AuMEGA Metals Ltd

Management's Discussion and Analysis

For the quarter ended September 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") of AuMEGA Metals Ltd ("**AuMEGA**" or the "**Company**") for the quarter ended September 30, 2024 should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and notes thereto for the quarter ended September 30, 2024. All amounts in this MD&A are in Canadian dollars unless otherwise stated. This MD&A is intended to help the reader understand the significant factors that influence the Company and its subsidiaries (collectively, the "**Group**") and such factors that may affect its future performance. This MD&A has been prepared as of October 30, 2024.

The unaudited condensed consolidated interim financial statements was prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and International Financial Reporting Standards IAS 34 'Interim Financial Reporting'. Please consult the unaudited condensed consolidated interim financial statements for the quarter ended September 30, 2024, for more complete financial information.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements and "forward-looking information" within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). These statements relate to future events or the Company's future performance, business, operations and condition of the Company. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions (including negative and grammatical variations). These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: development of resources by AuMEGA; treatment under governmental regulatory and taxation regimes; the Company's ability to raise capital; prospecting at the Hermitage property and the timing thereof; the Company's ability to continue its operation as a going concern; the commencement of the diamond drill program and the timing thereof; the Company's future funding obligations the Company making long-term decisions that are in the best interest of the business and its owners and that manage the Company's risks; the initiation and/or completion of the Company's upcoming second phase diamond drill program and the results thereof; the number of metres of drilling in the Company's second phase of diamond drilling; the implementation or completion of the Company's exploration initiatives on its projects; the development of specific work plans for targets resulting from the Company's technical workshops and the timing thereof; the impact of a dual-listing of the Company's investor base; and the Company's ability to fund its future obligations and the sources of such funding.

Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements. With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment; the unpredictability of changes to the market prices for minerals; that costs related to development of mineral properties will remain consistent with historical experiences; anticipated results of exploration activities;

the costs of its exploration activities; the Company's ability to obtain additional financing on satisfactory terms; mining development risks; litigation risks; liquidity risks; the speculative nature of mineral exploration; the global economic climate; dilution; and share price volatility. Although the Company has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actual results, performance or achievements not to be as anticipated, estimated or intended.

The Company's actual results, performance or achievements could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A under the heading "Risk Factors" including the following: volatility in the market prices of minerals, uncertainties associated with estimating mineral resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

CAUTIONARY NOTE REGARDING MINERAL RESOURCES

Scientific and technical information contained in this MD&A was reviewed and approved by Spencer Vatcher (Principal at Silvertip Exploration) for AuMEGA, who is a "qualified person" as defined by Canada's National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Information on data verification performed on, and other scientific and technical information relating to, the Company's mineral property mentioned in this MD&A is included in the technical report titled "Technical Report on the Cape Ray Gold Project, Newfoundland, Canada" dated May 28, 2024 (with an effective date of May 26, 2024), prepared by Trevor Rabb (P. Geo.) and Ronald Voordouw, (P. Geo) of Equity Exploration Consultants Ltd., and Andrew Kelly (P. Eng.) of Blue Coast Research, a copy of which is available under the Company's profile at www.sedarplus.ca.

Business Overview

Core Business

AuMEGA Metals Ltd is an Australian Corporation with a dual listing. Its primary listing is on the Australian Securities Exchange ("ASX") under the ticker "AAM" with a secondary listing on the TSX Venture Exchange ("TSXV") under the ticker "AUM". Additionally, the Company is listed in the United States through the OTCQB trading platform under the symbol "AUMMF".

The Company's registered office is located at 24 Hasler Road, Osborne Park, Western Australia 6017 and its Canadian office is located at 10060 Jasper Avenue, Tower 1, Edmonton, AB, T5J 3R8. The Company has two wholly owned subsidiaries, namely Matador Canada Pty Ltd and Cape Ray Mining Limited. Matador Canada Pty Ltd was incorporated on March 21, 2018 under the laws of Western Australia and Cape Ray Mining Limited was incorporated on September 4, 2019 under the Companies Act (Nova Scotia).

AuMEGA is an exploration company with principal assets located in Newfoundland and Labrador and specifically on the island of Newfoundland in Canada.

The Company has a significant tenement package predominately on the Cape Ray Shear Zone ("CRSZ"), the largest known gold structure in the province, and which hosts Calibre Mining's ("Calibre") 5.1-million-ounce Valentine Gold Mineral Resource. The Company currently hosts an indicated mineral resource of 6.2 million tonnes of ore grading an average of 2.25 g/t for a total of 450,000 ounces of gold and an inferred mineral resource of 3.4 million tonnes of ore grading an average of 1.44 g/t for a total of 160,000 ounces of gold[1].

AuMEGA's CRSZ tenements cover approximately 110 kilometres of continuous strike along the highly prospective, yet vastly under explored area in southwestern Newfoundland, Canada. The Hermitage Project is a series of tenements comprising 27-kilometres of continuous strike located on the Hermitage Flexure – a major geological structure with multiple gold and other critical metals showings. The Company also has a low-cost option to fully acquire the Blue Cove Copper Project also located in Newfoundland.

The Company is well supported with key strategic and institutional shareholders, including B2Gold Corp, a million-ounce per year gold producer with a long, rich history of exploration, development and operating success globally.

The Company's strategy is to grow the value of its business by making significant gold discoveries in Newfoundland. To achieve this, the Company will make prudent long-term decisions that are in the best interest of the business and its owners and based on best quality technical information and geological thinking while overlaying commercial considerations. The Company will make measured, risk-based decisions to control what it can while managing risks inherent to the industry.

Financial Overview

The Company closed the third quarter of 2024 with a cash balance of $3.3 million which compares to $9.0 million at December 31, 2023. The decrease in cash predominately relates to the Company's completion of the inaugural Reverse Circulation ("RC") winter drill program and spring and summer field exploration activities.

Subsequent to the quarter end, the Company announced an equity financing of approximately $16.1 million (previously reported as $16.3 million with the discrepancy being an unintended decrease in a President's list subscriber). The capital raise is structured in two tranches to accommodate the ASX Listing Rules 7.1 and 7.1a that sets out the Company's share placement capacity. The demand from the financing was well above the placement capacity and as a result, the second tranche requires shareholder approval, which is expected in early December.

2024 Third Quarter Highlights

Exploration

- Limited prospecting at Bunker Hill revealed outcropping samples with high-grade copper and silver along with the presence of gold.
- Subsequent to the quarter end, the Company reports preliminary data from the Bunker Hill airborne magnetics, which exhibited significant geological complexity.
- Completed approximately 3,000 metres of diamond drilling in both phase including 1,900 metres of diamond drilling at Central Zone, which delivered gold intersections down-plunge from two existing deposits. The Company is awaiting assays from drilling at Malachite.

[1] ASX Announcement 30 May 2023

- Completed a comprehensive technical workshop that identified 37 new targets identified on the district-scale land package along both the CRSZ and Hermitage Flexure.
- Phase two diamond drilling at Malachite was completed before the quarter end and final assay results are expected in November.
- Completed limited prospecting and mapping commenced at the Hermitage Gold and Antimony Project.

