

# BeMetals Corp.

Management's Discussion and Analysis  
of Financial Condition and Results of Operations  
June 30, 2023 and 2022

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## Management's Discussion and Analysis

The following discussion is management's assessment and analysis of the results and financial condition of BeMetals Corp. ("BeMetals" or the "Company"), and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements and related notes. The preparation of financial data is in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated. The effective date of this report is August 24, 2023.

### Business Overview

BeMetals is a precious and base metals exploration and development company with wholly owned projects in Japan and an option agreement to acquire interests in a copper project in Zambia. In 2021, BeMetals expanded its exposure into the gold sector through the acquisition of five gold exploration projects in Japan (see 'Kazan Gold Project' below). In connection with the Company's expansion into Japan, B2Gold Corp. ("B2Gold") became a strategic investor and currently holds approximately 19% of BeMetals' outstanding shares. Pursuant to our option agreement, BeMetals has the right to acquire a majority interest in the Pangeni copper exploration project (the "Pangeni Copper Project" or "Pangeni") on the western extension of the Zambian Copperbelt (see 'Pangeni Copper Project' below).

The Company continues to advance its high-quality portfolio of mineral projects through well-managed technical programs with prudent deployment of funding and its ability to raise future funding as appropriately required. In addition, the Company will continue to evaluate other potential precious and base metal acquisition opportunities utilizing the Company's extensive worldwide network, experience, and track-record in the mining business. BeMetals intends to become a leading precious and base metals producer through the advancement of quality exploration, development, and production stage projects.

Founding directors of the Company include John Wilton (President and CEO), Clive Johnson, Roger Richer and Tom Garagan. In July 2020, Mark Connelly joined the Board as Non-Executive Chairman and director. The Board is joined by Derek Iwanaka (VP of Investor Relations and Corporate Development), Nick Furber (CFO), and Kristen Reinerton (Corporate Secretary and a director). Dr. Richard Sillitoe, one of the world's foremost economic geological experts on precious and base metal deposits, provides technical input for the Company's current projects and new project assessments as an advisor. Dennis Stansbury, a highly experienced mining engineer, and currently Sr. VP of Engineering and Project Evaluations with B2Gold Corp., also serves as a technical advisor to BeMetals.

The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol 'BMET', and they trade on the OTCQB in the U.S.A. under the symbol 'BMTLF', as well as on the Frankfurt Stock Exchange in Germany under the symbol '1OI.F'.

Since listing on the TSX-V, the Company has, through equity financings, successfully raised a total of approximately \$25 million with private placements of; \$2.24 million in 2018, \$6.25 million in 2019, \$7.5 million in 2020, \$7.5 million in 2021 and an additional \$1.2 million through the exercise of warrants associated with the 2020 private placement. B2Gold became a strategic investor in BeMetals through the latest equity financing and the acquisition of the Kazan Gold Project in Japan, where B2Gold subscribed for \$7.5 million as part of the Kazan acquisition. In addition, the Company entered into a loan agreement with B2Gold for an unsecured loan in the principal amount of US\$5 million in August 2022 and in July 2023 the Company reached agreement with B2Gold for an unsecured \$1.75 million Bridge Loan that, subject to shareholders approval, will be applied as partial subscription towards a \$3.3 million Convertible Debenture. The Company also has an agreement allowing at its election for up to an additional funding of \$2.0 million through convertible debenture to B2Gold, for a total of \$5.3 million in aggregate (see 'Liquidity and Capital Resources' below). The Company will need to raise additional funds in the future to meet its growth strategy and carry out its long-term objectives. While the Company has been successful in obtaining financing to date, there is no assurance that it will be able to secure adequate financing in the future or that such financings will be on terms that are acceptable to the Company. Although the Company anticipates it has sufficient capital to meet its current obligations for the next twelve months, the Company will need to raise additional funds in the future to meet its growth strategy and carry out its long-term objectives.

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## Kazan Gold Project

The Company acquired the Kazan Gold Project in April 2021. The Kazan Gold Project is an expertly selected portfolio of wholly owned gold properties in Japan, including the more advanced exploration-stage Kato Project in Hokkaido. Kazan assembled this land position covering extensions and similar geological terrains known to have hosted numerous historical high-grade mines including, but not limited to, the currently operating Hishikari Gold Mine on Kyushu, which produced 7.9 million ounces of gold from 1985-2020 at an average grade of 30-40 grams per tonne gold.

Kazan has the rights to explore a total of five project areas in Japan. In addition to the Kato Project, these properties include the earlier stage Todoroki and Konomai projects also on Hokkaido, as well as the Tashiro and Hokusatsu projects on Kyushu. A number of these project areas were subject to, or have adjacent, historical high-grade gold mining operations.

**The Kato Gold Project** is the most advanced exploration project and covers close to 2,000 hectares in central Hokkaido.

### Recent Highlights

In July 2023, BeMetals announced assay results from its ongoing 2023 drilling program at Kato. This year's planned 2,000 metre drilling campaign is focused on extending the gold mineralization found along the south-easterly trending Seta and Kamitake veins, and thus far the Company has reported results from approximately 1,660 metres of drilling completed in six drill holes. The latest results returned multiple zones of epithermal gold mineralization related to the Seta, Kamitake as well as other new vein zones intersected southwest of the Seta and Kamitake veins. With the identification of these new mineralized zones, there appears to be a wide corridor of gold vein mineralization on the Property with dimensions of at least 200 metres wide and 1.3 kilometres in strike extent.

### HIGHLIGHTS OF THE 2023 DRILLING RESULTS INCLUDE:

- **KT23-19: Interval 1:** 6.40 metres ("m") grading 1.74 g/t grams per tonne ("g/t") gold ("Au") and 5.4 g/t silver ("Ag")
  - Including: 1.70 m grading 5.58 g/t Au and 11.5 g/t Ag
- **Interval 2:** 5.60 m grading 3.29 g/t Au and 7.9 g/t Ag
  - Including: 1.00 m grading 9.46 g/t Au and 17.6 g/t Ag
  - Also including: 0.43 m grading 9.65 g/t Au and 8.7 g/t Ag
- **KT23-20: Interval 3:** 13.55 m grading 1.19 g/t Au and 18.32 g/t Ag
  - Including: 1.95 m grading 3.55 g/t Au and 21.66 g/t Ag
- **KT23-18: Interval 2:** 10.54 m grading 1.28 g/t Au and 17.4 g/t Ag
  - Including: 1.37 m grading 4.48 g/t Au and 75.5 g/t Ag
- **Interval 5:** 6.70 m grading 2.48 g/t Au and 36.1 g/t Ag
  - Including: 1.90 m grading 7.50 g/t Au and 91.7 g/t Ag
- **KT23-17: Interval 3:** 3.60 m grading 2.12 g/t Au and 14.9 Ag
  - Including: 1.00 m grading 6.31 g/t Au and 17.8 g/t Ag
- **Interval 6:** 3.15 m grading 1.18 g/t Au and 7.7 Ag
  - Including: 0.75 m grading 3.32 g/t Au and 13.0 g/t Ag

