

## **Palisades Goldcorp Ltd.**

### Management's Discussion and Analysis

For the years ended December 31, 2024 and 2023

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The following discussion is management's assessment and analysis ("MD&A") of the results and financial condition of Palisades Goldcorp Ltd. (the "Company" or "Palisades") and should be read in conjunction with the accompanying audited financial statements and related notes as at December 31, 2024 and 2023, and for the years then ended. The financial data was prepared using accounting policies consistent with IFRS accounting standards as issued by the International Accounting Standards Board (IASB) ("IFRS accounting standards") and all figures are reported in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, "**forward-looking statements**"), that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business, activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, including those described under the headings "Risks and Uncertainties" and "Cautionary Notes Regarding Forward-Looking Statements" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those expressed or implied in forward-looking statements. The effective date of this report is April 8, 2025.

### **Description of Business**

The Company was incorporated on August 30, 2019 as Palisades Acquisitions Corp. under the Business Corporations Act in the Province of British Columbia. On September 24, 2019, the Company changed its name to Palisades Goldcorp Ltd.

The address of the Company's registered office is 25<sup>th</sup> Floor, 700 West Georgia St., Vancouver, British Columbia V7Y 1B3. The address of the Company's head office is Suite 2125, 1055 West Georgia St., Vancouver, British Columbia V6E 3P2.

The Company is a resource investment company and merchant bank focused on junior companies in the resource and mining sector. The Company is focused on providing retail and institutional investors with exposure in the junior resource space. The Company expects to continue to make investments, pursuant to its dual investment strategy, to achieve broad sector exposure with upside in the event of appreciation in mineral commodities prices, while also providing the potential to realize appreciation in net asset values as a result of discoveries by issuers in which the Company holds larger positions. At present, and after the acquisition of Palisades Investments Ltd (formerly Radio Fuels Energy Corp.) in February 2025, Palisades has a portfolio of equity investments, or securities convertible into equity investments, in over 125 junior resource issuers.

On February 6, 2023, the Company completed an initial public offering and listed on the TSX Venture Exchange as a Tier 2 issuer under the symbol "PALI".

As of the date of this MD&A, the Company's Board of Directors consisted of the following: Bassam Moubarak, Gregor Gregersen and Elizabeth Harrison.

Additional information relating to the Company is available on the Company's website at [www.palisades.ca](http://www.palisades.ca), and under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Recent Developments**

#### *Acquisition of Radio Fuels*

On February 6, 2025, the Company completed acquisition of all of the issued and outstanding shares of Radio Fuels Energy Corp. ("Radio Fuels") by way of a plan of arrangement under the Canada Business Corporations Act. Under the terms of the arrangement agreement, each Radio Fuels share was exchanged for 0.060538 of the Company's common share, which resulted in the Company issuing 15,127,294 of its common shares to former shareholders of Radio Fuels. In addition, each Radio Fuels warrant (the "Palisades Warrants") is now exercisable for 0.060538 of the Company's share. The Palisades Warrants began trading on the TSX Venture Exchange on February 10, 2025 under the symbol "PALI.WT".

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As a result of the acquisition, the Company obtained control over Radio Fuels assets, including its investment portfolio and mineral property portfolio.

On February 20, 2025, Radio Fuels changed its name to Palisades Investments Ltd.

#### *\$2.5 Million Non-Brokered Private Placement*

On March 4, 2025, the Company completed a non-brokered private placement financing consisting of 1,436,365 common shares of the Company at a price of \$1.74 per common share for aggregate gross proceeds of \$2,499,275. Proceeds from the non-brokered private placement will be used for general working capital purposes.

### **Strategic Investments**

Since its inception in 2019, Palisades has built positions in strategic assets as follows:

#### *Palisades Investments Ltd. (formerly Radio Fuels Energy Corp.)*

The Company obtained a 100% ownership of Palisades Investments Ltd. (formerly Radio Fuels Energy Corp.) ("Palisades Investments") in February 2025. Palisades Investments is a junior natural resource company focused on providing exposure to uranium and other commodities through the investment, acquisition, exploration, and development of projects and companies.

At present, Palisades Investments has a portfolio of equity investments, or securities convertible into equity investments, in over 50 junior resource issuers.

Through its subsidiary, Made in America Gold Corp. (formerly NV King Goldlands Inc.) ("Made in America"), Palisades Investments owns claims along the Battle Mountain Trend in Nevada with the following key project areas: Iron Point, Buffalo Valley, Lewis, Horse Mountain-Mill Creek, Hilltop South, Carico Lake, Kobeh Valley, and Pancake South.

Additionally, Made in America owns a 3% net smelter royalty on the Atlanta Gold Mine Project, currently being advanced by Nevada King Gold Corp. (TSXV: NKG), as well as a 3.0% net smelter return ("NSR") royalty on the core "Bobcat" claims that cover the existing resource zone. The 3.0% NSR royalty on the Bobcat claims will take effect upon fulfilling the existing royalty on the Bobcat claims which is a 3.0% royalty capped at the first 4,000 ounces of gold equivalent production.

Palisades Investments also has a 100% ownership of the Eco Ridge Project, which has an NI 43-101 resource of 39.9Mlbs of U308 Eq indicated and 67.2 Mlbs of U308 Eq inferred.

#### *New Found Gold Corp.*

As at December 31, 2024, the investment in New Found Gold Corp. ("New Found") represented 21.64% of New Found's issued and outstanding common shares (December 31, 2023 – 25.03%) and the companies had a director and officer in common, being the Director and Executive Chairman. The Company maintained significant influence over New Found at December 31, 2024 and 2023 and as a result accounted for it as an investment in associate. The carrying value of investment in New Found was \$218,399,205 at December 31, 2024 (December 31, 2023 - \$218,399,205).

As of the date of this MD&A, the investment in New Found represents 24.63% of New Found's issued and outstanding common shares, and the companies no longer have any directors or officers in common.

New Found is advancing its 100% owned Queensway gold project, located on the Trans-Canada highway 15km west of Gander, Newfoundland.

The following table illustrates the summarised financial information of the Company's investment in New Found as at December 31, 2024 and 2023:

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	December 31, 2024	December 31, 2023
	\$	\$
<b>Summarised Statement of Financial Position</b>		
Current assets	29,751,410	62,375,526
Non-current assets	496,883,102	829,397,913
Current liabilities	(7,378,986)	(19,007,634)
Non-current liabilities	(69,320)	(68,839)
Net Assets	519,186,206	872,696,966
The Company's ownership interest	21.64%	25.03%
Share of New Found's net assets	112,370,841	218,399,205
<b>Summarised Statement of Loss and Comprehensive Loss</b>		
Revenues	-	-
Loss from continuing operations	(75,680,651)	(80,319,341)
Post-tax loss from discontinued operations	-	-
Net loss and comprehensive loss for year	(75,680,651)	(80,319,341)
Share of New Found's loss for the years ended December 31, 2024 and 2023	(16,946,782)	(21,020,996)

The Company performs an impairment assessment on its investment in New Found at each period end. The assessment is based on the review of the recent share price history, review of the industry statistics and assessment of the current market conditions. At December 31, 2024, it was concluded that the investment in New Found is impaired and should be written-down to its estimated fair value of at December 31, 2024 of \$112,370,841 (2023 - \$218,399,205).

During the year ended December 31, 2024, the Company recognized an impairment write-down on its investment in New Found of \$72,218,184 (2023 - \$19,562,087), which was included in the loss and comprehensive loss for the year.

The following table illustrates the movement in investment in associate for the years ended December 31, 2024 and 2023:

<b>Net Carrying amount – December 31, 2022</b>	<b>\$ 258,612,464</b>
Share of loss from operations of associate	(21,020,996)
Gain on dilution of equity interest	369,824
Impairment loss	(19,562,087)
<b>Net Carrying amount – December 31, 2023</b>	<b>\$ 218,399,205</b>
Transferred in settlement of legal claim (Note 12)	(15,552,577)
Share of loss from operations of associate	(16,946,782)
Loss on dilution of equity interest	(1,310,821)
Impairment loss	(72,218,184)
<b>Net Carrying amount – December 31, 2024</b>	<b>\$ 112,370,841</b>

The estimated fair value of investment in New Found was \$112,370,841 at December 31, 2024 (2023 - \$218,399,205).

