

KARUS MINING INC.

Management's Discussion and Analysis

March 31, 2024

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(Expressed in Canadian dollars unless otherwise stated)

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KARUS MINING INC.

Management's Discussion and Analysis

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The following Management's Discussion and Analysis ("MD&A"), prepared as of June 13, 2024, should be read together with the condensed interim consolidated financial statements of Karus Mining Inc. ("Karus" or the "Company") for the period ended March 31, 2024 (the "Interim Statements") and related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. All amounts are stated in Canadian dollars unless otherwise indicated. The Interim Statements include the results of Theia Gold Corp. ("Theia") pursuant to the reverse acquisition transaction between Karus and Theia, completed on March 13, 2024 (see below for additional details).

This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities laws. See the section in this MD&A titled "Cautionary Language regarding Forward-Looking Information" for further details. The reader should be aware that historical results are not necessarily indicative of future performance.

Corporate Summary - Nature of Operations

Karus Mining Inc. ("Karus" or the "Company") spun out of KORE Mining Ltd. ("KORE") in the first quarter of 2021, controls 1,050.85 square kilometers of claims in its South Cariboo Gold property of British Columbia. The claims host 110 kilometers of structural trend that is prospective for gold deposits. Karus has several projects in the South Cariboo Gold property, including the FG Gold and Gold Creek projects. Much of the area is under-explored and open for additional projects. The Cariboo region is a prolific gold region and is accessible with local power, a well-developed road network and skilled local labour.

Karus's two key exploration stage projects included in its South Cariboo holdings are:

- 1) FG Gold – a sediment-hosted orogenic gold system with gold mineralization identified for over 3.5 kilometers along strike to an average depth of less than 100 m below surface. Karus plans a drilling program to better define structural controls of higher-grade gold mineralization and to expand the footprint of gold mineralization along both strike and at depth below historical areas of drilling.
- 2) Gold Creek – early-stage orogenic gold discovery on a large contiguous claim block near the Spanish Mountain gold project and the Mount Polley copper-gold mine. Karus plans to follow-up with further exploration.

On March 13, 2024, the Company executed an amalgamation agreement (the "Amalgamation Agreement") to acquire 100% of the issued and outstanding common shares (the "Theia Shares") of Theia, a private British Columbia incorporated company, by way of a business combination transaction (the "Theia Transaction"). Theia is an exploration stage entity with its main property being the Mineral Creek gold exploration project.

Pursuant to the terms of the Amalgamation Agreement, the Theia Transaction was completed by way of a three-cornered amalgamation under the provisions of the B.C. *Business Corporations Act* whereby 1452146 B.C. Ltd. ("Subco"), a wholly-owned subsidiary of Karus, incorporated in December 2023, amalgamated with Theia, and each of the Theia Shares were concurrently exchanged for 2.5414 common shares of Karus. Following completion of the Amalgamation Agreement, Theia became a wholly-owned subsidiary of Karus.

Upon completion of the Theia Transaction, the existing shareholders of Karus held approximately 30% in the capital of the Company while the former shareholders of Theia held approximately 70%.

Since the transaction resulted in the shareholders of Theia obtaining control of Karus, the Theia Transaction constituted a reverse acquisition for accounting purposes with Theia identified as the accounting acquirer. The net assets of Karus on the date of the reverse acquisition were deemed to have been acquired by Theia. The Company's Interim Statements therefore include the results of operations of Karus from March 14, 2024 and all of the historical information of Theia.

The Company's head office is located at 1100 – 1111 Melville Street, Vancouver, BC, Canada, V6E 3V6.