In December 2022 BeMetals completed its initial 2,000 metre drilling campaign at Kato and in January 2023, the Company announced the remaining assay results from its 2022 program including, holes KT22-13 and KT22-15 which extended the Seta and Kamitake veins to the southeast. The relatively lower gold grade of the KT22-13 & KT22-15 intersections compared to KT22-11 and KT22-12 are related to the former intersections being in the shallow, steam heated area of the epithermal system. These intersections likely represent the upper zone of the veins. Highlights of the 2022 drilling included:

- **KT22-11: Seta Vein:** 11.50 metres ("m") grading 6.42 g/t grams per tonne ("g/t") gold ("Au")
  - o Including: 8.70 m grading 7.80 g/t Au
  - o Including: 4.52 m grading 11.88 g/t Au
- **KT22-12: Seta Vein:** 26.10 m grading 3.06 g/t Au
  - o Including: 10.20 m grading 4.88 g/t Au

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- o Including: 5.05 m grading 5.76 g/t Au
- **KT22-13: Seta Vein:** 30.00 m grading 0.47 g/t Au
  - o Including: 5.25 m grading 1.25 g/t Au
- **KT22-15: Seta Vein:** 17.50 m grading 0.29 g/t Au, Extends Seta Vein 400 m from KT22-11
- **KT22-15: Kamitake Vein:** 3.67 m grading 0.86 g/t Au

Appendix A includes further intersection details relating to these drill results.

Historically, the property was drilled by the Japanese government's Metal Mining Agency of Japan ("MMAJ") in the 1990s and during that time intervals of high-grade gold including 17.5 metres grading 8.15 grams per tonne ("g/t") gold ("Au") in hole 5MAHB-2, and 18.65 metres grading 5.01 g/t Au in hole 7MAHB-1 were returned. Little work was conducted on the property since the 1990s until the Japanese Ministry of Economy Trade and Industry ("METI") granted the prospecting rights to Kazan Resources, Japan in December 2017. Kazan Resources was acquired by BeMetals in 2021.

From 2018-2019, Kazan completed several core holes which successfully intersected a zone of hydrothermal breccia near the adjacent main target vein. KT19-02A returned a number of zones of gold mineralization including 14 metres grading 2.10 g/t Au without intersecting the primary target vein. In 2020, a larger drill rig was deployed and reached the primary target zone, intersecting over 50 metres of hydrothermal breccia, vein breccia, stockwork, and banded quartz-adularia veins in hole KT20-010. The hole intersected 58.9 metres grading 0.76 g/t Au, including 7.4 metres at 2.99 g/t Au, and ended in 2.8 metres grading 3.1 g/t Au. The Table below illustrates these selected intersections.

For more details on Kato, prior to the 2022 and ongoing 2023 drilling campaigns, see the technical report entitled, "Kato Gold Project, Japan NI 43-101 Technical Report" with an effective date of July 13, 2021 filed on SEDAR or on the Company website.

#### KATO PROJECT: SELECTED HISTORICAL DRILLING INTERSECTIONS

Drill Hole ID	From (m)	To (m)	Core Interval (m)	Au g/t	Drilled By
5MAHB-2	314.80	332.30	17.50	8.15	Metal Mining Agency of Japan
7MAHB-1	258.85	277.50	18.65	5.01	Metal Mining Agency of Japan
KT19-02A	120.48	177.05	56.57	0.80	Kazan
Including	136.95	164.50	27.55	1.40	Hole did not reach primary target
Including	150.50	164.50	14.00	2.10	
KT20-010					Kazan
Interval 1:	165.30	224.20	58.90	0.76	
<i>Including</i>	167.70	175.10	7.40	2.99	
Interval 2:	229.80	232.60*	2.80	3.10	

#### Summary of Exploration Expenses

The following table summarizes the exploration costs associated with the Company's Kato Gold Project as at June 30, 2023 and December 31, 2022:

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<b>Kato Gold Project</b>			
	Balance December 31, 2022	<b>Expenditure in 2023</b>	Balance June 30 2023
Direct exploration expenditures			
Consulting & wages	\$ 1,021,520	\$ 470,567	\$ 1,492,087
Drilling	1,695,342	1,710,604	3,405,946
Equipment	72,950	-	72,950
Land fees /Lease payments	35,659	732	36,391
Site logistics	776,559	359,299	1,135,858
Total direct exploration expenditures	3,602,030	2,541,202	6,143,232
Other expenditures			
Property acquisition costs	3,821,236	-	3,821,236
Share based compensation	66,774	16,172	82,946
<b>Total</b>	<b>\$ 7,490,040</b>	<b>\$ 2,557,374</b>	<b>\$ 10,047,414</b>

**The Todoroki Gold-Silver Project** is located on the southwestern region of Hokkaido and targets high-grade epithermal gold-silver mineralization encompassed within some 590 hectares of prospecting rights which include the historical Todoroki Mine discovered in 1896 – the oldest gold-and-silver mine in Hokkaido. Recorded production at the Todoroki Mine from 1925 until 1943 was approximately 200,000 ounces of Au, and 7.4 million ounces of Ag. Mining was temporarily halted in 1943 but resumed operation after WWII. Mining continued intermittently until the 1980s but production information for this period is uncertain.

Detailed geological studies by a Japanese group in the early 1970s concluded that in addition to the 13 known vein occurrences at Todoroki, there were numerous other undeveloped veins and alteration halos surrounding potential vein zones that required investigation. The veins are described as being composed of quartz, calcite, and adularia with local rhodochrosite. The veins are distributed over a 4.5km (East-West) by 1.5km (North-South) area and range in length between 500 and 1,500 metres, with documented widths ranging from 1 to more than 10 metres.

In 2021, a reconnaissance surface sampling program, completed by the Company, yielded several high-grade results, associated with outcrops near to historical mining, including 9.43 g/t Au and 442.5 g/t Ag over 2.1 metres and 9.29 g/t Au and 656.5 g/t over 2.5 metres. This confirms the significant high-grade silver component to the mineralization. Phases of rock chip and cut channel sampling along with geological mapping were also completed in 2022. Information from these programs have been integrated with data from the historical underground Todoroki Gold-Silver Mine and has generated some robust targets for drill testing planned from late-August 2023. The primary objective for the 2023 drilling at Todoroki is to test for extensions to the large swarm of veins with an initial approximately 1,000m of core drilling.

**The Tashiro Gold Project** is located in northeastern Kyushu. The Project is situated within the regional scale Hohi Graben, a major geological structure in this district that is associated with numerous historical gold mines and prospects known collectively as the Northern Kyushu epithermal gold province.