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## Investment Portfolio

The following information regarding the investment portfolio of Palisades is historical as at the dates indicated and may change due to the ongoing investment activities of the Company, in addition to fluctuations in the fair values of investments. The fair values of investments have been measured in accordance with the Company's accounting policies and the amounts at which the Company's investments could be disposed of currently may differ from their varying values for a variety of reasons (see *Risk Factors* below for further details).

The portfolio consists of investments in marketable securities and warrants as follows:

	December 31, 2024	December 31, 2023
Equities held (i)	\$ 2,796,076	\$ 5,794,558
Warrants held (ii)	1,322,165	1,930,047
Total investments	\$ 4,118,241	\$ 7,724,605

### (i) Equities Held

	Quantity	Fair Value December 31, 2024 \$
GoGold Resources Inc.	350,000	388,500
Impact Silver Corp.	2,177,000	457,170
Minera Alamos Inc.	1,000,000	250,000
Southern Silver Exploration Corp.	1,500,000	277,500
Other <sup>1</sup>		1,422,906
Total equities held		2,796,076

	Quantity	Fair Value December 31, 2023 \$
Labrador Gold Corp.	8,520,000	1,235,400
Golden Planet Mining Corp.	13,289,586	1,993,438
Other <sup>1</sup>		2,565,720
Total equities held		5,794,558

1. Aggregate of all equity investments held with individual fair values of less than \$0.2 million (2023 - \$1 million).

### (ii) Warrants Held

	Quantity	Fair Value December 31, 2024 \$
Provenance Gold Corp.	1,528,444	214,633
Other <sup>2</sup>		1,107,531
Total warrants held <sup>1</sup>		1,322,165

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	Quantity	Fair Value December 31, 2023 \$
Goliath Resources Inc.	1,800,000	1,082,730
Other <sup>2</sup>		847,317
Total warrants held <sup>1</sup>		1,930,047

1. The cost of warrants acquired through participation in private placements of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the purchase price is allocated to common shares based on the fair value of a common share at the date of the transaction and any residual remaining is allocated to common share purchase warrants.

2. Aggregate of all warrant investments held with individual fair values of less than \$0.2 million (2023 - \$1 million).

## OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

### Select Annual Information

Selected annual information from the audited financial statements for the years ended December 31, 2024, 2023 and 2022 is presented in the table below.

<b>Selected Annual Financial Information</b>	<b>Year ended December 31, 2024 \$</b>	<b>Year ended December 31, 2023 \$</b>	<b>Year ended December 31, 2022 \$</b>
Total revenue	<b>(2,115,419)</b>	(10,877,238)	(46,146,440)
Total expenses	<b>(92,428,660)</b>	(52,166,570)	(164,690,559)
Total other income (loss)	<b>(15,554,783)</b>	-	3,879,328
Net income (loss) and comprehensive income (loss) attributable to owners of the Company	<b>(80,504,830)</b>	(48,661,903)	(148,078,541)
Net income (loss) and comprehensive income (loss) for the year	<b>(80,504,830)</b>	(48,661,903)	(148,160,448)
Earnings (loss) per share – basic	<b>(1.68)</b>	(1.00)	(3.00)
Earnings (loss) per share – diluted	<b>(1.68)</b>	(1.00)	(3.00)
Total assets	<b>117,196,903</b>	226,980,639	284,092,667
Total non-current financial liabilities	-	-	-

Total assets decreased by \$109,783,736 to \$117,196,903 at December 31, 2024 from \$226,980,639 at December 31, 2023, primarily as a result of a decrease in the equity investment in New Found Gold Corp. of \$106,028,364 due to a transfer of 3,380,000 shares of New Found with a total estimated carrying value of \$15,552,577 to ThreeD Capital Inc. and 1313366 Ontario Inc. pursuant to a settlement agreement resolving the lawsuit that was filed against the Company by ThreeD Capital Inc. and 1313366 Ontario Inc., an impairment loss on the remaining investment in New Found of \$72,218,184, a loss on equity investment in New Found recognized in the current year of \$16,946,782 and a loss on dilution of equity interest of \$1,310,821. Another reason was a decrease in investments of \$3,606,364 primarily due to unrealized losses of \$2,470,755 recognized during the current year. The most significant assets at December 31, 2024 were investment in New Found Gold Corp. of \$112,370,841 (December 31, 2023: \$218,399,205) and investments of \$4,118,241 (December 31, 2023: \$7,724,605).

Total assets decreased to \$226,980,639 at December 31, 2023, from \$284,092,667 at December 31, 2022, primarily as a result of a decrease in the equity investment in New Found Gold Corp. of \$40,213,259 mainly due to a loss from equity investment of \$19,562,087 and an impairment write-down on equity investment of \$21,020,996 recognized in the current period, a decrease in investments of \$10,325,255 primarily due to unrealized losses of \$7,364,603 recognized during the current year, offset by \$1,993,438 in shares of Golden Planet reclassified to investments from assets held for sale, and a decrease in cash of \$4,552,102. The most significant assets at December 31, 2023 were investment in New Found Gold Corp. of \$218,399,205 (December 31, 2022: \$258,612,464), investments of \$7,724,605 (December 31, 2022: \$18,049,860) and cash of \$838,113 (December 31, 2022: \$5,390,215).

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#### ***Year ended December 31, 2024 and 2023***

During the year ended December 31, 2024, net loss increased by \$31,842,927 to net loss of \$80,504,830 compared to net loss of \$48,661,903 for the year ended December 31, 2023. The increase is largely due to:

- An increase in impairment loss on investment in New Found of \$52,656,097 from \$19,562,087 in the year ended December 31, 2023 to \$72,218,184 in the year ended December 31, 2024 and an increase in loss on dilution on investment in New Found of \$1,680,644 from a gain on dilution of \$369,823 in 2023 to a loss on dilution of \$1,310,821 in 2024, offset by a decrease in loss from equity investment of \$4,074,214 from \$21,020,996 in 2023 to \$16,946,782 in 2024. The amount of the impairment loss fluctuates based on the results of the results of the impairment assessment performed by management. The amount of the loss from equity investment and dilution gain /loss fluctuates based on the results of operations of New Found and the Company's ownership of shares of New Found.
- An increase in settlement of legal claim of \$15,554,783 from \$Nil during the year ended December 31, 2023 to \$15,554,783 during the year ended December 31, 2024. The Company recognized a settlement of legal claim expense of \$15,554,783 the during the year ended December 31, 2024 pursuant to a settlement agreement resolving the lawsuit that was filed against the Company by ThreeD Capital Inc. and 1313366 Ontario Inc.

Offset by:

- A decrease in net investment losses of \$8,840,212 from net investment losses of \$10,963,992 for the year ended December 31, 2023 to net investment losses of \$2,123,780 recognized in the current year. The decrease is due to less investment activity and more favourable price fluctuations in the current year compared to the comparative year. During the year ended December 31, 2024, the Company recognized \$346,975 in realized gains on its investments compared to \$3,599,389 in realized losses recognized in the year ended December 31, 2023. During the year ended December 31, 2024, the Company also recognized \$2,470,755 in unrealized losses on its investments compared to \$7,364,603 in unrealized losses recognized in the year ended December 31, 2023.
- A decrease of \$9,548,058 in share-based compensation from \$9,548,058 during the year ended December 31, 2023 to \$Nil during the year ended December 31, 2024. During the year ended December 31, 2023, the Company granted 4,201,000 stock options to directors and officers with an exercise price of \$4.20 per share for a period of five years. There were no stock options granted during the year ended December 31, 2024.
- The Company recognized a deferred income tax recovery of \$29,594,032 during the year ended December 31, 2024 compared to a deferred income tax recovery of \$14,381,905 during the year ended December 31, 2023. The recovery recognised in each year is mainly due to a reduction in the value of investments and investment in New Found, which results in a corresponding decrease in the related deferred income liability recognized on the difference between accounting and tax basis of these assets.