Corporate

- After quarter end on the October 22, 2024, the Company announced that is had successfully raised approximately $16.1 million (before costs) through an upsized financing to institutional, professional and accredited investors of approximately 259.3 million shares at an average price of C$0.062 / A$0.067 per share.
- Highly experienced and well-respected exploration geologist, Rick Greenwood appointed as Vice President of Exploration.
- Grant Thornton appointed auditor of the Company, following resignation of Ernst & Young.

Selected Financial Information – Quarterly Results

The following table summarizes key quarter financial and operating information:

	3 Months ended 30 September 2024	3 months ended 30 September 2023	9 months ended 30 September 2024	9 months ended 30 September 2023
	('000s)	*('000s)*	*('000s)*	*('000s)*
Other Income	$457	$53	$1,273	$164
Net (loss)	(928)	(863)	(2,601)	(2,900)
Net comprehensive (loss)	(928)	(863)	(2,601)	(2,900)
Per common share, basic (cents)	(0.18)	(0.27)	(0.50)	(0.92)
Per common share, diluted (cents)	(0.18)	(0.27)	(0.50)	(0.92)

Statement of Financial Position Data		
	As at 30 September 2024	**As at 31 December 2023**
	('000s)	*('000s)*
Cash and cash equivalents	$3,297	$8,952
Current assets	$4,665	$9,802
Current liabilities	$1,363	$1,710
Exploration and evaluation assets	$48,080	$43,514
Total Assets	$52,983	$53,640
Total Liabilities	$9,294	$8,608
Working capital surplus (Non GAAP Measure)	$3,302	$8,092

No dividends were declared on the Company's outstanding shares during the reporting periods.

The net loss for the three months ended September 30, 2024, was $0.9 million compared to a net loss of $0.9 million for the corresponding three-month period ended September 30, 2023. This was driven primarily by an increase in other income relating to settlement of flow-through share premium liability and decreased administration expenses and management expenses, which was partially offset by slightly higher business development expenses, non-cash share based payments expense and income tax expense.

The net loss for the nine months ended September 30, 2024 was $2.6 million compared to a net loss of $2.9 million for the corresponding nine-month period ended September 30, 2023. The decrease was driven primarily by an increase in other income relating to settlement of flow-through share premium liability and decreased administration costs and management expenses, which was partially offset by higher income tax expenses.

Summary of Quarterly results							
	September 30 2024	**June 30 2024**	**March 31 2024**	**December 31 2023**	**September 30 2023**	**June 30 2023**	**March 31 2023**
	('000s)	*('000s)*	*('000s)*	*('000s)*	*('000s)*	*('000s)*	*('000s)*
Net (loss)	(928)	(941)	(732)	(3,622)	(863)	(1,457)	(689)
Per common share, basic (cents)	(0.18)	(0.18)	(0.14)	(1.98)	(0.27)	(0.46)	(0.22)

Explanation of Quarterly results

During the three months ended September 30, 2024, the Company recorded a net loss of $0.9 million. The net loss was mainly comprised of administration expense of $0.2 million, consultants and management expenses of $0.2 million, share-based payments expense of $0.4 million and taxation expense of $0.5 million. It was offset by settlement of flow-through share premium liability of $0.4 million and interest income of $0.1 million.

During the three months ended June 30, 2024, the Company recorded a net loss of $0.9 million. The net loss was mainly comprised of administration expense of $0.4 million, consultants and management expenses of $0.2 million, share-based payments expense of $0.4 million and taxation expense of $0.4 million. It was offset by settlement of flow-through share premium liability of $0.4 million and government grants of $0.1 million.

During the three months ended March 31, 2024, the Company recorded a net loss of $3.6 million. The net loss was mainly comprised of administration expense of $0.3 million, consultants and management expenses of $0.3 million, share-based payments expense of $0.1 million and a one-off impairment charge of $2.8 million. It was offset by settlement of flow-through share premium liability of $0.1 million.

During the three months ended December 31, 2023, the Company recorded a net loss of $1.5 million. The net loss was mainly comprised of administration expense of $0.3 million, consultants and management expenses of $0.3 million, share-based payments expense of $0.7 million and a one-off impairment charge of $2.8 million.

During the three months ended September 30, 2023, the Company recorded a net loss of $0.9 million. The net loss was mainly comprised of administration expense of $0.5 million, consultants and management expenses of $0.2 million, share-based payments expense of $0.1 million. It was offset by settlement of flow-through share premium liability of $0.1 million.

During the three months ended June 30, 2023, the Company recorded a net loss of $1.5 million. The net loss was mainly comprised of administration expense of $0.5 million, consultants and management expenses of $0.3 million, share-based payments expense of $0.2 million and income tax expense of $0.4 million. It was offset by settlement of flow-through share premium liability of $0.1 million.

During the three months ended March 31, 2023, the Company recorded a net loss of $0.7 million. The net loss was mainly comprised of administration expense of $0.3 million, consultants and management expenses of $0.2 million, share-based payments expense of $0.1 million and business development costs of $0.1 million.

Discussion of Operations

Third Quarter 2024 Overview

In the third quarter, the Company successfully completed two phases of diamond drilling which consisted of eight diamond drillholes for 1,900 metres on the CRSZ and five diamond drillholes for 1,100 metres at Malachite. On the CRSZ, two drill holes targeting conceptual ore shoots at depth at Central Zone delivered significant gold intercepts well below the known mineral resource. Significant intercepts included 3.62 g/t over seven metres from 522 metres including 19.7 g/t gold and 1.6% copper over one metre at Zone 4 and 1.94 g/t over 7.5 metres from 301 metres and 5.743 g/t over one metre from approximately 382 metres at Zone 41.

The second phase of diamond drilling on the CRSZ commenced in August 2024 and completed at the end of the quarter. The primary focus of this reconnaissance-style diamond drilling was on Greenfield targets at Malachite and final assay results are expected in November

The Company completed a comprehensive technical workshop led by world-renowned structural geologist Brett Davis with participation by two B2Gold geologists. As a result of the technical workshop, 37 targets were defined with nine new targets being identified based on geophysical and geochemical data previously collected and re-interpreted. These new targets were then combined with existing targets and subsequently assigned a score based on both conceptual and empirical criteria with the overarching defining criteria being the potential of the target to host a multi-million-ounce deposit.

Initial high-grade assay results from prospecting at the Company's Bunker Hill Project located along the CRSZ were announced during the September quarter. This limited prospecting campaign identified two large-scale intrusive units, including the Nitty Gritty Granite. Results from the samples contained copper samples grading 4.1% to 17.2%.

In addition, the Company conducting limited prospecting and mapping at the Hermitage Gold and Antimony Project.

Exploration activities

Cape Ray Shear Zone

Phase 1 Drilling Program

During the quarter, the Company announced the completion of the first phase of the 2024 diamond drilling program on the CRSZ with eight diamond drillholes for 1,900 metres completed[2]. The drilling focused mainly on new targets in the Central Zone area including at-depth extensions, and new footwall and along strike targets.