In early 2023, BeMetals completed an airborne drone magnetic survey at Tashiro. This survey information was integrated with the historical drilling results to generate several compelling drilling targets for the property.

The high-grade quartz-gold veins of the Noya and Noya SW prospects within the Tashiro Project do not crop out. The area was initially explored for its geothermal energy potential with a single drill hole completed in 1952, and subsequently three more holes were completed in 1977. The existence of epithermal quartz-gold veins in the original drill core, with associated intense alteration, was first recognised by Morishita & Takeno and reported in 1989. Motivated by these results, in the early 1990s, MMAJ conducted drilling on the property as part of their search for the next Hishikari Gold Mine. A combination of mapping, soil sampling, geophysics, and drilling were undertaken and identified mineralized vein zones at the Noya and Noya SW Prospects, where numerous highly anomalous gold intervals were intersected. Some highlighted historical intersections of note on the property were included at;

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### Noya Prospect

- 4MAKC-1: 63.90 grams per tonne ("g/t") gold ("Au") & 16.70 g/t silver ("Ag") over 0.47m\*
- 4MAKC-4: 28.60 g/t Au & 12.90 g/t Ag over 1.08m\*
- 7MAKN-4: 41.60 g/t Au & 28.40 g/t Ag over 0.30m\*

### Noya SW Prospect

- 9MAKN-7: 1.67 g/t Au & 1.70 g/t Ag over 27.10m, *Including*: 3.38 g/t Au over 8.95m
- 9MAKN-8: 13.80 g/t Au & 16.70 g/t Ag over 1.30m\*

Appendix B includes further intersection details relating to these drill results.

Later in 2023 or early in 2024, the Company expects to drill test the potential for extending at least two significant zones of vein-hosted gold mineralization on the property.

**The Konomai Project** is located in northeastern Hokkaido. This land package is in the northern tip of a prolific zone of gold mining operations that were active in pre-World War II times. Most of the historical gold mines were shut down during the war years and were never reopened aside from Sumitomo Metal Mining's Konomai Mine, the largest in Hokkaido, which produced 3.1 million ounces of gold, and some other more modest producing mining operations. The Company has completed orientation and reconnaissance rock chip and soil sampling at this property. It is planned for more of this work to be completed during 2023 with the aim of generating initial drill targets for testing.

**The Hokusatsu Gold Project** is located in southwestern Kyushu. This property is of interest due to its close proximity to two important gold occurrences on and adjacent to the property near the former mines of; Fuke (historical production of 125,000 ounces at 10.5 g/t Au) and Ohkuchi (historical production of 783,000 ounces at 13.1 g/t Au) mines. In addition, the high-grade Hishikari Gold Mine is located approximately 16 kilometres to the southeast of the Hokusatsu property. The Company has completed reconnaissance rock chip sampling in this project area, and is also compiling historical information from the Ohkuchi Mine with an aim to generating potential drill targets based upon the possible extension of un-mined areas of this mineralization within the property. The Company also intends to complete a stream sediment sampling program at the Hokusatsu property.

### Summary of Exploration Expenses

The following table summarizes the exploration costs associated with the Company's Other Japan Projects as at June 30, 2023 and December 31, 2022:

<b>Other Japan Projects</b>			
	Balance December 31, 2022	<b>Expenditure in 2023</b>	Balance June 30 2023
Direct exploration expenditures			
Consulting & wages	\$ 466,947	\$ 166,675	\$ 633,622
Land fees /Lease payments	33,133	5,079	38,212
Site logistics	82,062	85,582	167,644
Total direct exploration expenditures	582,142	257,336	839,478
Other expenditures			
Property acquisition costs	8,916,216	-	8,916,216
Share based compensation	39,298	-	39,298
<b>Total</b>	<b>\$ 9,537,656</b>	<b>\$ 257,336</b>	<b>\$ 9,794,992</b>

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## Pangeni Copper Project

### Recent Highlights

In June 2023, the Company announced commencement of the 2023 exploration field season co-funded with its investor Japan Organization for Metal and Energy Security Corporation ("JOGMEC"). This year's program will begin with approximately 5,000 metres of shallow, aircore drill testing of targets below the Kalahari sand cover and the approximately 2,000 metres of follow-up core drilling. The aircore drilling will focus on testing significant step outs from Targets G, P, and Q, in the south and southeast area of the Pangeni property, and identifying potential higher-grade shoots at the D-Prospect. The Company will also test the northeastern extension of a major structural feature trending across the central area of the Project at the new L-target. In June, the Company also released new analytical results from the 2022 core drilling program:

HIGHLIGHTS FROM THE 2022 CORE DRILLING PROGRAM INCLUDE THE FOLLOWING:

- **G-Target:** Drill hole G2-C1 intersected 0.5 metres grading 0.71% copper ("Cu") and 0.5 metres grading 1.19% Cu
- **D-Prospect:** Drill hole D5-C2 intersected 0.5 metres grading 0.62% Cu
- **P-Target:** Drill hole P1-C1 intersected 0.78 metres grading 0.48% Cu
- The recently updated exploration interpretation of the Project has identified new, and refined existing, compelling targets for copper discovery that possess similar geological settings of world class deposits and mines in the Zambian Copperbelt

HIGHLIGHTS OF THE 2021 EXPLORATION CORE DRILLING RESULTS INCLUDE:

Analytical results of 2021 core drilling program were released in early 2022 and successfully returned encouraging copper intersections at multiple target areas, including the Q and D prospects, which included:

- **Q-Target:** Drill Hole Q3-C1 intersected 4.14 metres grading 0.62% copper ("Cu")  
*Including: 1.20 metres grading 1.1% g/t Cu*
- **D-Prospect:** Drill Hole D7-C1 intersected 5.00 metres grading 0.58% Cu
- **D-Prospect:** Drill Hole D7-C2 intersected 3.37 metres grading 0.51% Cu  
*And also: intersected 6.00 metres grading 0.39% Cu*

The Q3-C1 core hole intersection is of particular interest as the host meta-sediments to this copper mineralization are interpreted as part of the Katangan Super Group sediments. This package of host rocks are known to host many of the world class copper deposits and mines within the Zambian Copperbelt.

On June 1, 2021, the Company reported commencement of the 2021 exploration program at the project to determine the extent of copper mineralization at the D and SW areas, as well as to test the Q, G, F and P target areas. During the year, BeMetals completed 1,382 metres of core drilling in six core holes, 4,353 metres of shallow aircore, and a helicopter-borne electromagnetic ("EM") survey over the Pangeni Copper Project. Four priority targets were tested with core drilling in 2021.