The Company recorded a net loss and comprehensive loss of \$80,504,830 or \$1.68 basic and diluted loss per common share for the year ended December 31, 2024 (December 31, 2023: net loss and comprehensive loss for the year of \$48,661,903 or \$1.00 basic and diluted loss per common share).

#### ***Three months ended December 31, 2024 and 2023***

During the three months ended December 31, 2024, net loss increased by \$18,643,812 to \$37,499,506 compared to net loss of \$18,855,694 for the three months ended December 31, 2023. The change is largely due to:

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- An increase in impairment loss on equity investment of \$22,956,612 from \$19,562,087 in 2023 to \$42,518,699 in 2024 and an increase in loss on dilution on investment in New Found of \$2,200,358 from a gain on dilution of \$340,239 in 2023 to a loss on dilution of \$1,860,119 in 2024, offset by a decrease in loss from equity investment of \$2,132,861 from \$5,358,117 in 2023 to \$3,225,256 in 2024. The amount of the impairment loss fluctuates based on the results of the impairment assessment performed by management. The amount of the loss from equity investment fluctuates based on the results of operations of New Found and the Company's ownership of shares of New Found.
- An increase in net investments losses of \$3,545,733. The Company recognized net investment losses of \$3,212,173 during the three months ended December 13, 2024 compared to net investment gains of \$333,560 during the three months ended December 31, 2023. The main reason for the change is the recognition of an unrealized loss of \$1,993,438 on investment in Golden Planet Mining Corp. at December 31, 2024. Golden Planet Mining Corp. is a private company without observable market prices for its common shares and is measured at its estimated fair value based on valuation techniques that use inputs derived by management. The key assumptions used in the valuation of this investment include, but are not limited to, the value at which a recent financing was completed by the investee, company-specific information, review of adjusted net book values, liquidation analysis, trends in general market conditions, share performance of comparable publicly-traded companies and a strategic review. The fair value of this investment has been estimated to be \$Nil as at December 31, 2024 compared to \$1,993,438 December 31, 2023. The remaining increase in net investments losses is mainly due to unfavourable price fluctuations in 2024 compared to 2023.

Offset by:

- An increase in the deferred income tax recovery of \$7,804,652. The Company recognized a deferred income tax recovery of \$13,721,646 for the three months ended December 31, 2024 compared to a deferred tax recovery of \$5,916,994 for the three months ended December 31, 2023. The recovery recognised in each period is mainly due to a reduction in the value of investments and investment in New Found, which results in a corresponding decrease in the related deferred income liability recognized on the difference between accounting and tax basis of these assets.

The Company recorded a net loss and comprehensive loss of \$37,499,506 and \$0.78 basic and diluted loss per common share for the three months ended December 31, 2024 (three months ended December 31, 2023: net loss and comprehensive loss of \$18,855,694 or \$0.39 basic and diluted loss per common share).

### Cash Flows

	December 31, 2024	December 31, 2023
	\$	\$
Cash used in operating activities	(630,616)	(1,040,258)
Net cash used in financing activities	-	(3,511,843)
Change in cash	(630,616)	(4,552,101)
Cash, beginning of year	838,113	5,390,215
Cash, end of year	207,497	838,114

### Operating Activities

Cash used in operating activities for the year ended December 31, 2024 was \$0.6 million compared to \$1 million used for the year ended December 31, 2023. Cash movements from operating activities can fluctuate with changes in net income, non-cash items, such as foreign exchange and deferred income tax expenses, and working capital. The main reason for the decrease in cash used in 2024 was a decrease in operating expenses during the year ended December 31, 2024 compared the year ended December 31, 2023.

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**Summary of Quarterly Results**

	2024				2023			
	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$
Total revenue <sup>(1)</sup>	(3,211,968)	1,260,421	217,993	(381,865)	346,357	(2,835,322)	(5,409,812)	(2,978,461)
Net loss and comprehensive loss for the period	(37,499,506)	(4,787,622)	(35,293,701)	(2,924,001)	(18,855,694)	(6,271,354)	(7,231,140)	(16,303,715)
Net loss and comprehensive loss for the period	(37,499,506) <sup>(3)</sup>	(4,787,622) <sup>(4)</sup>	(35,293,701) <sup>(5)</sup>	(2,924,001) <sup>(6)</sup>	(18,855,694) <sup>(7)</sup>	(6,271,354) <sup>(8)</sup>	(7,231,140) <sup>(9)</sup>	(16,303,715)
Loss per common share basic <sup>(2)</sup>	(0.78)	(0.10)	(0.74)	(0.06)	(0.39)	(0.13)	(0.15)	(0.33)
Loss per common share diluted <sup>(2)</sup>	(0.78)	(0.10)	(0.74)	(0.06)	(0.39)	(0.13)	(0.15)	(0.33)

- (1) Total revenue consists of net investment gains (losses), interest income and dividend income.
- (2) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.
- (3) Increase of net loss and comprehensive loss from prior quarter primarily driven by an impairment loss on equity investment in New Found of \$42,518,699, an increase in loss on dilution on investment in New Found of \$2,098,010 an unrealized loss on investment in Golden Planet Mining Corp. of \$1,993,438, offset by a decrease in loss from equity investment of \$4,509,321 and an increase in deferred income tax recovery of \$11,898,419.
- (4) Decrease of net loss and comprehensive loss from prior quarter primarily driven by a decrease in impairment loss on equity investment in New Found of \$29,699,485, a decrease in settlement of legal claim of \$15,554,783, and a decrease in deferred income tax recovery of \$11,019,309, offset by an increase in loss from equity investment of \$5,002,560.
- (5) Increase of net loss and comprehensive loss from prior quarter primarily driven by an impairment loss on equity investment in New Found of \$29,699,485, settlement of legal claim of \$15,554,783, offset by an increase in net investment gains of \$603,786, a decrease in loss from equity investment of \$522,915 and an increase in deferred income tax recovery of \$11,635,913.
- (6) Decrease of net loss and comprehensive loss from prior quarter primarily driven by a decrease in an impairment loss on investment in New Found of \$19,562,087, a decrease in loss from equity investment of \$2,103,185, offset by a decrease in net investment gains of \$721,084 and a decrease in deferred income tax recovery of \$4,710,371.
- (7) Increase of net loss and comprehensive loss from prior quarter primarily driven by an impairment loss on investment in New Found of \$19,562,087 recognized in the current quarter with no such loss recognized in the prior quarter, offset by an increase in deferred income tax recovery of \$2,882,621 and higher investment gains recognized in the current quarter whereas investment gains increased by \$3,184,878 in the current period compared to prior period.
- (8) Decrease of net loss and comprehensive loss from prior quarter primarily driven by a decrease in net investment losses of \$2,578,969, offset by an increase in loss from equity investment of \$1,884,120.
- (9) Decrease of net loss and comprehensive loss from prior quarter primarily driven by a decrease in stock-based compensation of \$9,548,058, a decrease in loss from equity investment of \$1,132,361, and an increase in deferred income tax recovery of \$449,334, offset by an increase in net investment losses of \$2,414,340.

**Liquidity and Capital Resources**

As at December 31, 2024, the Company had cash of \$207,497 and current assets of \$4,433,264 to settle current liabilities of \$389,000, all of which is comprised of accounts payable and accrued liabilities that are due within one year of the statement of financial position.

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The Company relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest and dividend income from investments and capital raising activities such as equity financings.

As at December 31, 2024, the Company had working capital of \$3,944,264 consisting primarily of investments. The Company has adequate working capital to fund its expected operating and investing activities through the next twelve months. The Company does not have bank debt or banking credit facilities in place as at the date of this report.