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Highlights

During the period from January 1, 2024, to the date of this MD&A, the following material events occurred:

- On February 12, 2024, the Company completed a common share consolidation on the basis of one (1) post-consolidation Karus common share for every ten (10) pre-consolidation Karus common shares. For the purposes of this MD&A all references to the number of shares and the prices per share have been restated retrospectively taking into account this share consolidation.
- The Company issued 75,000 common shares to a director of the Company pursuant to the exercise of RSUs.
- The Theia Transaction was completed on March 13, 2024. As a result, (i) Theia and Subco amalgamated and continued under the name "Theia Gold Corp."; (ii) each outstanding share of Theia was exchanged for 2.5414 post-consolidation common shares of Karus, such that an aggregate of 21,141,883 Karus shares were issued; (iii) Theia became a wholly-owned subsidiary of Karus; (iv) the former shareholders of Theia collectively became the majority shareholders of Karus; and (v) management of Karus was changed to reflect nominees appointed by Theia. Tony Cina, Sofia Tsakos and Alex Gostevskikh joined the Company's board of directors. Alex Gostevskikh was also appointed as the Chief Executive Officer of the Company.

Further details about the accounting impact of the Theia Transaction have been disclosed in Note 3 to the Company's Interim Statements.

After the completion of the Theia Transaction, the Company is now focused on a public stock exchange listing and further advancing exploration on its South Cariboo Gold property and the Mineral Creek property.

In addition to the exploration at these projects, the Company may evaluate other prospects worthy of exploration and development. The ability of the Company to do so is contingent upon its ongoing ability to raise the capital necessary to advance such prospects.

Steve McMullan, P.Geo., is the Company's designated Qualified Person for this MD&A within the meaning of National Instrument 43-101 and has reviewed and approved the technical information described herein.

Project Summaries

Karus controls 1,050.85 square kilometers of claims in its South Cariboo Gold property located in the Cariboo Gold District in British Columbia, and also controls the Mineral Creek gold exploration project which is centred 12 kilometers southeast of Port Alberni, on Vancouver Island, British Columbia.

FG Gold Project, British Columbia, Canada

The 100% owned FG Gold project ("FG Gold") contains a sediment-hosted orogenic gold and early-stage gold-copper porphyry projects in the Cariboo region of British Columbia, located at the headwaters of the Horsefly River, 50 kilometers east of Horsefly, BC and consists of 35 contiguous claims (13,008 ha).

Gold mineralization is open at depth and along almost the entire 20 kilometers prospective horizon. Historical drilling targeted stratigraphic controls of gold mineralization and only tested a small portion of the prospective host rock. The previous work focused on discovering and developing a low grade disseminated bulk minable gold potential.

Gold Creek Project, British Columbia, Canada

The 100% owned Gold Creek project ("Gold Creek") is located 2 kilometers NE of the town of Likely in the Cariboo region of British Columbia. Gold Creek consists of 34 claims totaling 9,673 ha and is approximately 8 kilometers to the NW of the Spanish Mountain gold deposit. Access is from the town of Likely by an all-weather gravel road. The site has well developed infrastructure and is just 70 kilometers NE of Williams Lake, a major regional centre serviced by an airport and railway.

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There is a 1% net smelter royalty on the property to a prior owner. The Company may purchase one half of the royalty for \$1,000,000.

Options in the South Cariboo Gold Project, British Columbia, Canada

As part of the 1,050.85 square kilometers land holdings forming the South Cariboo Gold project, the Company is subject to certain mineral property agreements, including certain option agreements to acquire nearby and contiguous properties. These mineral property agreements are not part of the FG Gold or Gold Creek projects and are greenfield gold exploration projects named Hawk and TEP claims.

The TEP claim option has been fully exercised by Karus but imposes a bonus payment on the Company of \$1.50 per ounce of gold or gold equivalent identified as inferred, indicated, or measured mineral resource and reported by a NI 43-101-compliant report. The TEP claims are also subject to a 2% net smelter returns royalty ("NSR"), owned by the optionor, of which one half can be repurchased at any time prior to commercial production for \$500,000.

The Hawk claim option has not been exercised and requires a future cash payment of \$50,000 by the end of 2024. The Hawk claims will also be subject to a 1% NSR, of which one half can be repurchased at any time prior to commercial production for \$500,000.