HIGHLIGHTS OF THE 2019 - 2020 EXPLORATION CORE DRILLING RESULTS INCLUDE:

- **D2 Prospect Drill Hole D2-C1:** intersected 5.50 metres grading 0.53% Cu
- **Drill Hole D2-C2:** intersected 5.56 metres grading 0.47% Cu
- **Drill hole D3-C1 Interval 1:** 3.98 metres grading 0.39% Cu
- **Drill Hole D3-C1 Interval 2:** 3.70 metres grading 0.37% Cu
- **SW Prospect Drill Hole SW (E2)-C2:** intersected 4.50 metres grading 0.39% Cu  
*Including: 0.5 metres of 1.59% Cu & 0.5 metres grading 1.22% Cu*

Importantly these intersections are related to broader zones of anomalous copper and associated with alteration minerals known to occur in copper deposits and mines within the region. The mineralization is predominantly present as chalcopyrite a copper sulphide mineral. The 2020 D3-C1 shallow copper intersections are particularly meaningful, as they occur some 850 metres along the same interpreted strike of the mineralized zones intersected in holes D2-C1 and D2-C2 during the 2019 field season.

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### About the Pangei Copper Project

The Pangei Copper Project is located on the western extension of the Zambian Copperbelt, within the Lufilian Arc, underlain by Katangan Supergroup metasediments situated unconformably on basement schists and gneisses, which are covered by a thin veneer of Kalahari sands. The open-pit Sentinel Copper Mine is operated by First Quantum Minerals Ltd. some 130 kilometres to the northeast of the Pangei Project. A number of major international mining companies have identified this region of the Zambian Copperbelt to be prospective for the discovery of tier one copper mines and are also conducting extensive exploration work in this area.

The Pangei Licence is geologically prospective for the following deposit types; Basement-hosted Cu (analogues: the Lumwana Deposit, Nyungu Prospect), Sediment-hosted stratiform Cu-Co (analogues: Nchanga, Konkola, Nkana, and Mufulira Deposits), other Domes Region Deposits e.g. Sentinel, and Kansanshi and DRC Copperbelt Deposits e.g. Lonshi, Frontier, Kamo-Kakula).

In July 2019, the Company launched an initial core drilling program at the Pangei Copper Project, comprising approximately six shallow core holes to test the three targets generated by the aircore drilling programs. A total of 1,275 metres of core drilling was completed on the project during the 2019 field season. See highlights for the 2019 exploration program above.

The 2020 exploration program included completion of some 3,700 metres of shallow aircore drilling to test both significant step outs from copper intersections during the 2019 fieldwork and to test other priority targets generated from the interpretation of the airborne magnetics. Also approximately 750 metres of core drilling was completed in five drill holes to test copper anomalies below the Kalahari sand cover.

In 2021, BeMetals completed 1,382 metres of core drilling in six holes, 4,353 metres of aircore, and a helicopter-borne electromagnetic survey was conducted over the project.

In March 2021, BeMetals entered into a Joint Exploration and Option Agreement (the "JOGMEC Agreement") with Japan Oil, Gas and Metals National Corporation (JOGMEC recently changed its name to the Japan Organization for Metals and Energy Security) that provided an initial investment of US\$1.5 million for money-in-the-ground exploration at the Pangei Copper Project with additional ongoing pro-rata contributions. This investment from JOGMEC is helping to accelerate exploration at the property. Further information on this agreement with JOGMEC is detailed below.

An independent technical report for the Pangei Copper Project, prior to the 2019 and 2020 drilling campaigns, has been completed by African Mining Consultants Limited, effective April 10, 2018, and is available on the Company's website and under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### Terms of the Pangei Option Agreement

In February 2018, further to a November 2017 letter agreement, the Company confirmed the agreement (the "Pangei Agreement") with Copper Cross Zambia Limited (the "Pangei Vendor") for the right to acquire up to a 72% interest in the Pangei Copper Project. This agreement and the transactions pursuant thereto (the "Pangei Transaction") was approved by the TSX-V in July 2018 in connection with the Company's completion of its qualifying transaction. Subsequently, the Company has made certain amendments to the Pangei Agreement as announced in January 2020 and June 2023.

Pursuant to the Pangei Agreement, and including the January 2020 and June 2023 amendments, the Company can acquire an initial 67.5% interest in the Pangei Copper Project by:

- (a) making cash payments of US\$250,000 and issuing a total of 780,500 common shares by February 2020 (completed);
- (b) spending US\$2,500,000 in exploration work by December 31, 2020 (completed);
- (c) making a cash payment of US\$100,000 by mid-June 2023 (completed);
- (d) making a cash payment of US\$350,000, of which up to US\$225,000, at the Company's option, may be satisfied by the issuance of the Company's common shares by mid-June 2024;

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- (e) completing a Preliminary Economic Assessment ("PEA") by (i) mid-June 2024 or (ii) any future date thereafter provided that the Company incur or fund not less than US\$2,000,000 of expenditures on the Pangeni Copper Project annually, by mid-June of each year, until the completion of the PEA; and
- (f) making a payment of US\$700,000 as an advanced royalty reduction payment.

Following acquisition of the initial 67.5% interest the Company can acquire an additional 4.5% interest by completing a Feasibility Study and making a further cash payment of US\$750,000 (a portion of which may be paid in common shares of BeMetals at the option of the Company).

At the commencement of the mine development phase, and following a feasibility study, a one-off milestone payment is payable, based upon total proven and probable mineral reserves, as follows: US\$2,000,000 if less than 500 kilotonnes ("kt") contained copper, US\$3,000,000 if the contained copper is between 500 kt and 1,000kt, and US\$6,000,000 if greater than 1,000kt contained copper. Upon commencement of production, Pangeni Mineral Resources Limited ("Pangeni Mineral") is entitled to a 3% Net Smelter Royalty (which may be reduced to 2.5% following the US\$700,000 royalty reduction payment above and further reduced to 1% following an additional royalty reduction payment by the Company, determined by an internationally recognised valuator, which is not to exceed US\$3,300,000).

#### Terms of JOGMEC Agreement

Under the terms of the JOGMEC Agreement, by March 31, 2021 JOGMEC funded US\$1,000,000 for exploration expenditures by way of payment to BeMetals for exploration activities completed in the 2020 field program. This payment was received in March 2021. During 2021, JOGMEC will also fund an additional US\$ 500,000 in exploration expenditures (which was completed in August 2021), after which JOGMEC has been deemed to have earned a 27.8% interest in BeMetals' option to acquire up to a 72% interest in the Pangeni Project. Upon earning its interest in the BeMetals option, for the remainder of the agreed future exploration programs, JOGMEC funds exploration expenditures pro-rata in accordance with its 27.8% interest. In total JOGMEC will therefore solely fund US\$ 1,500,000 of exploration expenditures, and thereafter fund exploration expenditures pro-rata in accordance with its proportionate interest in the BeMetals option for the property. The above investments will provide JOGMEC with rights to an approximately 20% stake in the Pangeni Project assuming the full exercise of all applicable underlying parties and optionees and BeMetals will retain rights to approximately 52%. BeMetals retains overall management control through the project's technical committee and its majority option position in the Pangeni Project.