Subsequent to December 31, 2024, the Company completed a non-brokered private placement financing consisting of 1,436,365 common shares of the Company at a price of \$1.74 per common share for aggregate gross proceeds of \$2,499,275. The proceeds of this financing will be used for working capital purposes.

### Outstanding Share Data

As at December 31, 2024, there were 47,903,977 common shares issued and outstanding. As at the date of this report, there were 64,467,636 common shares issued and outstanding.

As at December 31, 2024 and as at the date of this report, there were 4,201,000 stock options and Nil warrants outstanding.

#### *Stock Option Plan*

The Company has a share purchase option compensation plan that allows it to grant share purchase options to its officers, directors, employee and service providers based on the maximum number of eligible shares not exceeding 10% in the aggregate of the Company's outstanding common shares at the time of grant.

### Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and on terms and conditions that are similar to those of transactions with unrelated parties and are measured at the amount of consideration paid or received. A summary of the Company's related party transactions is as follows:

#### *Key management personnel compensation*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, or companies owned or controlled by them.

<b>Year ended</b>		<b>Salaries and</b>		<b>Share-based</b>	
<b>December 31, 2024</b>	<b>Position</b>	<b>Consulting</b>	<b>Bonus</b>	<b>compensation</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	Chairman and Chief				
Collin Kettell	Executive Officer	330,000	-	-	330,000
Bassam Moubarak	Chief Financial Officer	270,000	-	-	270,000
Gregor Gregersen	Non-executive director	82,000	-	-	82,000
Elizabeth Harrison	Non-executive director	82,000	-	-	82,000
William Hayden	Former non-executive director	66,000	-	-	66,000
<b>Total</b>		<b>830,000</b>	<b>-</b>	<b>-</b>	<b>830,000</b>

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Year ended December 31, 2023	Position	Salaries and Consulting \$	Bonus \$	Share-based compensation \$	Total \$
	Chairman and Chief Executive Officer	330,000	82,500	6,875,238	7,287,738
	Chief Financial Officer	270,000	67,500	2,386,446	2,723,946
	Non-executive director	72,000	-	95,458	167,458
	Non-executive director	72,000	-	95,458	167,458
	Former non-executive director	72,000	-	95,458	167,458
	William Hayden	72,000	-	95,458	167,458
	Total	816,000	150,000	9,548,058	10,514,058

Under the terms of their management agreements, certain officers of the Company are entitled to 24 months of base pay in the event of their agreements being terminated without cause.

At December 31, 2024, included in accounts payable and accrued liabilities was \$20,000 payable to directors for directors' fees (December 31, 2023 - \$Nil) and \$2,538 payables to the Chairman and Chief Executive Officer for expense reimbursements (December 31, 2023 - \$1,970).

On February 1, 2023, the Company granted 4,201,000 stock options to directors and officers with an exercise price of \$4.20 per share for a period of five years. The options vested immediately.

### Settlement of Legal Claim

On November 15, 2019, ThreeD Capital Inc. ("ThreeD") and 1313366 Ontario Inc. ("131" and together with ThreeD, the "Plaintiffs") each entered into share purchase agreements (the "Share Purchase Agreements") with the Company under which the Company agreed to purchase the 13,500,000 Common Shares of New Found owned by ThreeD and the 4,000,000 Common Shares of New Found owned by 131 for \$0.08 per Common Share. The transactions closed on November 20, 2019.

On March 10, 2020, ThreeD Capital Inc. and 131 filed a statement of claim in the Ontario Superior Court of Justice (the "ThreeD Claim") against Collin Kettell, New Found and the Company (the "Defendants"). Mr. Kettell is a Chairman and Chief Executive Officer of both the Company and New Found. Pursuant to the ThreeD Claim, the Plaintiffs are challenging the validity of the sale of 17,500,000 Common Shares by the Plaintiffs to the Company on November 20, 2019.

ThreeD and 131 claim that at the time of negotiation and execution of the Share Purchase Agreements, the Company and Mr. Kettell were aware of positive drill results from New Found's 2019 Drill Program and the results were not disclosed to ThreeD and 131 to their detriment. The Company and Mr. Kettell strongly deny ThreeD and 131's allegations. ThreeD and 131 have made specific claims for (a) rescission of the Share Purchase Agreements on the basis of oppression or unfair prejudice; (b) or alternatively, damages in the amount of \$21,000,000 for the alleged improper actions by Mr. Kettell and the Company, (c) a declaration that the Company and Collin Kettell, as shareholder or director and/or officer of New Found, have had acted in a manner that is oppressive, unfairly prejudicial or unfairly disregarded their interests, (d) a declaration that the Company and Collin Kettell engaged in insider trading contrary to section 138 of the *Securities Act* (Ontario), (e) unjust enrichment and (f) interests and costs. The Company and Mr. Kettell refute each of the specific claims made by the Plaintiffs.

The Company filed a statement of defence in response to the ThreeD Claim on September 12, 2020, pursuant to which, among other things, the Company denies that it is a proper party to the ThreeD Claim and the allegations against it therein, including because no relief is claimed against the Company in paragraph 1 of the ThreeD Claim. The action has now progressed through the production of documents and oral examinations for discovery stages.

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In early 2022, the Plaintiffs formally amended their statement of claim to increase the amount claimed to \$229,000,000 and to advance a direct claim of oppressive conduct against the Company. While continuing to deny any and all liability to the Plaintiffs, the Company has amended its defence to include specific denials of the new allegations of oppressive conduct against it. The parties completed an additional round of examinations for discovery in January 2023, following which the plaintiffs set the action down for trial. The parties had a mediation meeting on October 3, 2023, but were unable to settle the case.

On June 5, 2024, the Company entered into a settlement agreement, according to which the Company agreed to transfer 3,380,000 common shares of New Found with a total estimated fair value of \$15,987,400 to ThreeD and 131, and New Found agreed to issue 370,000 common shares to ThreeD and 131. The carrying value of 3,380,000 New Found shares transferred by the Company to Three D and 131 was \$15,552,577. The Company recognized a settlement of legal claim expense of \$15,554,783, which was comprised of the total value of shares transferred of \$15,987,400, legal and filing fees of \$2,205, offset by a gain on transfer of New Found shares of \$434,823, and included in the loss and comprehensive loss for the year ended December 31, 2024.

The settlement agreement resolves the litigation between ThreeD, 131, Palisades and the Company completely, does not include any admission of liability, and provides for fulsome releases by ThreeD and 131.

## **Risks and Uncertainties**

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring equity participation in pre-IPO and early-stage public resource companies with undeveloped or undervalued high quality projects. The Company's investing activities are, by their nature, subject to a number of inherent risks, including liquidity, market, interest rate, currency, commodity and credit risks associated with financial instruments, all of which can have a significant impact on the Company's financial condition and results of operations. The Company is also exposed to a number of risks and uncertainties that are common to resource exploration companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

### **Risks Relating to the Company**

#### *Changes in commodity prices*

The net asset value of the Company's portfolio of investments will be significantly affected by changes in the market price of commodities, and as a result, fluctuations in the price of commodities, and in particular, the price of gold, may cause significant changes to the price of the Company's shares. The price of gold and other commodities fluctuate daily and are affected by factors beyond the control of Palisades, including levels of supply and demand and industrial development, inflation and interest rates, global currency prices, geo-political events and global health pandemics. External economic factors that affect commodity prices can be influenced by changes in international investment patterns, monetary systems and political developments.

A decline in commodity prices could cause a corresponding decline in the net asset value of the Company's portfolio and the price of its shares, which may have an adverse effect on the Company's investors.

All commodities, by their nature, are subject to wide price fluctuations, and future material commodity price declines will result in a decrease in revenue for producers of such commodities and may cause a suspension or termination of production by such producers, which would, in the event such producers form part of Company's portfolio of investments, likely result in a loss of the net asset value of the Company's portfolio. Even if Company's portfolio contains a diversified base of commodity issuers, commodity markets have historically been cyclical and a general downturn in commodity prices could result in a significant decrease in the value of the Company's portfolio.