Expenditures

During the three months ended March 31, 2024, the Company expended \$nil toward work on South Cariboo Gold properties (\$25,455 during the three months ended March 31, 2023, and \$135,099 during the 12 months ended December 31, 2023, prior to the Theia Transaction).

Mineral Creek Project, British Columbia, Canada

Theia's material property is the Mineral Creek gold exploration project which is centred 12 kilometers southeast of Port Alberni, on Vancouver Island, British Columbia. The property exhibits exploration potential in several areas; many related to gold-bearing structures, and possible volcanogenic massive sulfide (VMS)-style Cu-Zn mineralization, as well as potential for Cu-Au stockworks in volcanic rocks and adjacent diorite intrusions.

The area of the property has been subject to a number of exploration programs and limited gold mining over the past 115 years. The exploration targets were gold-bearing quartz-carbonate veins and VMS deposits. Historical work has primarily been concentrated in three areas - Mineral Creek, Rogers Creek and Regina-Lizard Lake - leaving extensive regions of this property underexplored.

The **Mineral Creek Zone**, in the central part of the property, has received the greatest amount of drilling to date, with 219 holes totalling 43,650 m. This zone comprises a low-grade gold mineralization zone up to 35 m wide and 500 m long that is hosted by carbonate-altered cataclasite. Gold occurs with disseminated pyrite and arsenopyrite and in quartz-carbonate veins. Exploration of volcanogenic massive sulfide (VMS) mineralization has occurred near the north and south ends of the property. In the north, the **Rogers Creek** surface showing consists of banded, fine-grained sphalerite with minor chalcopyrite and galena in four thin lenses, which have assayed 14.1% zinc, 0.87% lead and 0.12% copper over 20 cm. Nearby, a north trending, 200-m wide, pyritic sericite-chlorite-carbonate schist zone with a coincident IP anomaly was drilled, returning 2.06% zinc, 0.32% copper, 0.04% lead and 5.8 g/t silver over 0.6 m. To the southeast of Rogers Creek, a large coincident Cu-Zn soil anomaly follows the contact between Nitinat Formation and overlying McLaughlin Ridge Formation for more than two kilometers. This anomalous area has never been drill-tested and presents a VMS-style target.

In the south part of the Property, near the **Regina** vein showings, drilling intersected felsic tuffs and flows with lesser basalts hosting quartz veins, as well as disseminated pyrite and chalcopyrite, with specks of sphalerite and sporadic Au and Ag anomalies. The geological model of mineralization near the basalt - felsic volcanic boundary suggested potential for VMS-style mineralization. Later drilling on potential VMS targets in the Regina area, revealing copper and zinc mineralization, occasionally present up to a few percent, mostly within one stratum of altered basalt flows

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within 100 m of surface, which was traced from hole to hole throughout the drilled area. Mineralization, occurring with jasper and magnetite, returned values of up to 5.6% Zn, 2.9% Cu over 0.2 m. The Regina area falls within a north-south trending Cu-Zn-As soil anomaly that extends for nearly two kilometers, indicating potential for additional mineralization in Duck Lake Formation volcanic rocks.

In the **Lizard Lake** area, at the south end of the Property, work in the 1980's located a few broad copper, arsenic and gold soil geochemical anomalies with some associated IP anomalies and a best reported drill intersection of 2 g/t Au over 0.6 m. Most of the gold mineralization was found to be associated with pyrite and arsenopyrite in small quartz veins, however, this area is underlain by McLaughlin Ridge Formation that has good potential for VMS-type mineralization, in addition to the gold-bearing veins. Near the north end of Lizard Lake, 22 drill holes tested the Mineral Creek Fault and potential splay structures for gold-bearing veins. Significant gold assays of 5 to 9 g/t Au were returned from several holes over narrow widths of 0.3 to 0.9 m. The mineralization comprised pyrite, arsenopyrite and rare chalcopyrite in thin quartz veins, gouge seams and shear-breccias with ankerite-silica alteration halos, which resembles the mineralized areas along Mineral Creek, 3.5 kilometers to the north.