#### Off-take Option Rights

Provided JOGMEC maintains its 27.8% interest in the BeMetals option through pro-rata funding of its proportionate share of exploration expenditures until December 31, 2024, it will have earned a First Off-take Option, whereby, through annual Right of First Offer ("ROFO") and Right of First Refusal ("ROFR") provisions, JOGMEC will have the right to purchase up to 30% of the off-take from any mining operation on the property. JOGMEC would be entitled to exercise such ROFO/ROFR rights beginning on December 31, 2024 until the 10-year anniversary of the commencement of commercial production (with any purchases of off-take to begin on the commencement of commercial production).

Furthermore, should JOGMEC maintain at least a 10% interest in the Pangeni Project at the time a production decision is made for the Pangeni Project, it will be entitled to an additional Second Off-take Option, whereby, through an annual ROFR right, JOGMEC will have the right to purchase up to an additional 20% of the off-take from any mining operation on the property (for an aggregate 50% purchase right). JOGMEC would be entitled to exercise such Second Off-take ROFR rights beginning on the date a production decision is made until the end of the life of mine on the property (with any purchases of off-take pursuant to the Second Off-take Option to begin on the commencement of commercial production). If this Second Off-take Option is earned by JOGMEC, the term of the Off-take Option will also be extended, such that it will continue until the end of the life of mine. The remaining 70% or 50%, as applicable, of production from any mining operation remains unencumbered by JOGMEC's rights.



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#### Summary of Exploration Expenses

The following table summarizes the exploration costs associated with the Company's Pangeni Copper Project as at June 30, 2023 and December 31, 2022:

<b>Pangeni Copper Project</b>			
	Balance December 31, 2022	Expenditure in 2023	Balance June 30 2023
Direct exploration expenditures			
Application of prior prepaid amounts	\$ 3,313,750	\$ -	\$ 3,313,750
Consulting & wages	342,348	78,794	421,142
Drilling	2,727,531	21,128	2,748,659
Professional fees	97,742	835	98,577
Site logistics	644,501	22,818	667,319
Total direct exploration expenditures	7,125,872	123,575	7,249,447
Other expenditures			
Proceeds from JOGMEC	(2,776,937)	(207,394)	(2,984,331)
Property acquisition costs	558,842	133,760	692,602
Share based compensation	112,926	4,265	117,191
<b>Total</b>	<b>\$ 5,020,703</b>	<b>\$ 54,206</b>	<b>\$ 5,074,909</b>

#### **South Mountain Project**

In February 2019, the Company entered into an option agreement for the rights to the South Mountain Project (the "South Mountain Agreement"). As part of the South Mountain Agreement, the Company acquired the right to explore at the South Mountain Project. On December 30, 2022 the Company opted to terminate the option and wrote-down \$12,675,966 of previously capitalized expenditures on the South Mountain Project. The total write-down of \$12,675,966 consisted of a \$4,020,765 write-down of expenditures incurred to purchase the option to acquire the South Mountain Property and a write-down of \$8,655,201 in Exploration and Evaluation expenditures incurred at the South Mountain Property up to the date at which the decision to terminate the option was made.

#### **Overall Performance and Results of Operations**

Total assets decreased to \$28,083,299 at June 30, 2023, from \$28,948,989 at December 31, 2022. The most significant assets at June 30, 2023, were cash of \$2,101,132, (December 31, 2022: \$6,007,041), investments of \$198,599 (December 31, 2022: \$277,652), exploration advances of \$614,221 (December 31, 2022: \$350,491), and exploration and evaluation assets of \$24,917,316 (December 31, 2022: \$22,048,400).

The most significant changes in assets value at June 30, 2023 compared to December 31, 2022 were attributed to:

- Cash decreased by \$3,905,909 to \$2,101,132 on June 30, 2023 compared to \$6,007,041 on December 31, 2022. The most significant cash expenditures were on the Company's exploration and evaluation assets where approximately \$3.1 million in cash was invested.
- Exploration and evaluation assets increased by \$2,868,915 to \$24,917,316 on June 30, 2023 compared to \$22,048,400 on December 31, 2022. The increase mainly related to net expenditures of \$2.6 million on the Kato Gold Project and \$0.25 million on the Other Japan Projects.

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#### ***Three months ended June 30, 2023 and 2022***

Comprehensive loss for the three months ended June 30, 2023, was \$631,464, an increase of \$86,072 compared to the comprehensive loss of \$545,392 for the three months ended June 30, 2022. The increase in comprehensive loss is largely due to the net effect of:

- Increase in the unrealized loss on FVOCI investments of \$102,331. During the three months ended June 30, 2023 the Company recognized an unrealized loss on FVOCI investments of \$119,426 compared to a loss of \$17,095 during the three months ended June 30, 2022. These FVOCI gains and losses resulted from changes in the market price of the 2,500,000 common shares the Company owns in Thunder Mountain Gold.
- Increase in finance expense of \$78,691 to \$78,691 for the three months ended June 30, 2023 compared to \$nil for the three months ended June 30, 2022. The increase is the result of the interest accrued on the B2Gold loan.
- Decrease in share-based compensation expense of \$150,475. Share-based compensation was \$57,411 for the three months ended June 30, 2023, as compared to share-based compensation of \$207,886 for the three months ended June 30, 2022.

#### ***Six months ended June 30, 2023 and 2022***

Comprehensive loss for the six months ended June 30, 2023, was \$1,138,857, a decrease of \$236,802 compared to the comprehensive loss of \$1,375,659 for the six months ended June 30, 2022. The decrease in comprehensive loss is largely due to the net effect of:

- Decrease in share-based compensation expense of \$311,121. Share-based compensation was \$137,770 for the six months ended June 30, 2023, as compared to share-based compensation of \$448,891 for the six months ended June 30, 2022.
- Decrease in the unrealized loss on FVOCI investments of \$119,584. During the six months ended June 30, 2023 the Company recognized an unrealized loss on FVOCI investments of \$79,053 compared to a loss of \$198,637 during the six months ended June 30, 2022. These FVOCI gains and losses resulted from changes in the market price of the 2,500,000 common shares the Company owns in Thunder Mountain Gold.
- Increase in finance expense of \$157,021 to \$157,021 for the six months ended June 30, 2023 compared to \$nil for the six months ended June 30, 2022. The increase is the result of the interest accrued on the B2Gold loan.
- Increase in marketing expense of \$116,893 to \$175,945 for the six months ended June 30, 2023 compared to \$59,052 for the six months ended June 30, 2022.