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#### *No control over mining operations*

The Company is not directly involved in the operation of the mines owned and operated by the entities in which the Company holds an interest (the "Mining Operations"). As such, the net asset value of the Company's portfolio will be dependent on the decisions, actions and operations of third-party mine owners and operators. These owners and operators generally will have the power to determine the way a property is exploited, including decisions to expand, continue or reduce or suspend or discontinue production from a property, decisions about the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of a non-producing property. The interests of third-party mine owners and operators and those of the Company in respect of a relevant project or property may not always be aligned. The inability of the Company to control the operations of entities in which it holds an interest may result in a material adverse effect on the net asset value of the Company's portfolio and its financial condition. In addition, the mine owners or operators may take action contrary to policies or objectives of the Company; have difficulty obtaining or be unable to obtain the financing necessary to move projects forward; or experience financial, operational or other difficulties, including insolvency which, in each case, may have a material adverse effect on the Company.

The Company is also subject to the risk that a specific mine or project may be put on care and maintenance or have its operations suspended, on both a temporary or permanent basis.

Issuers in which the Company holds an interest from time to time may announce transactions, including the sale or transfer of the projects the issuer holds or the issuer itself, over which the Company has no control. If such transactions are completed, there is no guarantee that the transaction will be beneficial to the Company. If any such transaction is announced, there is no certainty that such transaction will be completed, or completed as announced, and any consequences of such non-completion on the Company may be difficult or impossible to predict.

The Company is subject to the risk that Mining Operations may shut down on a temporary or permanent basis due to issues including but not limited to economic conditions, lack of financial capital, flooding, fire, weather related events, mechanical malfunctions, community or social related issues, social unrest, the failure to receive permits or having existing permits revoked, collapse of mining infrastructure, including tailings ponds, expropriation and other risks.

These issues are common in the mining industry and can occur frequently. There is a risk that the carrying values of the Company's assets may not be recoverable if Mining Operations or the operators or owners of the mining operations experience any of these issues.

The exact effect on a particular issuer or mining operation of the occurrence of any of these issues cannot be predicted, but such issues may result in the Mining Operations becoming uneconomic resulting in their shutdown and closure, which may have a material and adverse effect on the Company.

#### *No guaranteed return*

The Company's investments in securities of public entities are subject to volatility in the share prices of such entities. There can be no assurance that an active trading market for any of the subject securities is sustainable. The trading prices of the subject securities could be subject to wide fluctuations in response to various factors beyond our control, including, quarterly variations in the subject entities' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of the subject companies and general market or economic conditions.

In recent years, equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific entities. Such market fluctuations could adversely affect the market price of our investments. There is no guarantee the Company's investments will earn any positive return in the short term or long term. The Company may never earn any return on its investment and may lose its entire investment. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. Our past performance provides no assurance of our future success.

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#### *Third-party reporting*

As the holder of an equity interest, the Company may have limited access to data on the operations of an issuer or to the actual underlying properties held by any such issuer. This limited access to data or disclosure regarding operations could affect the ability of Palisades to evaluate the prospects of its investments, which could result in losses in the Company's portfolio, short term fluctuations in the value of our investments or missed investment opportunities, each of which could materially and adversely affect the Company.

#### *Non-controlling interest*

The Company investments include equity securities of entities that the Company does not control. These securities may be acquired by the Company in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the entity in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the value of the Company's investments could decrease and the financial condition could materially suffer as a result.

#### *Strategy for acquisitions*

As Palisades executes on its business plan, it intends to acquire interests in additional third parties or further its position in entities in which the Company already holds interest in. The Company cannot offer any assurance that it will be able to complete any acquisition or proposed business transactions on favourable terms or at all, or that any completed acquisitions or proposed transactions will benefit the Company. In addition, any such acquisition or other transaction may have other transaction specific risks associated with it, including risks related to the completion of the transaction, the project operators or the jurisdictions in which assets may be acquired. Additionally, the Company may from time to time consider opportunities to restructure its equity investments where it believes such a restructuring may provide a long-term benefit to the Company, even if such restructuring may reduce near-term value or result in the Company incurring transaction related costs.

#### *Due diligence*

The due diligence process that the Company undertakes in connection with its investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company conducts due diligence that the Company deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company relies on the resources available to the Company, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigations with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment ultimately being successful for the Company. In the event that our due diligence process does not reveal material issues with respect to a proposed investment, and the Company proceeds with the investment, the investment may not be beneficial to us and the Company could lose its entire investment.

#### *Private issuers and illiquid securities*

From time to time, the Company may invest in private issuers whose securities do not trade on any public exchange. Investments in private issuers are subject to numerous re-sale restrictions and there may not be any market for these securities. These limitations may impair our ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments and do not represent a readily available source of capital for us.

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Investments in private issuers may offer relatively high potential returns but will also be subject to a relatively high degree of risk. There can be no assurance that a market will develop for any of our private company investments or that we will otherwise be able to realize a return on such investments.

The value attributed to securities of a private issuer (which is typically initially recorded at the transaction value, being the fair value at the time of acquisition, and is thereafter subject to adjustment in accordance with our accounting policies) may not reflect the amount for which they can be sold. Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within a short period of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed for the investments, and such determined fair value could be higher than the value the market ultimately ascribes to such investments.

The Company also holds illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time we are able to do so, and the value of such securities could materially decline during such period. Illiquid investments are subject to various risks, particularly the risk that we will be unable to realize our investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit from the investment. In some cases, the Company may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities, which could materially and adversely affect our ability to profitably liquidate such investments.

The Company may also make direct investments in publicly-traded securities that have low trading volumes. Accordingly, it may be difficult for us to make trades in these securities without adversely affecting the price of such securities, which could harm the profitability of our investment in such securities.

#### *Change in material investments*

From time to time the Company may make investments that are disproportionately material to the Company's portfolio. As of the date of this MD&A, the Company's success is largely dependent on its investment in New Found Gold. Any adverse development affecting the operation of, production from or recoverability of mineral reserves from the properties owned or operated by New Found Gold, or other issuers in which we have a material investment, such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage or the inability to secure supply agreements on commercially suitable terms, may have a material adverse effect on the net asset value of Palisades' portfolio and the financial condition of Palisades.

#### *Negative cash flow from operating activities*

The Company had negative cash flow from operating activities during its most recently completed financial year. The mining Operations are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs with respect to the Mining Operations are exploratory in nature. There is no assurance that any of the Mining Operations will generate earnings, operate profitably or provide a return on the Company's investment in the future. Accordingly, the Company may continue to operate at a loss and may be required to obtain additional financing in order to meet its future cash commitments.

#### *Dependence on key personnel*

Palisades is dependent on the services of a small number of key management personnel. The ability of Palisades to manage its activities and its business will depend in large part on the efforts of these individuals. There can be no assurance that Palisades will be successful in engaging or retaining key personnel. The loss of the services of a member of the management of Palisades could have a material adverse effect on the Company. From time to time, Palisades may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons skilled in the acquisition of equity investments in entities that own or operate mines or mineral properties is limited and competition for such persons is intense.

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Recruiting and retaining qualified personnel is critical to the success of Palisades and there can be no assurance that Palisades will be successful in recruiting and retaining the personnel it needs to successfully operate its business. If Palisades is not successful in attracting and retaining qualified personnel, the ability of Palisades to execute on its business model and strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

#### *Conflicts of interest*

As part of the Company's business plan, from time to time, the Company may invest in issuers with which its directors and officers are affiliated, whether as directors, officers, promoters, founders, significant shareholders or otherwise. Further, most of the Company's directors and officers do not devote their full time to the affairs of the Company and also serve as directors or officers of other public companies.

In such instances, there exists the possibility for such directors and officers to be in a position where there is a conflict of interest between their personal interests or their duties to such other issuer, and their duties to the Company. Such conflicts of interest may compromise the Company's ability to exit certain investments, or engage in new investment opportunities, which may result in a material adverse effect on the net asset value of our investment portfolio or our financial condition.