Assay results were released in September with two drill holes targeting conceptual ore shoots at depth at Central Zone delivered significant gold intercepts well below the known mineral resource[3].

Recent geological analysis of the resource corridor included generation of longitudinal projections through the Central Zone deposits compiled as part of the 2023 Mineral Resource estimate update. This work

[2] ASX Announcement 31 July 2024 - AuMEGA Completes Phase One of Diamond Drilling
[3] ASX Announcement 11 September 2024 - AuMEGA Metals Extends Gold Mineralisation at Central Zone

highlighted the potential for down-plunge extensions at all mineral deposits. Dominant plunges within the 41 and 04 zones were identified as each deposit appeared to remain open at depth. Of particular interest are associated high-grade shoots interpreted to plunge towards each other, with the projected intersection point of the shoots untested until the recent drilling.

In the first phase of diamond drilling, the Company targeted these areas with two deep holes including the deepest ever drilled at Central Zone. Both holes intersected significant gold well below the Indicated Mineral Resource. The areas between the Indicated Mineral Resource and the pierce points of these drillholes remain open and untested and have the potential to further increase gold mineralisation. Both ore shoots remain open at depth. The significant intercepts included:

- CRD381 at Zone 04 delivered gold intercept of 3.62 g/t Au over seven metres from 522 metres including 19.7 g/t gold and 1.6% copper over one metre
- Drillhole CRD380 at Zone 41 delivered gold intercepts of 1.94 g/t over 7.5 metres from 301 metres and 5.74 g/t over one metre from 381.75 metres at the top contact of the WGHG

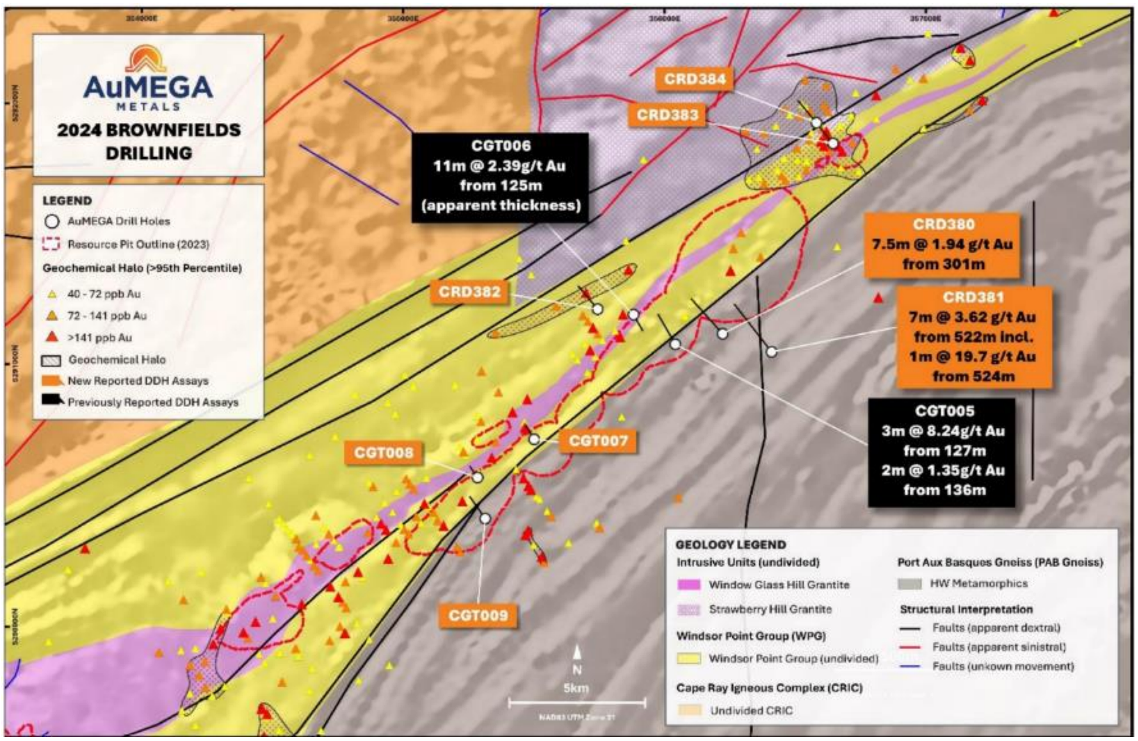

FIGURE 1: OVERVIEW OF PHASE ONE OF DIAMOND DRILLING AT CENTRAL ZONE

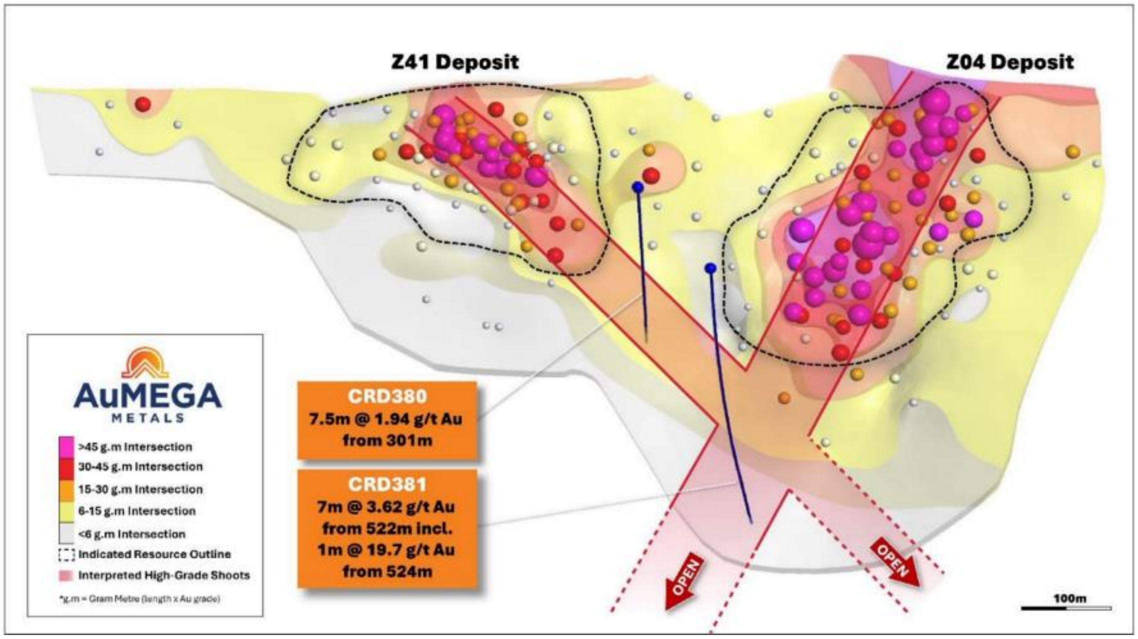

FIGURE 2: LONG SECTION AT Z41 & Z04 DEPOSITS DISPLAYING THE GOLD MINERALISATION EXTENDED DOWN PLUNGE AT CENTRAL ZONE (LONG SECTION PLANE IS ORIENTATED 50 DEGREES TOWARDS THE SOUTHEAST, LOOKING TOWARDS THE NORTHWEST)

Phase 2 Drilling Program

The second phase of diamond drilling on the CRSZ commenced in August 2024[4]. The primary focus of this diamond drilling was on Greenfield targets at Malachite. The Company drilled approximately 1,110 metres over five holes to test specific structures that were identified from the winter RC bottom of hole survey. The second phase of drilling was completed at the end of the third quarter 2024. The Company is expect final assay results from all five holes in November 2024.