## **Liquidity and Capital Resources**

As at June 30, 2023, the Company had working capital of \$1,860,665 (December 31, 2022: working capital of \$5,895,533). The Company has incurred negative cash flows from operations of \$945,997 and recorded a loss of \$1,059,804 for the six months ended June 30, 2023 (June 30, 2022: negative cash flows from operations of \$662,615 and loss of \$1,177,022, respectively), and has an accumulated deficit of \$24,256,822 as at June 30, 2023 (December 31, 2022: \$23,197,018).

On July 2023 the Company entered into a subscription agreement with B2Gold Corp. ("B2Gold"), a related party, with respect to a non-brokered private placement to B2Gold of an unsecured convertible debenture in the principal amount of C\$3,300,000, subject to approval by shareholders of BeMetals and the TSX Venture Exchange. Due to the timing of holding a shareholder meeting, B2Gold has advanced an initial C\$1,750,000 to the Corporation as an unsecured bridge loan. The Corporation has also entered into a commitment letter with B2Gold pursuant to which B2Gold committed to make available to the Corporation an additional C\$2,000,000 of funding, which can be drawn down in part or in full at the option of the Corporation at any time on or before December 31, 2023 (see Note 12 of the Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2023).

On August 4, 2022 the Company entered into a loan agreement with B2Gold for an unsecured loan in the principal amount of US\$5,000,000 (the "Loan"). The Loan matures on August 4, 2025 and bears interest at a rate of 4.7% per annum. The

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interest on the Loan is to be paid or accrued annually at the discretion of the Company and the Loan is repayable in part or in full at any time without penalty. The Company did not issue any securities or pay any bonuses, commissions or finder's fees with regards to the Loan.

The Company does not currently have a source of revenue. While the Company anticipates it has sufficient capital to meet its current obligations for the next twelve months, the Company will need to raise additional capital to carry out its planned objectives. There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. The accompanying unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

### Summary of Quarterly Results

	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Revenue	\$ -	\$ -	\$ -	\$ -
Loss	(512,038)	(547,766)	(13,036,424)	(524,605)
Comprehensive loss	(631,464)	(507,393)	(12,998,643)	(545,675)
Basic and diluted loss per share	(0.00)	(0.00)	(0.07)	(0.00)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Revenue	\$ -	\$ -	\$ -	\$ -
Loss	(528,297)	(648,725)	(749,470)	(666,498)
Comprehensive loss	(545,392)	(830,267)	(700,791)	(646,011)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

The increase in comprehensive loss for Q4 2022 was the result of the write-down of the South Mountain Project resulting in an expense of \$12,675,966 being charged to the income statement in the period. The increase in comprehensive loss for Q3 2021 and Q4, 2021 was the result of share-based compensation and increase in fees and salaries, partly arising from the Kazan acquisition.

### Outstanding Share Data

#### *Issued and fully paid common shares*

The Company issued no shares during the six months ended June 30, 2023. As at June 30, 2023, and the date of this report, there were 177,352,545 shares outstanding.

#### *Warrants*

During the six months ended June 30, 2023 no warrants were exercised or issued by the Company.

During the year ended December 31, 2022 no warrants were exercised or issued by the Company and 1,076,006 warrants expired.

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As at June 30, 2023, and the date of this report, there are no warrants outstanding.

### **Share options**

During the six months ended June 30, 2023, no share options were exercised, issued or cancelled by the Company. As at June 30, 2023 and the date of this report, there were 16,995,000 options outstanding.

### **Related Party Transactions**

Included within fees and salaries are amounts paid to key management personnel, which are 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 members of the Company's Board of Directors and corporate officers.

During the six months ended June 30, 2023, key management personnel compensation, including directors and officers, was comprised of \$436,763 (June 30, 2022 - \$572,755), of which \$91,254 related to share-based compensation, \$254,718 related to fees and salaries and \$90,791 was capitalized to Exploration and evaluation assets (March 31, 2022 - \$235,478, \$269,906 and \$67,370 respectively).

During the six months ended June 30, 2023, the Company paid or accrued fees of \$110,236 (June 30, 2022 - \$195,087) to B2Gold that were capitalized to Exploration and evaluation assets. During the year ended December 31, 2022, the Company entered into a US\$5 million loan agreement with B2Gold. On July 31, 2023 the Company reached agreement with B2Gold for an unsecured \$1.75 million Bridge Loan that, subject to shareholders approval, will be converted into a \$3.3 million Convertible Debenture as well as an agreement allowing the Company to issue up to an additional \$2.0 million of convertible debenture to B2Gold, for a total of \$5.3 million in aggregate (Note 12)

As at June 30, 2023 amounts included in accounts payable and accrued liabilities due to related parties was \$35,126 (December 31, 2022: \$84,335).

### **Outlook**

BeMetals is currently advancing the exploration and development of its portfolio of precious and base metals projects in Japan and Zambia. These activities include the exploration fieldwork at the Kazan portfolio of gold projects in Japan and further exploration at the Pangeni Copper Project in Zambia. In addition the Company is constantly reviewing other potential high value gold and base metal exploration and development projects for possible new acquisitions to the current portfolio.

In Japan, the Company is currently completing a planned 2,000 metre phase of drilling that commenced in February, 2023. The Company mobilised a second drill rig to Japan, . Drilling assay results from the 2022 campaign have been announced, along with results to date from the 2023 campaign. The Company has significantly extended the high-grade gold zone at the Kato Project, and identified the Kato corridor of gold mineralised veins.

Also, this year an initial 1,000 metres of diamond drilling is being planned to commence in August 2023 at the Company's Todoroki project. This phase will aim to test extensions of the previously mined Todoroki vein swarm. In addition, BeMetals expects to initiate its first drilling program at its Tashiro Project in Kyushu at the end of 2023 or early 2024. This campaign will focus on testing the potential of extending at least two significant zones of vein-hosted gold mineralization at the Noya and Noya Southwest prospects on the Tashiro property. The Company will also continue to undertake reconnaissance exploration work on its other properties in Japan, to generate, and improve the definition of drill targets for those projects.

At the Pangeni Copper Project, the Company has commenced a planned 5,000 metre phase of exploratory shallow, aircore drilling. The lines of aircore drilling are focused on testing significant step outs from Targets G, P, and Q, in the south and southeast area of the Pangeni property, and identifying higher-grade shoots at the D-Prospect. In addition the drilling will also test the northeastern extension of a major structural feature trending across the central area of the Project at the new L-target. The drilling results at Pangeni to date, under the thin but extensive sand cover, and its overall geological setting

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within the prolific Zambian Copperbelt continue to demonstrate the potential for this project to deliver a large-scale copper discovery.