During the three months ended March 31, 2024, Theia expended \$47,974 toward work on Mineral Creek Property (\$259,474 during the three months ended March 31, 2023, and \$1,667,830 during the 12 months ended December 31, 2023, prior to the Theia Transaction).

Exploration & Evaluation Assets

The balance and summary of the changes to of the exploration and evaluation assets, representing the balance of Theia as a result of the reverse acquisition of Karus (see Note 3 in the condensed interim consolidated financial statements) was as follows:

	Mineral Creek Property	South Cariboo Property	Greenfield Claims Options	Total
	\$	\$	\$	\$
Balance, December 31, 2023	4,923,065	-	-	4,923,065
Acquisition costs:				
Claims	406	-	-	406
Theia Transaction acquisition	-	11,457,062	158,938	11,616,000
Total acquisition costs:	406	11,457,062	158,938	11,616,406
Exploration costs:				
Assays/lab	101	-	-	101
Geological consulting	25,465	-	-	25,465
Fieldwork/supplies	16,952	-	-	16,952
Travel and accommodation	5,456	-	-	5,456
Total exploration costs:	47,974	-	-	47,974
Balance, March 31, 2024	4,971,445	11,457,062	158,938	16,587,445

KARUS MINING INC.**Management's Discussion and Analysis****March 31, 2024***(Expressed in Canadian dollars unless otherwise stated)***Results of Operations**

For the three months ended March 31, 2024 (the Current Quarter), compared to the three months ended March 31, 2023 (the Comparative Quarter)

The Company recognized a net loss during the Current Quarter, of \$1,457,554 compared to net loss of \$121,743 during the Comparative Quarter, a difference of \$1,335,811. As noted above, these transactions during the Current Quarter represented the transactions of Theia for the three months ended March 31, 2024, with the reverse acquisition of Karus effective March 14, 2024 (see Note 3 to the condensed interim consolidated financial statements for further discussion on the reverse acquisition). The difference in the net loss was primarily attributable to a loss on the Theia Transaction of \$1,366,694. General and administration expenses were also higher by \$60,668, due to the incorporation of Theia's accounting records since March 14, 2024. The Company also recognized a deferred income tax recovery of \$22,000 during the Current Quarter compared to a deferred income tax expense of \$110,500 during the Comparative Quarter due to the accounting for flow-through share premium and the impact of deferred taxes upon renunciation of tax credits.

All other costs for the Company remained consistent with the Comparative Quarter.

Summary of Quarterly Results

The following table shows selected quarterly financial information for each of the last eight quarters:

	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22
Net income (loss)	\$ (1,457,554)	\$ (149,538)	\$ (97,267)	\$ (98,639)	\$ (121,743)	\$ (374,042)	\$ (27,543)	\$ (49,760)
Basic & diluted income (loss) per share	\$ (0.06)	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.00)	\$ (0.00)

Liquidity, Capital Resources and Going Concern

The Interim Consolidated Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months.

The properties in which the Company currently has an interest are at the exploration stage and it has no revenue-producing operations. Accordingly, the Company is dependent on external financing, including the proceeds of future equity issuances or debt financing, to fund its activities. However, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be required to delay, scale back, or eliminate various programs that may be unable to continue operations.

As at March 31, 2024, the Company had a cash balance of \$794,015 and working capital of \$145,114 with current liabilities of \$1,014,293. The Company has incurred losses since inception and does not generate any cash inflows from operations.

The Company's ability to continue to operate and to carry out its planned exploration activities for the next twelve months is uncertain and dependent upon the continued financial support of its shareholders and on securing additional debt or equity financing. The Company also continues to work towards its listing on a public stock exchange. There is no assurance that any such initiatives will be successful or sufficient and, as a result, this gives rise to a material uncertainty that may cast significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. The Interim Consolidated Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to

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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.