[4] ASX Announcement 20 August 2024 - AuMEGA Announces Start of Phase Two Diamond Drilling

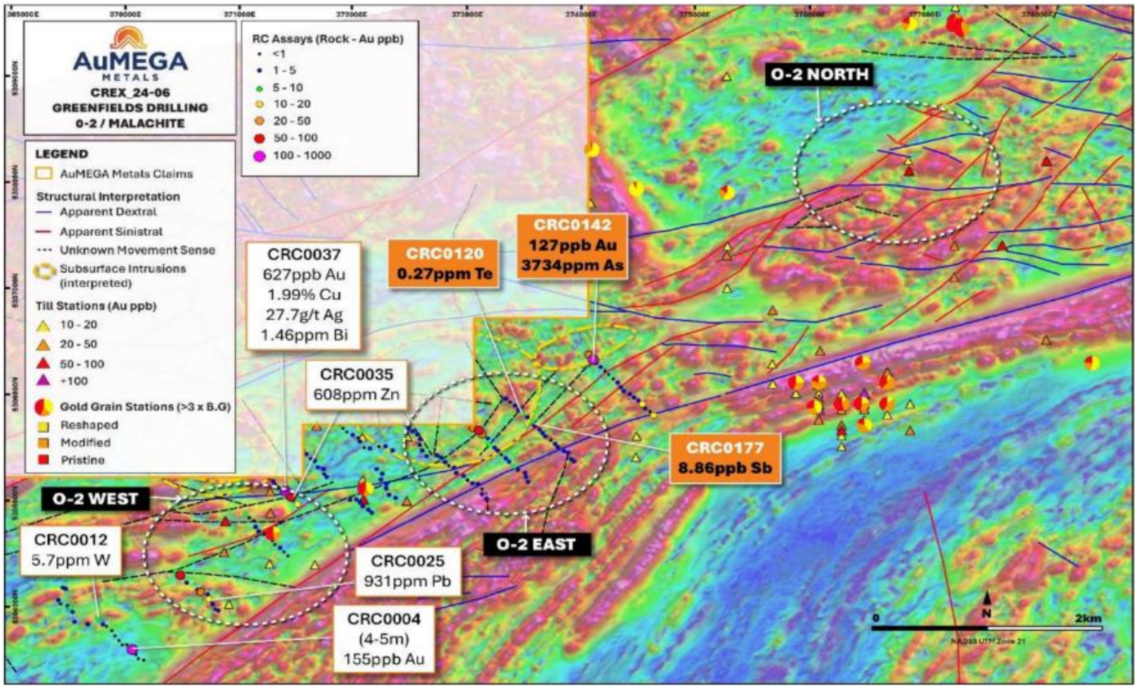

FIGURE 3: MALACHITE HIGH-PRIORITY TARGETS

FIGURE 4: DIAMOND DRILLING AT O-2 WEST TARGET

Technical Workshop

During the quarter, the Company released the outcomes of its recently completed comprehensive technical workshop, which was led by world-renowned structural geologist Brett Davis[5]. The workshop was carried out in Port aux Basque, Newfoundland and included AuMEGA Chair Justin Osborne, Company personnel and B2Gold geologists. The main outcomes of the workshop included the identification of several new structural and geochemical targets based on mineral systems concepts, with each target assigned a score for ranking and prioritisation.

Overview

The technical workshop entailed a review of the significant data that has been collected historically and by the Company from the CRSZ and Hermitage Flexure through geophysical surveys, diamond and RC drilling, prospecting, sampling, mapping and desktop analysis.

Targets were ranked using a mineral systems approach, defined by the key criteria common to world-class gold deposits. The resultant conceptual rankings are used in conjunction with factual empirical data and are subdivided by stage in the exploration pipeline. This objective ranking methodology allows for targets in various stages of exploration, with different empirical data sets, to be ranked against each other to best select targets for further work. Such a systematic approach to ranking and prioritisation allows for efficient and effective deployment of capital to drive discovery.

Outcomes

In total, the Company defined 37 targets within its portfolio. As a result of the workshop, nine new targets were identified based on geophysical and geochemical data previously collected and re-interpreted. These new targets were then combined with existing targets and subsequently assigned a score based on both conceptual and empirical criteria with the overarching defining criteria being the potential of the target to host a multi-million-ounce deposit. Three (O-2 West, O-2 East and Grandy's East) of these nine targets are a result of the Company's successful winter RC drill program at Malachite.

Of the total targets that the Company has identified, 30 are in the early stages of exploration while five targets are in the intermediate stage and two in the advanced stage, both of which we are currently drilling within the resource corridor. Another three intermediate targets are part of the phase two diamond drill program including O-2 West which delivered the best results from the winter RC drill program.

Next Steps

The Company is currently ranking each of the targets and will create more specific work plans for each that don't currently have them in place. The work plans will be on the top ranking targets and will include the scope of work and expected outcomes, including the necessary outcomes required to continue to advance targets through the exploration lifecycle. This work is expected to be completed in the fourth quarter of 2024 in conjunction with ongoing field exploration work.

[5] ASX Announcement 4 July 2024 - REISSUED Several New Exploration Targets Identified

