That all non-corporate subscribers are eligible for the federal 15% investment tax credit; and
- That Quebec subscribers are eligible for the 150% or 120% additional CEE deduction.

The ultimate amount owing and the timing of any payments to investors are highly uncertain as they are dependent on each taxpayer's individual tax situation as well as if, or when, they are reassessed by the CRA.

The Company has also accrued the estimated Part XII.6 tax and similar Quebec tax on the potential shortfalls.

The CRA has also assessed penalties of approximately \$2,200,000 which the Company has not accrued. The Company believes the assessment of these penalties is without merit and has filed Notices of Objection to dispute the assessment. The outcome of the Notices of Objection cannot be determined at this time and accordingly, no amounts have been accrued in these financial statements relating to the penalties.

A continuity of the provision for the shareholder indemnity for the period ended December 31, 2024 and year ended June 30, 2024 is as follows:

	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Opening balance	\$ <b>5,363,851</b>	\$ 4,888,193
Accrual for additional provision and interest	<b>277,289</b>	475,658
<b>Ending balance</b>	<b>5,641,140</b>	<b>5,363,851</b>

Revenue Quebec has commenced an audit of the Company's Quebec tax credit filings for 2020, 2021 and 2022. During 2024, the Company recorded a provision of \$226,885 being the value of the tax credits that are in dispute. Revenue Quebec is also proposing to assess penalties of approximately \$225,000 which the Company has not accrued. The Company believes the assessment of these penalties is without merit and is disputing them.

**Service agreements**

The Company has consulting service agreements with related parties (certain officers and directors).

i) Effective January 1, 2007, and amended December 1, 2010, May 16, 2013 and March 1, 2015, the Company entered into a management agreement with Grupo Moje Limited ("Grupo"), a company owned by a director and officer of the Company to provide management services of Frank Basa in consideration for a nominal annual fee of \$1.

This agreement also requires that if the agreement is terminated by the Company upon or following a change in control or change of management the Company shall make a payment to Grupo equal to 480 ounces of gold with the dollar amounts to be calculated based on the price of gold on the date of termination of the agreement. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.



**Granada Gold Mine Inc.**  
**Management's Discussion and Analysis**  
**For The Three And Six Months Ended December 31, 2024**  
**Dated - February 25, 2025**

---

ii) Effective January 1, 2014, the Company entered into a management agreement with Mineral Recovery Management Systems Corp. ("MRMSC"), a company controlled by Frank Basa and Elaine Basa, to provide project management, engineering and geological services to the Company in consideration of \$25,000 per month for the services of Frank Basa and \$11,666.67 per month for the services of Elaine Basa. Either party may terminate this agreement by giving a four months' notice to the other, subject to certain provisions of the agreement.

**Claims, lawsuits and other complaints**

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity. The outcome of these litigations cannot be reasonably determined, as a result, no amounts have been accrued as at December 31, 2024.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not utilize off-balance sheet arrangements.

**OUTSTANDING SHARE DATA**

The Company's authorized capital is an unlimited number of common shares without par value. As at the date of this report there were 165,116,529 shares issued and outstanding. The Company had 32,439,853 share purchase warrants outstanding. Each warrant entitles the holder to purchase one common share at a price of \$0.05 to \$0.28 per share until April 1, 2025. Stock options outstanding total 4,075,000, and are exercisable for common shares at \$0.05 to \$0.14 per share with expiry dates until June 4, 2029.