#### *Global financial conditions*

Events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market confidence and liquidity. A slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and the net asset value of our portfolio.

A number of issues related to economic conditions could have a material adverse effect on our business, financial condition and the net asset value of our portfolio, including: (a) contraction in credit markets could impact the cost and availability of financing for the Company and the issuers the Company invests in and the Company's and their overall liquidity; (b) the volatility of commodity prices impacts the revenues, profits, losses and cash flow of the issuers that the Company invests in and, consequently, the net asset value of the Company's portfolio and its financial condition; (c) recessionary pressures could adversely impact demand for metal production, which could adversely affect the net asset value of the Company's portfolio and its financial condition; (d) volatile energy, commodity and consumables prices and currency exchange rates could impact the production costs of the issuers that the Company invests in, and consequently, the net asset value of the Company's portfolio and its financial condition; and (e) the devaluation and volatility of global stock markets could impact the valuation of the Company's equity and other securities and potentially limit the ability to complete offerings of the Company's securities.

#### *Inflation*

The operating costs of the issuers we invest in could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations and any inability to manage these costs may impact, among other things, future development decisions, which could have a material adverse impact on such issuer's financial performance and ultimately adversely impact the financial condition of Palisades.

#### *Natural disasters, terrorist acts, civil unrest, pandemics and other disruptions*

Natural disasters, terrorist acts, civil unrest, pandemics and other disruptions, including global response to such events as it relates to sanctions, quarantines, trade embargos and military support, may adversely affect Palisades or the issuers in which the Company invests.

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Upon the occurrence of a natural disaster, or upon commencement of war, riot or civil unrest, the impacted country, province, state or region may not efficiently and quickly recover from such event, which could have a material adverse effect on Palisades to the extent that Palisades has invested in issuers with investments in such country, province, state or region. Terrorist attacks, public health crises, including epidemics, pandemics or outbreaks of new infectious disease or viruses, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, natural disasters, national emergencies, acts of war, technological attacks and related events can result in volatility and disruption to local and global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to Palisades and/or its investments, all of which may have a material adverse effect on the net asset value of Palisades' portfolio, Palisades' financial condition and the price of Palisades' shares.

#### *Future financing; future securities issuances*

There can be no assurance that Palisades will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could impede Palisades' investment strategy or result in delay or postponement of Palisades' business activities, which may result in a material and adverse effect on Palisades' financial condition, the value of its portfolio or the price of its shares. Palisades may require new capital to continue to grow its business and there are no assurances that capital will be available when needed, if at all. In the event that Palisades is required to raise additional capital through issuance of its shares, or securities convertible into or exchangeable for its shares, such issuance will result in dilution to existing shareholders.

#### *Litigation affecting properties owned by entities in which Palisades has an interest in*

Potential litigation may arise on a mine or mineral property owned or operated by an entity in which Palisades holds an interest (for example, litigation between joint venture partners or between operators and original property owners or neighbouring property owners). Palisades will not generally have any influence on the litigation and will not generally have access to data or information regarding the litigation. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) could have a material and adverse effect on the net asset value of Palisades' portfolio, its financial condition and the price of Palisades' shares.

#### *Changes in tax laws impacting Palisades*

There can be no assurance that new tax laws, regulations, policies or interpretations will not be enacted or brought into being in the jurisdictions in which Palisades operates or in the jurisdictions of the mines and mineral properties owned or operated by entities in which Palisades has an interest, in each case which could have a material adverse effect on Palisades. Additionally, no assurance can be given that existing taxation rules will not be applied in a manner which could result in Palisades being subject to additional taxation or which could otherwise have a material adverse effect on the net asset value of Palisades' portfolio or its financial condition. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make equity investments or other investments by Palisades less attractive to counterparties. Such changes could adversely affect the ability of Palisades to acquire new assets or make future investments.

#### *Information systems and cyber security*

Palisades' information systems (including those of any of its counterparties) may be vulnerable to the increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or Palisades' information through fraud or other means of deception. Palisades' operations depend, in part, on how well Palisades (as well as its counterparties) protect networks, equipment, information technology systems and software against damage from threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Palisades' reputation and financial condition. Although to date Palisades has not experienced any losses relating to cyber-attacks or other information security breaches, there can be no assurance that Palisades or its counterparties will not incur such losses in the future. Palisades' risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats.

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As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

#### *Activist shareholders*

Publicly traded companies are often subject to demands or publicity campaigns from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurance that Palisades will not be subject to any such campaign, including proxy contests, media campaigns or other activities. Responding to challenges from activist shareholders can be costly and time consuming and may have an adverse effect on Palisades' reputation.

In addition, responding to such campaigns would likely divert the attention and resources of Palisades' management and Board, which could have an adverse effect on Palisades' business and results of operations. Even if Palisades were to undertake changes or actions in response to activism, activist shareholders may continue to promote or attempt to effect further changes and may attempt to acquire control of Palisades. If shareholder activists are ultimately elected to the Board, this could adversely affect Palisades' business and future operations. This type of activism can also create uncertainty about Palisades' future strategic direction, resulting in loss of future business opportunities, which could adversely affect Palisades' business, future operations, profitability and Palisades' ability to attract and retain qualified personnel.

#### *Reputation damage*

Reputational damage can be the result of the actual or perceived occurrence of any number of events, and could include negative publicity, whether true or not. While Palisades does not ultimately have direct control over how it is perceived by others, reputational loss could have a material adverse impact on our financial performance, financial condition and growth prospects.

#### *Expansion of business model*

Palisades' business has been focused on the acquisition and management of interests in entities that own or operate mines and mineral properties. However, Palisades may pursue acquisitions outside this area, including, without limitation, engaging in stream financing or engaging in investments in mining services businesses. Expansion of Palisades' activities into new areas would present challenges and risks that it has not faced in the past. The failure to manage these challenges and risks successfully may result in a material and adverse effect on Palisades' results of operations, financial condition and the price of Palisades' common shares.

## **Risks Related to Mines and Mining Operations**

#### *Risk factors applicable to entities in which Palisades holds an interest*

Palisades will be subject to many of the same risk factors applicable to the owners and operators of any mine as a result of its junior mining investment portfolio. In the event that any of these risks should materialize, the value of Palisades' investment portfolio, its financial condition and/or the price of its shares may be materially and adversely affected.

#### *Exploration, development and operating risks*

Mining involves a high degree of risk. Mines and projects owned and operated by entities in which Palisades has or may acquire an equity interest are subject to all of the hazards and risks normally encountered in the exploration, development and production of metals, including weather-related events, unusual and unexpected geology formations, seismic activity, rock bursts, cave-ins, pit-wall failures, flooding, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal

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liability. Any of these hazards and risks and other acts of God could shut down Mining Operations temporarily or permanently. Mining Operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability for the owners or operators of the Mining Operations.

The exploration for, development, mining and processing of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the owners or operators of Mining Operations will result in profitable commercial Mining Operations. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: cash costs associated with extraction and processing, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in one or more of the Mining Operations not receiving an adequate return on invested capital. Accordingly, there can be no assurance the Mining Operations which are not currently in production will be brought into a state of commercial production.

#### *Climate Change*

Climate change legislation and treaties are being introduced more frequently by governments globally. Regulation in respect of emission levels and the efficient use of energy is becoming more stringent. Continuation of the current regulatory trend in respect of climate change could have the impact of increasing costs at those mines and mineral properties owned and operated by entities in which Palisades has an interest. Climate change could produce adverse impacts to underlying Mining Operations through the disruption of Mining Operations and their associated resource supply lines because of extreme weather events and natural disasters. There can be no assurance that efforts to mitigate risks from climate change can be effective and that physical risks resulting from climate change will not have an adverse impact on Mining Operations.