BeMetals' overall objective is to become a leading precious and base metals producer through the acquisition and implementation of quality exploration, development and production stage projects. This strategy is directed by the Board, key members of which have an extensive, proven track record in delivering considerable value in the mining sector through the discovery and building of mines. The Board, its advisors, and senior management also provide outstanding deal flow of project opportunities to the Company based upon an extensive international minerals business network of contacts.

### **Critical Accounting Policies and Estimates**

The Company has prepared the accompanying financial statements in accordance with IFRS. Significant accounting policies are described in Note 3 of the Company's financial statements as at and for the year ended December 31, 2022, except for newly adopted accounting policies as noted below, if any.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

### **Financial Instruments and Financial Risk Management**

#### ***Financial Instruments***

Cash, deposits, amounts receivable, and trade and other payables are held at amortized cost which approximates fair value due to the short-term nature of these instruments. Common shares of publicly traded companies included in investments are classified as FVOCI.

#### ***Financial Risk Management***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### **Credit risk**

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of these financial assets.

#### **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 a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. As at June 30, 2023, the Company had current liabilities of \$492,498 and working capital of \$1,860,665.

The Company's Loan with a principal owing of US\$5,000,000 matures on August 4, 2025. The Loan bears interest at a rate of 4.7% per annum which can be paid or accrued annually at the discretion of the Company (Note 6). The Company also has commitments or option payments arising in 2023 and 2024 related to the Pangenji Copper Project.

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### **Foreign currency 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 Company's functional currency. The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars and the Japanese Yen. A portion of the Company's exploration and evaluation expenditures are incurred in Zambia, but are predominantly transacted in US dollars. The Company maintains Canadian dollar and US dollar bank accounts in Canada and Japanese Yen ("¥") bank accounts in Japan. The Company is subject to gains and losses from fluctuations in the US dollar and the Yen against the Canadian dollar. The Company held a net monetary liability position of \$5,034,853 in US dollars and a net monetary asset position of \$269,906 in Japanese Yen as of June 30, 2023, with the effect on profit or loss before tax of a 10% fluctuation to the CAD dollar being \$476,500.

### **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's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

### **Price risk**

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including copper, zinc, silver, gold, and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations. In addition, the Company's investments which are comprised of publicly traded equity securities are subject to price risk.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk, as the nature of the Company's business is in exploration.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company is exposed to price risk with respect to its investment in Thunder Mountain, which trades on the OTCQB under the symbol 'THMG'.

### **Risks and Uncertainties**

The risk factors described below summarize and supplement the risk factors contained in the Company's filing statement dated July 18, 2018, (the "Filing Statement") and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and should be read in conjunction with the more detailed risk factors outlined in the Filing Statement:

The Company is engaged in the acquisition and exploration of natural resource properties, an inherently risky business, and there is no assurance that economically recoverable resources will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically recoverable resources.

The operation of mineral exploration and development properties requires licenses, permits and rights from various governmental authorities. The Company anticipates that it will be able to obtain and maintain all necessary licenses, permits and rights to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licenses, permits and rights. However, there can be no guarantee that all licenses, permits and rights which the Company may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or

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that the issuance of such licenses, permits or rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or rights or extension thereto, challenges to the issuance of such licenses, permits or rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or rights, or a failure to comply with the terms of any such licenses, permits or rights that the Company has obtained, could have a material adverse effect on the Company by delaying, preventing or making more expensive exploration, development and/or production. The Company will endeavour to secure the renewal of all required licenses, permits and rights, where required, through the timely submission of renewal applications and where appropriate new applications which comply with the various exploration and mining regulations in the countries and regions in which it is active. While best efforts are made with such applications to ensure their compliance with all legal and best practices technical standards, in liaison with the relevant authorities in each region, the Company cannot guarantee all such applications will be successful.

Exploration activities require large amounts of capital. There is a risk that during the current difficult economic situation the Company will not be able to raise sufficient funds to finance its projects to a successful development and production stage. While the Company's management and technical team carefully evaluate all potential projects prior to committing the Company's participation and funds, there is a high degree of risk that the Company's exploration efforts will not result in discovering economically recoverable resources. The Company depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

There is no guarantee that the Company will exercise its option pursuant to the Pangen Agreement. The completion and exercise of this option is affected by the success of the Company's exploration efforts and is contingent upon certain conditions precedent as well as the price of metals which are affected by numerous factors including inflation, investor speculative activities, relative exchange rate of the U.S. dollar to other currencies, global and regional demand and production, global and regional political and economic conditions, and production costs in major producing regions. These factors are beyond the Company's control and are impossible to predict.

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

The Company does not have any off-balance sheet arrangements.

#### **Proposed Transactions**

The Company does not have any proposed transactions as at June 30, 2023 other than as disclosed elsewhere in this document.

#### **Management's Report on Internal Control over Financial Reporting**

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **Qualified Person**

The technical information included in this MD&A has been reviewed and approved by John Wilton, CGeol FGS, the Company's CEO and President and a "Qualified Person" as defined by National Instrument 43-101 standards.

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### Caution Regarding Forward Looking Information

This Management Discussion and Analysis may contain certain "forward-looking statements" within the meaning of Canadian securities legislation. Forward-looking statements are statements that are not historical facts; they involve predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "aims", "potential", "goal", "objective", "prospective", and similar expressions, or that events or conditions "will", "would", "may", "can", "could" or "should" occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they include a number of known and unknown risks and uncertainties and other factors. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statement:

<b>Forward looking information</b>	<b>Assumptions</b>	<b>Risk Factors</b>
The Company's anticipated plans, costs, timing and capital for future development of the Company's mineral exploration properties.	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff, all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
The Company's ability to carry out anticipated exploration on its mineral exploration properties.	The operating and exploration activities of the Company for the next twelve months and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.



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Forward looking information	Assumptions	Risk Factors
Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations.	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of precious and base metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
Plans, costs and timing of the issuance of licenses, permits and rights.	The Company will be able to obtain and maintain all necessary licenses, permits and rights necessary to carry out its planned activities; the Company will be successful in any required renewal of its licenses, permits and rights through the timely submission of renewal applications and, where appropriate, new applications; the Company's understanding of the various exploration and mining regulations regarding licenses, permits and rights in the countries and regions in which it is active is accurate.	Licenses, permits and rights, or the renewal thereof, which the Company may require for any exploration or development of mining operations may not be obtainable on reasonable terms or in a timely manner, or at all; the terms of any licenses, permits and rights may be adversely changed; any required extensions may not be granted; the issuance of licenses, permits or rights may be challenged by third parties.
Management's outlook regarding future trends.	Financing will be available for the Company's exploration and operating activities; the price of precious and base metals will be favourable to the Company; required regulatory approvals for the acquisition of mineral properties will be received.	Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward looking statements are risks, uncertainties and other factors beyond the control of the Company's ability to predict or control. Please make reference to those risk factors referenced in the "risk factors" section above and as discussed in greater detail in the Company's various filings on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) with Canadian Securities Regulators. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and development are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements outlined in this MD&A.