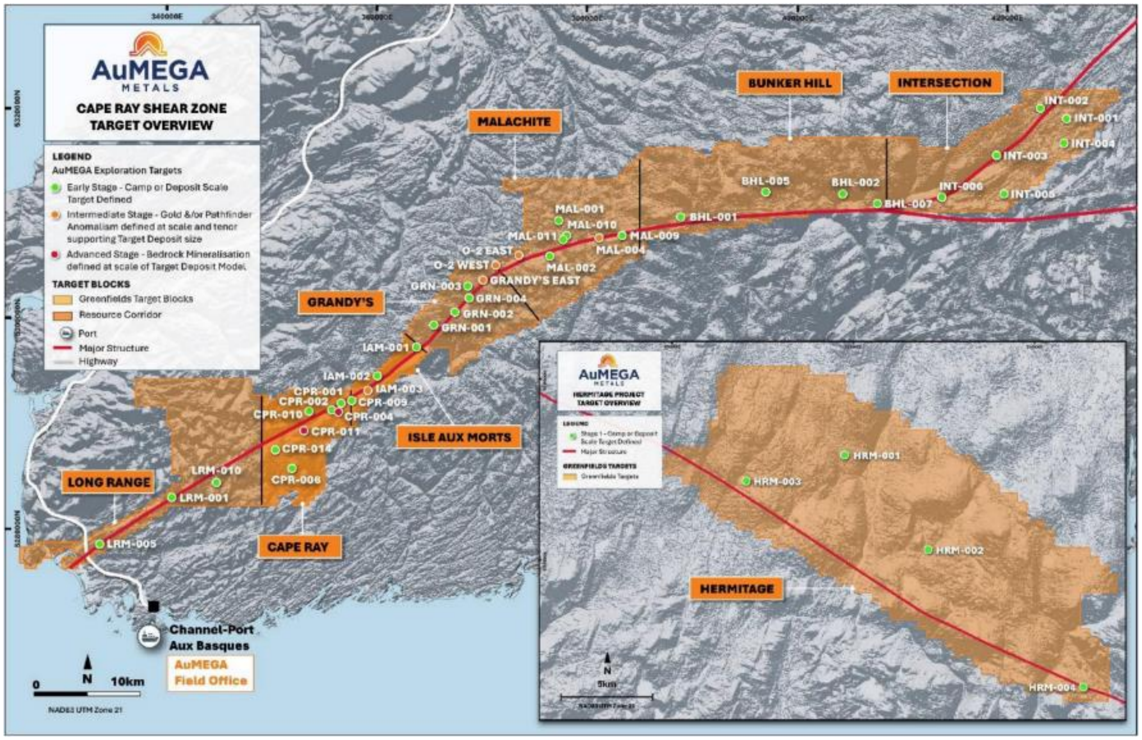

FIGURE 5: AUMEGA METALS TARGETS WITHIN THE PORTFOLIO

ADVANCED STAGE			CRP-004	CRP-011	AuMEGA METALS	
INTERMEDIATE STAGE		IAM-003	0-2 EAST	0-2 WEST	GRANDY'S EAST	MAL-004
EARLY STAGE	INT-001	INT-002	INT-003	INT-004	INT-005	INT-006
	BHL-001	BHL-002	BHL-005	BHL-005	GRN-001	GRN-002
	GRN-003	GRN-004	MAL-001	MAL-002	MAL-005	MAL-009
	MAL-010	MAL-011	CRP-001	CRP-002	CRP-006	CRP-009
CRP-010	CRP-014	IAM-001	IAM-002	LRM-001	LRM-005	LRM-010

FIGURE 6: AUMEGA PYRAMID OF TARGETS BY STAGE OF EXPLORATION

Bunker Hill Project

Initial high-grade assay results from prospecting at the Company's Bunker Hill Project located along the CRSZ were announced during the September quarter[6].

The Bunker Hill Project area is located along a unique east-west portion of the CRSZ (Figure 7). This structural orientation is anomalous to the main northeast-southwest trend of most geological structures in Newfoundland. This structurally oblique zone is considered potentially favourable for the creation of dilation zones, which allow for the ingress of mineralising fluids and deposit formation. The Company also confirmed the presence of two large scale intrusive units being the Cape Ray Fault Gabbro and the Nitty Gritty Granite.

The Nitty Gritty Granite offers important rheological conditions permissive for economic gold mineralisation. Rigid granite blocks of this nature can often provide for a stark competency contrast when intruding ductile rocks such as the sedimentary lithologies observed adjacent in the Bunker Hill area, with intense fracturing during structural deformation allowing the significant ingress of mineralising fluids. A local example of a gold deposit of this style is Calibre Mining's Valentine Project (five million plus ounces of gold) along strike to the north-east.

First pass prospecting of the Nitty Gritty Granite confirmed positive indications of potentially economic mineralisation with highlights including:

- Sample MR002477 (outcrop) contained 17.2% copper, 16.9 g/t silver, 0.41 g/t gold, 167 ppm bismuth and 5.37 ppm tellurium; and
- Sample MR002478 (outcrop) contained 12.4% copper, 19.1 g/t silver, 0.56 g/t gold, 1119 ppm bismuth and 9.98 ppm tellurium.

Many of the historic high-grade copper samples collected at Bunker Hill along with these recently collected high-grade copper samples, fall within or adjacent to the Nitty Gritty Granite. The chalcocite-malachite (MR002477) and chalcopyrite-bornite (MR002478) bearing samples are also associated with gold, silver, tellurium and bismuth.

Other minerals observed during the recent prospecting campaign include fluorite and iron oxides (hematite), both indicative of either potential intrusive or porphyry-related mineralisation. From review of the historical data and recent prospecting results, the Company has identified an area of anomalous copper-gold-silver mineralisation to be nearly one kilometre across strike. The Company is currently assessing the potential for a porphyry-related mineralised system.

Next Steps

The Company is awaiting assays from its ongoing till program on the western portion of Bunker Hill. The airborne magnetic survey is expected to be completed soon with preliminary data to follow shortly thereafter.

The Company will analyse all data received from its 2024 program and based on these results and the analysis, will develop future work plans that could involve RC winter drilling.

[6] ASX Announcement 24 September 2024 - AuMEGA Reports 17% & 12% Copper Outcropping from Bunker Hill

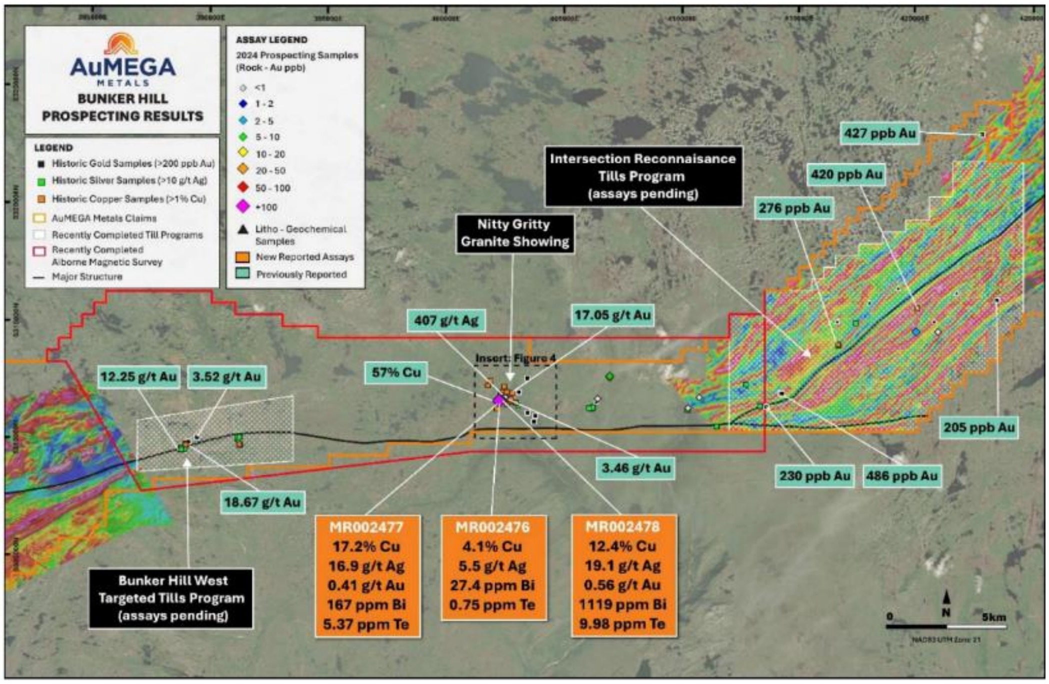

FIGURE 7: BUNKER HILL AND INTERSECTION SUMMARY OF 2024 WORK TO DATE AND HISTORICAL SAMPLE LOCATION

Hermitage Gold and Antimony Project

The Company's Hermitage property consists of 27 kilometres of continuous strike along the large crustal scale suture zone between the Dunnage and Gander zones, known as the Hermitage Flexure. Regionally, the Dunnage zone contains volcanic packages hosting turbidite sequences, which are considered regionally prospective for hosting gold deposits throughout Newfoundland, and globally in places such as the Bendigo Terrane in Victoria, Australia, including Agnico Eagle's prolific Fosterville gold mine, also in Victoria.