#### *Environmental Risks*

All phases of mine operation or development are subject to governmental regulation including environmental regulation in the various jurisdictions in which they operate. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the mines and mineral properties owned or operated by entities in which Palisades has an interest. Also, unknown environmental hazards may exist on the properties at present which were caused by previous or existing owners or operators of the properties and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

#### *Government regulation, permits and authorizations*

The exploration and development activities related to mine operations are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and

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occupational health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing specific mine operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of mines or projects would not proceed with the development of, or continue to operate, a mine. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder and claims for damages to property and persons resulting from mining operations could result in substantial costs and liabilities for the owners or operators of mines or projects in the future such that they would not proceed with the development of, or continue to operate, a mine.

Government approvals, licences and permits are currently, and will in the future be, required in connection with Mining Operations. To the extent such approvals are required and not obtained, Mining Operations may be curtailed or prohibited from proceeding with planned operations, which could have an impact on the business and financial condition of Palisades. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Mining Operations, resulting in increased capital expenditures or production costs, reduced levels of production at producing properties or abandonment or delays in development of properties.

#### *Permitting and access*

The operation of a mine or project is subject to receipt and maintenance of permits from appropriate governmental authorities. The mines and projects owned or operated by entities in which Palisades has an interest may be subject to delays in connection with obtaining access to the property and all necessary renewals of permits for existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of these properties, permits from appropriate governmental authorities may be required. There can be no assurance that the owners or operators of the mines or projects will continue to hold all permits necessary to develop or continue operating at any particular property.

#### *Infrastructure*

Natural resource exploration, development and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the owners and operators of mines or projects and may delay exploration, development or extraction activities. Certain equipment may not be immediately available or may require long lead time orders. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration, development or production at a mine or project. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations at a mine or project.

#### *Dependence on operator's employees*

Production from the properties owned or operated by entities in which Palisades holds an interest depends on the efforts of operators' employees. There is competition for persons with mining expertise. The ability of the owners and operators of such properties to hire and retain geologists and persons with mining expertise is key to those operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which those operations are conducted. Changes in such legislation or otherwise in the relationships of the owners and operators of such properties with their employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on such operations.

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If these factors cause the owners and operators of such properties to decide to cease production at one or more of the properties, such decision could have a material adverse effect on the business and financial condition of Palisades.

#### *Risks related to mineral reserves and resources*

The mineral reserves and resources on properties owned by entities that Palisades holds or may hold an interest in are estimates only, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of minerals will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted by the owners or operators of the properties. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change. Market price fluctuations of commodities, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable reserves on properties owned and operated by entities in which Palisades holds an interest unprofitable to develop at a particular site or sites for periods of time or may render reserves containing relatively lower grade mineralization uneconomic. Moreover, short-term operating factors relating to the reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause reserves to be reduced or not extracted. Estimated reserves may have to be recalculated based on actual production experience. The economic viability of a mineral deposit may also be impacted by other attributes of a particular deposit, such as size, grade and proximity to infrastructure; by governmental regulations and policy relating to price, taxes, royalties, land tenure, land use permitting, the import and export of minerals and environmental protection; and by political and economic stability.

Resource estimates in particular must be considered with caution. Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill holes or other limited information, which is not necessarily indicative of the conditions between and around drill holes. Such resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, resources may not have demonstrated economic viability and may never be extracted by the operator of a property.

It should not be assumed that any part or all of the mineral resources on properties owned or operated by entities in which Palisades holds or may hold an interest in constitute or will be converted into reserves. Any of the foregoing factors may require operators to reduce their reserves and resources, which may have a material adverse effect on Palisades' business, results of operations and financial condition.

#### *Depleted mineral reserve replacement*

A mining company operating a specific mine will be required to replace and expand mineral reserves depleted by a mine's production to maintain production levels over a long-term. It is possible to replace depleted mineral reserves by expanding known ore bodies through exploration, locating new deposits or acquiring new mines or projects. Mineral exploration is highly speculative in nature. It can take several years to develop a potential site of mineralization. There is no assurance that current or future exploration programs conducted by mining issuers in which Palisades holds an interest will be successful in replacing mining depletion. There is a risk that the depletion of mineral reserves owned by issuers in which Palisades holds an interest will not be replenished by discoveries or acquisitions, which, over time, could reduce the value of Palisades' investment portfolio.

#### *Uninsured risks*

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. Mining companies may or may not maintain insurance in adequate amounts, including insurance for workers' compensation, theft, general liability, all risk property, automobile, directors and officer's liability and fiduciary liability and others. Such insurance, however, contains exclusions and limitations on coverage. Accordingly, a mining company's insurance policies may not provide coverage for all losses related to their business (and may not cover environmental liabilities and losses).

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The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on the mining companies' profitability, results of operations and financial condition.

#### *Land title*

Although title to specific mines or projects may have been reviewed by or on behalf of Palisades in connection with its investment, no assurances can be given that there are no title defects affecting the properties and mineral claims owned or used by specific mines or projects. Companies may not have conducted surveys of the claims in which they hold direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. It is possible that a specific mine or project may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, mining companies may be unable to operate the specific mine or project as permitted or to enforce their rights with respect to that specific mine or project which may ultimately impair the value of Palisades' investment in such mining companies.

#### *First Nations land claims*

Certain mines or mineral properties owned and operated by entities in which the Company has an interest may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. Additional uncertainty has arisen due to the decision of the Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), which recognized the Tsilhqot'in Nation as holding aboriginal title to approximately 1,900 square kilometres of territory in the interior of British Columbia. This decision represents the first successful claim for aboriginal title in Canada and may lead other First Nations in British Columbia to pursue aboriginal title in their traditional land-use areas.

The impact of any such claim on the mineral properties of entities in which the Company has an interest cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights, by way of negotiated settlements or judicial pronouncements, affecting issuers in which the Company has an interest would not have an adverse effect on the value of the Company's investment portfolio or financial condition.

In addition, there is no assurance that any such issuer will be able to maintain practical working relationships with First Nations.

#### *Indigenous peoples*

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. Palisades holds interests in entities that own and operate mines or mineral properties located in areas presently or previously inhabited or used by indigenous peoples. There may be certain obligations on the government to consult with indigenous people regarding actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. From time to time, Palisades may hold interests in entities with properties that are subject to the opposition of one or more groups of indigenous people who oppose the operation, further development, or new development on such project. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the Company or the owner/operators' activities.

Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous people may disrupt or delay activities of the owners/operators of Palisades' equity interest.

#### *International interests*

The Company may from time to time make investments in entities with projects or properties located outside of Canada, and could be exposed to political, economic or other risks or uncertainties as a result. These types of risks or uncertainties may differ between countries and can include but are not limited to, terrorism, hostage taking, military repression, crime, political instability, currency controls, fluctuations in currency exchange rates, inflation rates,

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labour unrest, risk of war or civil unrest, expropriation and nationalization, renegotiation or nullification of mining or mineral concessions, licenses, permits, authorizations and contracts, illegal mining or mineral exploration, taxation changes, modifications, amendments or changes to mining and mineral laws, regulations, policies, and changes to government regulations in respect of foreign investment and mining.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the operations or profitability of the Mining Operations in these countries. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and the rewarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation, cancellation or dispute of licenses or entitlements which could result in substantial costs, losses and liabilities in the future.

The occurrence of these various factors and uncertainties related to the economic and political risks for operations in foreign jurisdictions cannot be accurately predicted and could have an adverse effect on the Mining Operations resulting in substantial costs, losses and liabilities in the future.

#### *Permitting, construction and development*

Palisades may hold interests in entities with mines and projects that may be in various stages of permitting, construction, development and expansion. Construction, development and expansion of such mines or projects is subject to numerous risks, including, but not limited to: delays in obtaining equipment, materials, and services essential to completing construction of such projects in a timely manner; delays or inability to obtain all required permits; changes in environmental or other government regulations; currency exchange rates; labour shortages; and fluctuation in metal prices. There can be no assurance that the owners or operators of such mines or projects will have the financial, technical and operational resources to complete the permitting, construction, development and expansion of such mines or projects in accordance with current expectations or at all.

## **Critical Accounting Policies and Estimates**

The Company prepares its financial statements using accounting policies consistent with IFRS accounting standards.