Forward-looking statements include known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by the cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise review any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

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### Appendix A – Kato Drill Results

The table below lists the gold intersections returned from the 2022 and 2023 drilling programs which included intercepts in both the Seta and Kamitake Vein as well as surrounding mineralized stockwork zones.

Drill hole and Interval	From (m)	To (m)	Core Interval (m)	Au g/t	Comments
KT22-11:					
Interval 1:	226.00	236.80	10.80	0.43	Stockwork Zone
Interval 2:	236.80	248.30	11.50	6.42	Seta Vein Zone <sup>(1)</sup>
<i>Including:</i>	239.60	248.30	8.70	7.80	
<i>Including:</i>	239.60	244.12	4.52	11.88	
Interval 3:	248.30	253.20	4.90	0.76	Stockwork Zone <sup>(1)</sup>
KT22-12:					
Interval 1:	172.25	189.00	16.75	0.58	Kamitake Vein Zone <sup>(1)</sup>
Interval 2:	229.00	237.00	8.00	0.57	Stockwork Zone <sup>(1)</sup>
Interval 3:	237.00	263.10	26.10	3.06	Seta Vein Zone
<i>Including:</i>	239.70	249.90	10.20	4.88	
<i>Including:</i>	239.70	244.75	5.05	5.76	
KT22-13:					
Interval 2:	199.00	213.00	14.00	0.31	Seta Vein Zone <sup>(1)</sup>
Interval 3:	213.00	243.00	30.00	0.47	Seta Vein Zone <sup>(1)</sup>
<i>Including:</i>	213.00	218.25	5.25	1.25	
<i>Including:</i>	217.70	218.25	0.55	3.12	
KT23-16					
Interval 3:	266.80	271.30	4.50	1.35	
<i>Including:</i>	266.80	268.80	2.00	2.38	
KT23-17					
Interval 1:	38.20	38.75	0.55	1.90	
Interval 2:	49.20	49.90	0.70	1.88	
Interval 3:	78.50	82.10	3.60	2.12	
<i>Including:</i>	79.10	80.10	1.00	6.31	
Interval 4:	88.10	93.70	5.60	0.50	
Interval 5:	97.20	105.00	7.80	0.51	
Interval 6:	146.45	149.60	3.15	1.18	
<i>Including:</i>	146.45	147.20	0.75	3.32	
KT23-18					
Interval 2:	88.26	98.80	10.54	1.28	
<i>Including:</i>	88.26	89.63	1.37	4.48	

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Drill hole and Interval	From (m)	To (m)	Core Interval (m)	Au g/t	Comments
Interval 3:	129.95	131.16	1.21	1.36	
Interval 4:	184.97	188.95	3.98	0.64	Kamitake Vein
Interval 5:	229.60	236.30	6.70	2.48	
<i>Including:</i>	229.60	231.50	1.90	7.50	
					Did not reach Seta Vein
KT23-19					
Interval 1:	243.90	250.30	6.40	1.74	
<i>Including:</i>	248.60	250.30	1.70	5.58	
Interval 2:	278.00	283.60	5.60	3.29	Seta Vein
<i>Including:</i>	278.00	279.00	1.00	9.46	
<i>Also including:</i>	280.62	281.05	0.43	9.65	
KT23-20					
Interval 1:	197.10	201.05	3.95	1.12	Kamitake Vein
Interval 2:	214.50	223.35	8.85	0.50	Seta Vein
Interval 3:	223.35	236.90	13.55	1.19	
<i>Including:</i>	223.35	225.30	1.95	3.55	

*Table 1 Notes: Intertek Testing Services completed the analytical work with the core samples processed at their accredited laboratory in Manila, Philippines (See Company news releases for more details in QA/QC). Reported widths are drilled core lengths as true widths are unknown at this time. Based upon current data it is estimated true widths range between 55 to 65% of the drilled intersections. For the mineralized intervals, a nominal cut-off grade of 0.2 g/t Au has been used to determine the boundaries of the intersections with no more than 3.60m internal dilution of the intercept. <sup>(1)</sup> Current interpretation.*

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### Appendix B – Tashiro Drill Results

The table below provides more details of selected historical drill intersections within the Tashiro Project:

Drill hole and Interval	From (m)	To (m)	Core Interval (m)	Au g/t	Ag g/t
<b>Noya</b>					
4MAKC-1	306.90	307.37	<b>0.47</b>	<b>63.90</b>	<b>16.70</b>
4MAKC-4	353.98	355.06	<b>1.08</b>	<b>28.60</b>	<b>12.90</b>
4MAKC-9	335.55	336.15	<b>0.60</b>	<b>14.17</b>	<b>6.39</b>
	339.55	339.85	<b>0.30</b>	<b>16.06</b>	<b>12.30</b>
51WT-1	164.20	165.10	<b>0.90</b>	<b>7.00</b>	<b>NA</b>
	201.00	201.50	<b>0.50</b>	<b>20.00</b>	<b>NA</b>
6MAKN-1	234.65	234.90	<b>0.25</b>	<b>25.80</b>	<b>25.90</b>
7MAKN-4	205.80	206.10	<b>0.30</b>	<b>41.60</b>	<b>28.40</b>
<b>Noya SW</b>					
9MAKN-7	90.50	95.05	<b>4.05*</b>	<b>1.48</b>	<b>3.47</b>
	121.30	148.40	<b>27.10*</b>	<b>1.67</b>	<b>1.70</b>
<i>Including:</i>	121.30	127.10	<b>5.80</b>	<b>1.27</b>	<b>1.48</b>
<i>Including:</i>	139.45	148.40	<b>8.95</b>	<b>3.38</b>	<b>3.00</b>
9MAKN-8	84.50	97.20	<b>12.70*</b>	<b>1.13</b>	<b>3.27</b>
	119.60	120.90	<b>1.30</b>	<b>13.80</b>	<b>16.70</b>
	184.40	188.90	<b>4.50*</b>	<b>1.28</b>	<b>2.69</b>

\* These drill results are historical in nature. BeMetals has not undertaken any independent investigation of the sampling, nor has it independently analyzed the results of the historical exploration work in order to verify the results. BeMetals considers these historical drill results relevant as the Company will use this data as a guide to plan future exploration programs. The Company also considers the data to be reliable for these purposes however, the Company's future exploration work will include verification of the data through drilling. The reported results are drilled intersection widths as the orientation of the mineralized zones and their true thickness is currently not known. Intersections relate to individual samples, except for Noya SW prospect where composites\* where calculated using a nominal cut-off grade of 0.5 g/t Au, with a maximum of 2.55 metres of internal dilution, to determine the boundaries