Recent prospecting work identified several large areas of hydrothermal alteration that host quartz-dominated hydrothermal breccias with relatively chaotic hydrothermal breccias transitioning to breccia veins containing angular wall-rock clasts away from the fault strands[7].

The Company recently staked additional ground adjacent to the Nose Block of the Hermitage Project[8]. This area expands the Company's ground over the North Limb Fault, an interpreted major structure splaying off the Hermitage Flexure.

The North Limb Fault appears to have structurally removed the northern expression of the Hermitage syncline, resulting in a sharp juxtaposition between the Bay du Nord turbidite sequences and higher-grade metamorphosed sediments of unknown origin. Crustal scale structures such as the Hermitage Flexure are considered instrumental in the migration of gold bearing hydrothermal fluids, while its subordinate splays, such as the North Limb Fault and other subsidiary structures, are generally critical in localising and trapping these fluids into resulting gold deposits.

[7] The Company is cross-referencing location of these veins relative to previous/historic sampling to determine gold potential

[8] The license has been staked and the Company is awaiting formal issuance of the license

In support of this, recent geological mapping traverses across the strike of the belt and along the North Limb Fault have identified abundant silica-dominated hydrothermal breccias and vein networks proximal to, and defining, the structure. The North Limb Fault is interpreted as a braided fault system, comprising numerous subparallel fault strands that have sponsored formation of a permeability network on a massive scale. This permeability network manifests as quartz-dominated breccia vein populations, vein stockworks and sheeted vein arrays defining the damaged rock within, and adjacent to, the fault strands. Importantly, sulphides and hydrothermal alteration in the form of sericite and chlorite, have been recently identified within these damage zones.

Tremendous gold prospectivity being enhanced on the Hermitage property with gold mineralisation in bedrock identified in two separate showings, proximal to the North Limb Fault seven kilometres apart along strike. This bedrock gold mineralisation is also hosted in two distinct geological units opening up prospectivity on both the hanging wall and footwall of this major structure.

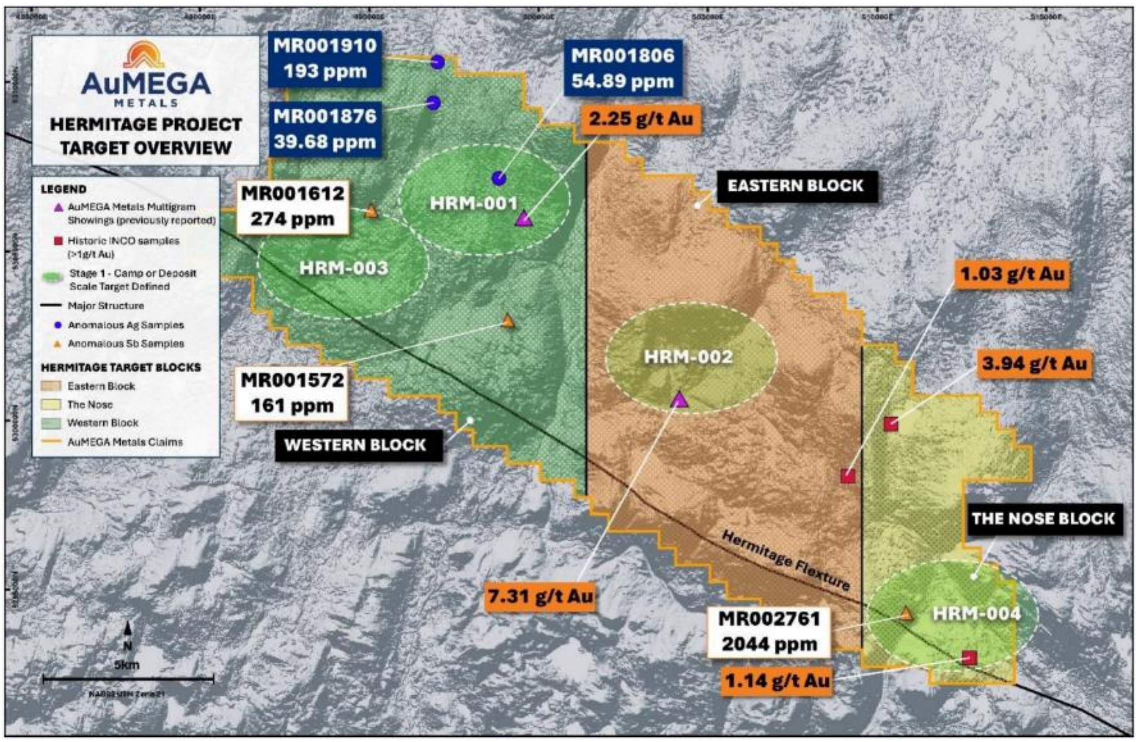

FIGURE 8: OVERVIEW OF THE HERMITAGE PROJECT DISPLAYING THE PROJECT'S TARGET BLOCKS AND KEY GOLD SHOWINGS

Uranium Potential

The Company recently reviewed historic studies of the potential for uranium on and near the Hermitage Project area. The Province of Newfoundland and Labrador currently hosts major uranium projects. Over the course of the next several months, the Company will continue to evaluate and better understand the potential of uranium within the Hermitage property.

Corporate

Capital raising

After the quarter on October 22, 2024, the Company announced it had successfully raised approximately $16.1 million (before costs) through an upsized financing to institutional, professional and accredited investors of approximately 259.3 million shares at an average price of C$0.062 / A$0.067 per share ("New Share") (the "Financing").

The Financing was well supported by the Company's existing shareholders including B2Gold Corp who increased their overall ownership to 9.9% of total shares outstanding. The Financing included the addition of several new major, institutional investors from Canada, United States, Europe, Asia and Australia.

The Financing comprises the issuance of approximately 263.9 million New Shares[9] at an average price of C$0.062 / A$0.067 per share. The New Share issuance utilises the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A. Given the increased demand, the Company has structured the Financing in two tranches as follows:

- Tranche One Placement: Under the Company's existing placement capacity of 78,808,211 shares under ASX listing rule 7.1 and 52,344,678 shares under ASX listing rule 7.1A for a total of 131,152,889 shares. ("Tranche One").
- Tranche Two Placement: Representing 131,372,815 shares that have been subscribed above the placement capacity and requiring shareholder approval which is expected during the first week of December ("Tranche Two").