Cash Used in Operating Activities

Net cash provided by operating activities during the Current Quarter was \$4,460, compared to \$27,626 during the Comparative Quarter. The Company's operations were slower as it focused on completing the Theia Transaction.

Cash Provided by Financing Activities

Net cash provided by financing activities during the Current and Comparative Quarters was \$Nil.

Cash Used in Investing Activities

Net cash realized from investing activities during the Current Quarter was \$602,657, which included cash acquired through the Theia Transaction of \$625,286. Net cash used in investing activities during the Comparative Quarter was \$91,730 pertaining to exploration and evaluation expenditures.

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. As of the date of this MD&A, the following common shares, share purchase warrants, options and RSUs were outstanding:

	Number of equity instruments	Exercise price	Expiry date
Issued & outstanding shares	32,969,832		
Stock options	292,500	\$ 2.50	March 7, 2026
Restricted share units	130,250	-	March 8, 2025
Restricted share units	130,250	-	March 8, 2026
Restricted share units	75,000	-	August 3, 2026
Restricted share units	75,000	-	February 3, 2027
Restricted share units	384,101	-	December 12, 2028
Fully Diluted, June 13, 2024	34,056,933		

As of the date of this MD&A, there are 82,791 common shares, owned by former directors, officers and advisors of the Company, included in the issued and outstanding common shares that are subject to a price protection clause whereby the Company will automatically issue additional common shares should the Company, provided it is not listed and trading on a stock exchange, issue common shares at a price less than \$3.50 per share ("Lower Share Price"). The number of additional common shares to be issued will equal the difference between the amount originally invested (\$289,770) divided by the Lower Share Price and the number of common shares issued at the price of \$3.50 per share.

The Company also has an arrangement with Yamana Gold Inc. ("Yamana", a subsidiary of Pan American Silver Corp.) whereby Yamana has rights to maintain a pro rata ownership interest of 1.89% in the Company on an undiluted basis at no additional cost to Yamana until the date the Company's common shares are listed on a recognized stock exchange in Canada. If such listing of the Company's shares does not occur by September 2024, Yamana's shareholding interest would be topped up to 6.30% on an undiluted basis.

During the three months ended March 31, 2024, as a result of these ratchet provisions, the Company issued 49,377 shares to Yamana.

Off-Balance Sheet Arrangements

Other than as described above, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

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Fair value of Financial Instruments and Risk Management**Fair Value of Financial Instruments**

The carrying values of cash, amounts receivable (with the exception of GST), advances and prepaid expenses, promissory note receivable, and accounts payable and accrued liabilities approximate fair values due to their short-term to maturity nature.

Financial Risk Management

The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash.

The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash is held with reputable financial institutions in Canada.

The promissory note represents a loan receivable from KORE and therefore carries counterparty risk. The total amount of promissory note receivable as at March 31, 2024, was \$319,424, including accrued interest of \$14,010, and remains outstanding as of the date of this MD&A. No allowance has been taken on the promissory note receivable balance as at March 31, 2024 as the Company is in discussions with KORE on repayment and is confident of recovering the carrying value given the personal guarantee from a director of KORE and the ability of KORE to issue common shares and/or cash to the Company to settle its outstanding obligations.

b. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at March 31, 2024, the Company had a working capital of \$145,114 (December 31, 2023 – working capital deficit of \$358,014). The Company is an exploration stage entity and as a result, does not yet generate any revenue. Karus will seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available, or on terms that are favourable or acceptable to the Company. The Company's approach to managing liquidity risk is to endeavor to ensure that it will have sufficient liquidity to meet liabilities when they fall due. The Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

c. Interest Rate Risk

Interest rate risk arises from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents on which it earns variable rates of interest and may therefore be subject to a certain amount of risk, though this risk is considered by management to be immaterial.

d. Foreign Currency Risk

As at March 31, 2024, the Company has certain monetary items denominated in United States dollars. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the United States dollar would result in a net change of approximately \$32,500 in the consolidated net loss.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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As part of the Theia Transaction, Jeremy Gillis, the CEO of the Company, directly and through a controlled company acquired 7,021,888 shares of the Company. In addition, he received 1,494,343 shares pursuant to bonus provisions he held with Theia. Fair value of these additional shares was estimated to be \$2,017,363 and was recognized as share issuance costs in the condensed interim consolidated financial statements.