The preparation of the Company's financial statements in conformity with IFRS accounting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the financial statements are as follows:

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(i) Determination of fair values

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith.

1) Publicly-traded investments (i.e., securities of issuers that are public companies)

Securities including shares, options, warrants which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted bid prices at the statement of financial position dates or the closing trade price on the last day the security traded if there were no trades at the statement of financial position dates.

Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 10%. In determining the discount for such investments, the Company considers the nature and length of the restriction. For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value.

2) Private company investments (securities of issuers that are not public companies)

All privately-held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may be adjusted using one or more of the valuation indicators described below. These are included in Level 3 in Note 4 to the Company's financial statements for the years ended December 31, 2024 and 2023. Options and warrants of private companies are valued using an option pricing model when there are sufficient and reliable observable market inputs; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed.

The fair value of a privately-held investment may be adjusted if:

- i) there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;
- ii) there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated

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may not be realized or realizable;

- iii) the investee company is placed into receivership or bankruptcy;
- iv) based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern; receipt/denial by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed/prohibit with its project(s);
- v) filing by the investee company of a National Instrument 43-101 technical report in respect of a previously noncompliant resource;
- vi) release by the investee company of positive/negative exploration results; and
- vii) important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately-held investment are based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that could be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

#### (ii) Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

#### (v) Impairment assessment for investments in associate

An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20%, if the Company has the power to participate in the financial and operating policy decisions affecting the entity. The Company's share of the net assets and net earnings or loss is accounted for in the financial statements using the equity method of accounting. Any distributions received from the associate reduce the carrying amount of the investment.

At each balance sheet date, management considers whether there is objective evidence of impairment in associates. The net investment in an associate is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment and that loss event or events have a negative impact on the estimated future cash flows from the net investment that can be reliably estimated. If there is such evidence, management determines the amount of impairment to record, if any, in relation to the associate.

Impairment write-downs recognized during the year are described in Note 6 to the Company's financial statements for the years ended December 31, 2024 and 2023.

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#### (vi) Valuation of options granted

The fair value of share purchase options granted is determined at the issue date using the Black-Scholes option pricing model. The Black-Scholes model involves six key inputs to determine the fair value of an option, which are: risk-free interest rate, exercise price, market price at the grant date, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. These estimates impact the values of share-based compensation expense and reserves.

#### **Initial application of standards, interpretations and amendments to standards and interpretations in the reporting period**

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods on or after January 1, 2024, including amendments to IAS 1 "Classification of Liabilities as Current or Non-Current", amendments to IFRS 16 "Leases", and amendments to IAS 7 "Statement of Cash Flow" and IFRS 7 "Financial Instruments Disclosures". The effect of such new accounting standards or amendments did not have a material impact on the Company and therefore the Company did not record any adjustments to the financial statements.

#### **New and amended IFRS standards not yet effective**

Certain new accounting standards or interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards and interpretations are not expected to have a material impact on the Company's financial statements, except for IFRS 18 "Presentation and Disclosure in Financial Statements".

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements and has an effective date of January 1, 2027. The effects of the adoption of IFRS 18 on the Company's financial statements have not yet been determined.

#### **Financial Risk Management**

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

##### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to significant credit risk on its cash and cash equivalents since they are placed with major financial institutions that have high credit ratings. The credit risk exposure of the Company's investments is represented by their values disclosed. There have been no changes in management's methods for managing credit risk since December 31, 2023.

##### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company generates cash flow primarily from proceeds from the disposition of its investments and interest income. The Company invests in junior resource companies, which can at times be relatively illiquid. If the Company decides to dispose of securities of a particular issuer, it may not be able to do so at the time at favourable prices, or at all. Additionally, the amounts at which the Company's private company investments could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments. The Company has also relied on the issuance of shares to fund its activities and may require doing so again in the future.

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There were no changes in management's methods for managing liquidity risk since December 31, 2023.

At December 31, 2024, the Company has \$389,000 (December 31, 2023 - \$73,874) in accounts payable and accrued liabilities and cash of \$207,497 (December 31, 2023 - \$838,113) which is available to discharge these liabilities. Subsequent to December 31, 2024, the Company completed a non-brokered private placement financing consisting of 1,436,365 common shares of the Company at a price of \$1.74 per common share for aggregate gross proceeds of \$2,499,275. Proceeds from the non-brokered private placement will be used for general working capital purposes.

#### *Market risk*

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is focused on junior companies in the resource and mining sector. Changes in the future pricing and demand of these commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further development and to determine the commercial viability of its resource properties. The value of each investment is also influenced by the outlook of the issuer and by general economic and political conditions. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value.

There were no changes in management's methods for managing market risk since December 31, 2023. The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer, although the Company's investment activities are concentrated on junior companies in the resource and mining sector. The Company also requires approval from the board of directors for purchases of investments over a certain cost threshold.

A 5% change in the future pricing and trading value of the Company's investments (with all other variables held constant) as at December 31, 2024, would change the Company's total comprehensive income (loss) by \$205,912 (December 31, 2023 - \$386,230).

#### *(i) 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. The Company is not exposed to significant interest rate risks.

#### *(ii) Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company may have financial instruments denominated in foreign currencies such as the U.S. dollar and the Australian dollar. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of its financial instruments.

The Company does not hedge its exposure to fluctuations in foreign exchange rates.

There were no changes in management's methods for managing currency risk since December 31, 2023.

A 5% change in the exchange rate of the Company's investments held in foreign currencies relative to the Canadian dollar would change the Company's total comprehensive income (loss) by \$Nil (December 31, 2023 - \$980).

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### **Cautionary Notes Regarding Forward-Looking Statements**

This MD&A contains forward looking statements which reflect management's expectations regarding the Company's future growth, results from operations (including, without limitation, statements about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to; the Company's future business plans; expectations regarding the ability to raise further capital; the market price of gold; expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations; the ability to retain and/or maintain any require permits, licenses or other necessary approvals for the exploration or development of its mineral properties; government regulation of mineral exploration and development operations; the Company's compensation policy and practices; the Company's expected reliance on key management personnel, advisors and consultants;.

Forward-looking statements are not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, without limitation, assumptions about: the ability to raise any necessary additional capital on reasonable terms; future prices of gold and other metal prices; the timing and results of exploration and drilling programs; the demand for, and price of gold; that general business and economic conditions will not change in a material adverse manner; future currency exchange rates and interest rates; operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner; the Company's ability to attract and retain skilled personnel; political and regulatory stability; the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms; obtaining required renewals for existing approvals, licenses and permits on favourable terms; requirements under applicable laws; sustained labour stability; stability in financial and capital goods markets; availability of equipment.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements.

Such risks include, without limitation: the Company may fail to find a commercially viable deposit at any of its mineral properties; there are no resources or mineral reserves on any of the properties in which the Company has an interest; the Company's plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with its mineral properties; mineral exploration and development are inherently risky; the mineral exploration industry is intensely competitive; additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company; fluctuations in the demand for gold; the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business; the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted; the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations; there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned; the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company; public health crises may adversely impact the Company's business; the volatility of global capital markets over the past several years has generally made the raising of capital more difficult; compliance with environmental regulations can be costly; social and environmental activism can negatively impact exploration, development and

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mining activities; the success of the Company is largely dependent on the performance of its directors and officers; the Company's operations may be adversely affected by First Nations land claims; the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business; the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company; the Company's future profitability may depend upon the world market prices of gold; there is no existing public market for the Company's securities and an active and liquid one may never develop, which could impact the liquidity of the Company's securities; dilution from future equity financing could negatively impact holders of the Company's securities; failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business; the Company's projects now or in the future may be adversely affected by risks outside the control of the Company; the Company is subject to various risks associated with climate change; other factors discussed under "*Risk and Uncertainties*".

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

### **Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

### **Proposed Transactions**

There are no proposed transactions at the date of this report.

### **Additional Information**

Additional information relating to the Company is available on its website at [www.palisades.ca](http://www.palisades.ca).