The Financing is comprised of three components, being:

- Premium Flow Through (or Charity Flow Through): $10.2 million priced at C$0.068 / A$0.074 per New Share, representing a 36.5% premium to the deal price of C$0.05 / A$0.054 per New Share ("Offer Price"). A total (total of 150.4 million shares fall into this category. Of this amount, the issue of 28.5 million shares is subject to shareholder approval and availability of front-end charity donors.
- Traditional Flow Through: $2.1 million priced at C$0.06 / A$0.065 per New Share representing a premium of 20% of the Offer Price. The issue of approximately 33.7 million shares will be subject to shareholder approval.
- Hard Dollars: $3.8 million priced at a 25.0% discount to the TSXV close price on date of price reservation of C$0.0625 per share and a 10% discount to the ASX close price of A$0.060 per share for a total of 75.6 million shares. Of this total, the issue of approximately 66.3 million shares will be subject to shareholder approval.
- Insiders: Company insiders have subscribed for 1,366,000 shares with the same terms and conditions as the Traditional Flow Through and Hard Dollars, which will be subject to shareholder approval.

[9] Inclusive of Insider Participation which is subject to shareholder approval

The proceeds from the Financing will be used primarily to advance the Company's exploration program in Newfoundland and Labrador, which is expected to include the Company's largest drill program in the last three years of up to 20,000 metres with an aim to grow the existing Mineral Resource and discovery at the highly prospective Bunker Hill Project. Additionally, the Company will continue to invest in early-stage exploration activities to further define and advance new and existing targets at Hermitage and Malachite. Finally, proceeds from the Financing will also be used for working capital and general corporate purposes.

Appointment of Vice President

During the quarter, AuMEGA appointed highly experienced and well-respected exploration geologist, Rick Greenwood as the Company's Vice President of Exploration[10] as of 1 October 2024.

Rick is Professional Geologist from Newfoundland and brings over 20 years of Canadian gold exploration experience, most recently as Exploration Manager for Kinross Gold, a major global gold producer. Prior to joining Kinross, Rick was with Great Bear Resources ("Great Bear") in Ontario and a member of the discovery team of what was one of the largest gold discoveries over the past decade in Canada. During Rick's tenure at Great Bear, the company grew from a market capitalisation of C$5 million to C$1.8 billion when it was sold to Kinross in 2021.

Prior to Great Bear, Rick was a generative exploration geologist for Goldcorp at the Red Lake Gold Complex prior to its merger with Newmont. Earlier in his career, he was with Rainy River Resources, later acquired by New Gold Inc., during the discovery of a multi-million-ounce deposit currently in production.

He has a Bachelor of Sciences degree in Geological and Earth Sciences/Geosciences from Memorial University in Newfoundland and Labrador.

Change of Financial Auditor

In July 2024, Grant Thornton was appointed as auditor of the Company[11], with immediate effect. This appointment follows the resignation of Ernst & Young and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act 2001.

In accordance with s327C of the Corporations Act 2001, a resolution will be put before shareholders at the Company's 2025 Annual General Meeting, to ratify the appointment of Grant Thornton as the Company's external auditor.

Liquidity, Capital Resources, and Outlook

The Company had $3.3 million of cash on hand as at September 30, 2024, and on October 22, 2024 announced that it had successfully raised approximately $16.1 million (before costs) through an upsized financing to institutional, professional and accredited investors of approximately 262.5 million shares at an average price of C$0.062 / A$0.067 per share.

The Company's cash flow forecasts for the 12 months ending September 30, 2025 indicate that the Company expects to meet its committed operational and administrative expenditure and thus continue to operate as a going concern.

[10] ASX Announcement 3 September 2024 – AuMEGA Appoints Rick Greenwood as Vice President of Exploration
[11] ASX Announcement 16 July 2024 – AuMEGA Appoints New Financial Auditor

No adjustments have been made relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

To facilitate the management of its capital requirements, the Company prepares annual operating budgets which are approved by the Board of Directors. The Company regularly monitors its cash flows and prepares regular forecasts based on changes in operations and/or economic conditions to facilitate the management of its capital requirements.

Contractual Obligations					
Payments Due by Period *('000s)*	**Total**	**Less than 1 year**	**1-2 years**	**2-5 years**	**After 5 years**
Non-interest bearing					
Trade Payables	$1,200	$1,200	-	-	-
Interest bearing					
Lease liabilities	$68	$34	$34	-	-
Total Contractual Obligations	**$1,268**	**$1,234**	**$34**	**-**	**-**

The Company's approach to managing liquidity is to ensure that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its shares or other securities to finance its business operations. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all.

The recoverability of amounts shown as mineral exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop one or more properties and the ultimate realization of profits through future production or sale of the mineral property interests. Realised values may be substantially different than carrying values as recorded in the Company's financial statements.

The Company's interim financial report has been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company closed the third quarter of 2024 with a cash balance of $3.3 million which compares to $9.0 million at December 31, 2023. The decrease in cash predominately relates to the Company's completion of the inaugural RC winter drill program and commencement of spring and summer field exploration activities, including the competition of Phase 1 of the 2024 diamond drilling program on the CRSZ.

Current assets were lower at 30 September 2024 compared to 31 December 2023. The reduction relates to a decrease in cash and cash equivalents which was used to fund working capital requirements and the Company's exploration expenditure.

Total liabilities for the period ended at September 30, 2024 were $9.2 million compared to $8.6 million at the end of 2023. The Company has no debt.

Capital Resources

To facilitate the management of its capital requirements, the Company prepares annual operating budgets which are approved by the Board of Directors. The Company regularly monitors its cash flows and prepares regular forecasts based on changes in operations and/or economic conditions to facilitate the management of its capital requirements.

The Company has the following licence expenditure commitments to maintain its mining licences in good standing.

Commitments				
Payments Due by Period *('000s)*	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Minimum licence expenditure	$2,124	$1,361	$193	$570

Flow-through Financings

Historically, the Company has entered flow-through private placements ("FT Placements") to fund exploration activities, the most recent being the 2023 FT Placements. Canadian tax rules require the Company to spend flow-through funds on "Canadian exploration expenses" (as defined in the Income Tax Act (Canada)) by the end of the calendar year following the year in which they were raised.

The Company indemnified the subscribers of flow-through shares from any tax consequences should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements. In 2023, the Company completed a Flow-Through Offering for $4.279 million, thus committing to spend this amount by December 31, 2024 on "Canadian exploration expenses" which qualify as "flow-through mining expenditures", as these terms are defined in the Income Tax Act (Canada) ("Resource Expenditures").

The premium on the $4.279 million Flow-Through Offering amounted to $1.003 million. At September 30, 2024, the Company has expended approximately $3.823 million of the 2023 FT Private Placement amount of $4.279 million on Resource Expenditures. The Company has until December 31, 2024 to spend the remaining outstanding balance of approximately $0.456 million on Resource Expenditures and expects to do so with the exploration program well underway.