Karus advanced a loan to KORE in the principal amount of US\$225,000 (equivalent to \$306,450) in August 2023, which is recorded in promissory note receivable. The loan was an interest free loan unless repaid by October 12, 2023, after which it would accrue interest at 10% per annum. As the loan was still outstanding as of October 12, 2023, the Company started accruing interest on the promissory note receivable. The loan is guaranteed by a director of KORE. As at March 31, 2024, and the date of this MD&A, the loan remains outstanding and Karus has demanded repayment. As at March 31, 2024, the Company is owed \$305,414 (US\$225,000) (2023 - \$304,021 (US\$225,000)) of principal and \$14,010 (US\$10,480) of accrued interest (2023 - \$6,441 (US\$4,870)), which is recorded in promissory note receivable. In addition, as at March 31, 2024, an additional amount owing by KORE to the Company for overpayment, recorded in amounts receivable was \$6,810 (2023 - \$6,810).

During the period ended March 31, 2024, a company controlled by Jeremy Gillis, the CEO of the Company, provided consulting services for the amount of \$10,000 (2023 - \$Nil). Included in the accounts payable and accrued liabilities as at March 31, 2024, is \$35,708 (2023 - \$24,408) owed to 11661728 Canada Inc., a company controlled by the CEO of the Company, unsecured, non-interest bearing and has no specific due date.

Key Management Compensation

Key management is comprised of the Company's directors and executive officers. Key management compensation for the period ended March 31, 2024, and March 31, 2023, was \$Nil.

Significant Accounting Estimates and Judgments

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors believed to be reasonable under the circumstances and result in judgments about the carrying value of assets and liabilities. Actual results could differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty, other than the ones applied for the accounting for the reverse acquisition of the Company by Theia, were consistent with those applied to the annual audited consolidated financial statements of Theia for the year ended December 31, 2023.

Recent Accounting Standards

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

Amendments to IAS 1 - Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled Non-current liabilities with covenants. These amendments seek to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments were effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The amendment to the standard did not have a material impact on the condensed interim consolidated financial statements of the Company.

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Cautionary Note Regarding Forward Looking Statements

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the Company and its business. Certain statements contained in this MD&A constitute forward-looking statements. The use of any words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions or their negatives or other comparable words are intended to identify forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties, and other factors. Examples of where the Company uses forward-looking statements include when discussing the outlook, plans and timing for the Company's exploration plans, operational plans, and future expenditure expectations.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of the date of this MD&A.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason except as required by law.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risk Factors" below.

Risk Factors

The operations of Karus are speculative due to the high-risk nature of its business which is the exploration of mineral properties. The discovery, development and acquisition of mineral properties are in many respects unpredictable events. Future precious metal prices, capital equity markets, legislative changes, the success of exploration programs and other property transactions can have a significant impact on Karus' capital requirements.

These are not the only risks and uncertainties that Karus faces. Additional risks and uncertainties not presently known to Karus or that Karus currently considers immaterial may also impair its business operations. These risk factors could materially affect Karus' future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to Karus.

For a detailed discussion of the Company's risk factors, please see "Risk Factors" disclosed in the Company's annual Management's Discussion & Analysis for the year ended December 31, 2023, under the Company's profile on www.sedarplus.ca.

Other Information

Additional information related to the Company is available for viewing on SEDAR at www.sedarplus.ca.