Off-Balance Sheet Arrangements

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 Company's financial performance.

Related Party Transactions

There was $180,000 paid during the quarter ended September 30, 2024 to related parties relating to Director fees and the salary of the Managing Director.

Critical Accounting Estimates

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based Payment Transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial, Black-Scholes model or Monte-Carlo simulation model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and Evaluation Costs Carried Forward

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached stage that permits a reasonable assessment of the existence of reserves.

Estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

Impairment of Exploration and Evaluation Assets

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whenever impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Group no longer holds tenure, the asset is tested to determine the recoverable amount and assess whether this is below the carrying amount. If the recoverable amount is below the carrying amount, then the asset is impaired.

Changes in Accounting Policies including Initial Adoption

There have not been any material changes to the Company's accounting policies during the most recently completed financial period.

Financial Instruments and Other Instruments

The Group's principal financial assets comprise cash and deposits held as security guarantees.

The Group's principal financial liabilities comprise trade creditors. The main purpose of these financial instruments is to manage cash flow and assist the Group in its daily operational requirements. The Group is exposed to foreign currency risk, interest rate risk, liquidity risk and credit risk in respect to the financial instruments that it held at the end of the financial year.
Risk management policies are established by the Board of Directors to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Disclosure of Outstanding Share Data

The following is a description of the outstanding equity securities and convertible securities previously issued by the Company above:

Shares Outstanding Date	30-Oct-24[2]	30-Sep-24	30-Jun-24	31-Dec-23
Common shares	526,169,741	526,169,741	524,712,468	513,100,106
Stock Options	33,446,305	35,743,865	35,743,865	4,542,810
Zero Priced Options (RSUs)	15,907,181	18,653,191	20,130,463	4,758,764
Performance rights (PSUs)	8,530,499	9,968,086	11,520,663	N/A(1)

Notes:

1. *The Company had previously stated and accounted for Long-term incentives as Zero Priced Options. For the purposes of consistency with Canadian practices and the TSXV listing applications, the Company's active yet historic long-term incentives were reclassified as Performance Rights.*
2. *These figures do not include the proposed issue of securities detailed in Capital Raising above.*

Risk Factors

The Company is in the business of exploring and developing mineral properties. It is exposed to a number of of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than interest income. The Company will rely mainly on equity financing to fund exploration, development and its other activities. The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist.

Additional Capital

The Company plans to continue its focus on exploration and development of mineral interests. The Company will use its operating cash flows to carry out such endeavours. However, the Company will require substantial additional financing to move forward with development and production of a future mine. Further exploration and development capacities may be dependent upon its ability to obtain financing through equity or debt, and there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and, development of the Company's projects.

Financing Risks

The Company may require financing in the future to continue to develop its business and there can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares or securities convertible into or exercisable for common shares, control of the Company may change, and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments, and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Community and Stakeholder Relations

The Company's relationships with the community in which it operates are critical to ensure the future success of its existing operations. The future success of the Company is reliant on a healthy relationship with local communities in which the Company operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Company's business, financial position and operations.

Company Evolution

The exploration for, and development of, mineral deposits involve a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Company undertakes systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Company will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. However, there can be no guarantee that the studies will confirm the technical and economic viability of the Company's mineral properties or that the properties will be successfully brought into production.

Conflicts of Interest

Certain directors and officers of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of natural resource exploration, development and production. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company.

Future Profits/Losses and Production Revenues/Expenses

The Company has no history of operations and expects that its losses will continue for the foreseeable future. The Company does not expect to receive revenues from operations or be profitable in the foreseeable future, if at all. The Company expects to incur losses until such time as a property enters into commercial production and generates sufficient revenues to fund its continuing operations. Development will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability. The Company's operating expenses, and capital expenditures may increase in subsequent years due to the cost of employees, consultants, service providers and equipment associated with advancing exploration and development. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the Company's strategic analyses, the rate at which operating losses are incurred, the execution of any joint venture or other agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which factors are beyond the Company's control.

Commodity Prices

In the event that the Company has a producing mine in the future, the profitability of the Company's business will be largely contingent on the market price for the minerals sold by the Company. A significant reduction in the market price of the minerals sold by the Company for any extended period could have a materially adverse effect on the Company's profitability and cash flow. Global minerals prices fluctuate widely and are affected by numerous factors beyond the Company's control, including global demand and production levels, political and economic conditions, producer hedging activities, speculative activities, inflation, interest rates and currency exchange rates.

Dependence on Key Personnel

The Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the Company could be adversely affected. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage growth effectively and could have a material adverse effect on the Company's business, financial condition or results of operations.

Market Price of the Shares and Share Price Volatility

The market price for the Company's common shares cannot be assured. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The trading price of the Company's common shares may be subject to large fluctuations. For the same reason, the value of any of the Company's securities convertible into, or exchangeable for, common shares may also fluctuate significantly, which may result in losses to investors. The price of the Company's common shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. Factors that may contribute to volatility in the securities of the Company include macroeconomic developments globally, and market perceptions of the attractiveness of particular industries. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in its financial condition or results of operations.

Other factors unrelated to the Company's performance that may have an effect on the price of the Shares include the following: lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of the Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Shares; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the common shares to be delisted from the exchange on which they trade, further reducing market liquidity. The market price for the Shares may also be affected by the Company's ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of the common shares.

In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could materially and adversely harm the Company and its financial position.

Dividend Policy

Investors in the Company's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Company's securities other than through possible share price appreciation.

Internal Controls Over Disclosure and Financial Reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for designing disclosure controls and procedures to ensure that material information is being recorded, processed, summarized, and reported to senior management, including the certifying officers and members of the Company's Audit Committee on a timely basis, so that appropriate decisions can be made regarding public disclosure. In addition, the CEO, and CFO are responsible to design, or cause to be designed under their supervision, internal controls over financial reporting ("ICFR"), to a standard that provides reasonable assurance of the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Disclosure Controls and Procedures

Disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Audited Filings, means controls and other procedures of an issuer that are designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, audited filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, audited filings or other reports filed or submitted under securities legislation is accumulated and communicated to the issuer's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. An evaluation of the effectiveness of the Company's disclosure controls and procedures was conducted as of September 30, 2024, by and under the supervision of the Company's management, including the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the disclosure controls and procedures were effective.

Internal Controls Over Financial Reporting

The Company's management, including the CEO, and CFO, has evaluated the design of the Company's ICFR using the control framework and criteria established by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management has concluded that the Company's ICFR as at September 30, 2024 were designed and operating effectively and provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS accounting standards. There were no changes to ICFC during the quarter.

Limitations on the effectiveness of disclosure controls and internal controls over financial reporting

It should be noted that while the Company's CEO and CFO believe that the Company's internal controls system and disclosure controls and procedures provides a reasonable level of assurance that the objectives of the control systems are met, they do not expect that the Company's control system will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions. The Company will continue to periodically review our disclosure controls and procedures and internal control over financial reporting and may make modifications from time to time as considered necessary or desirable.