



**Fuse Battery Metals Inc.**

**Management's Discussion and Analysis**

**For the year ended 31 December 2023**

*The following management discussion and analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2023. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated. This MD&A is dated 11 April 2024.*

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

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

## DESCRIPTION OF BUSINESS

Fuse Battery Metals Inc., formerly Fuse Cobalt Inc. (the "Company" or "Fuse"), was incorporated in Manitoba on 11 February 1998 and continued into British Columbia on 31 May 2016. The Company currently holds interests in resource properties in the province of Ontario, Canada and the state of Nevada, USA. The Company is an exploration stage company which is engaged in the acquisition, exploration and development of energy metals projects. The Company is listed on the TSX Venture Exchange ("TSXV") under the symbol FUSE, as a Tier 2 mining issuer and in the process of exploring its mineral properties.

On 31 January 2023, the Company changed its name to Fuse Battery Metals Inc. The Company's shares commenced trading under the new name effective, 2 February 2023. The Company's trading symbol FUSE remained the same.

The head office and principal address is located at Suite 3028 Quadra Court, Coquitlam, British Columbia, V3B 5X6.

Unless the context suggests otherwise, references to "Fuse" or the "Company" or "we", "us", "our" or similar terms refer to Fuse Battery Metals Inc. (formerly Fuse Cobalt Inc.)

## FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements that involve a number of known and unknown risks and uncertainties including statements regarding the outlook of Fuse's business and results of operations. By their nature, these risks and uncertainties could cause actual results, performance and achievements to differ materially from those indicated. Such factors include, without limitation, risks inherent in mineral exploration, the Company's history of operating losses and uncertainty of future profitability, uncertainty of access to additional capital, and environmental risks. Readers should not place undue reliance on these forward-looking statements which speak only as of the date the statements were made, and are also advised to consider such forward looking statements while considering the risks set forth below.

Fuse disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as is required by applicable securities regulations.

## PROJECT OVERVIEW

### Ontario Properties:

Fuse currently is exploring two mineral properties in the Timiskaming District of Ontario known as the Glencore Bucke and Teledyne Cobalt Properties. The Properties are located in Bucke and Lorrain Townships, 6 km east-northeast of Cobalt, Ontario. The Properties are situated in the historical Cobalt mining camp, that dates back to 1903 when silver was first discovered there. This was one of the world's largest silver camps, having produced an estimated 464,853,101 oz Ag (13,178,364 kg), 25,329,992 lb Co (11,489,491 kg) from 1904 to 1988 (Pressaco, Webster, and Zalnieriunas, 2008).

On 7 May 2018, the Company entered into an option agreement (the "Surge Option Agreement") with Surge Exploration Inc. ("Surge") whereby Surge could earn an undivided 60% interest in the Glencore Bucke and the Teledyne Cobalt Properties subject to cash payments of \$240,000 (received), share issuance of 1,000,000 shares of Surge and exploration expenditures of \$1,536,000 on or before two years from the date of the Surge Option Agreement. Upon Surge having exercised the Option, Surge will have earned an undivided 60% interest in the Cobalt Properties, and the parties will enter into a Commercially Reasonable and Definitive Joint

Venture Agreement. The Surge Option Agreement is “non-arm’s length” and is a related party transaction due to an officer in common between Fuse and the Company. The Company received an independent third-party fairness opinion from Bruce Laird, P.Geo. concluding that the terms of the Surge Option Agreement between the Company and Surge is fair to the shareholders of the Company.

On 24 February 2020, the Company negotiated the termination of the Surge Option Agreement. Upon the issuance 2,500,000 common shares of Fuse to Surge. Fuse will retain 100% interest in the Glencore Bucke and Teledyne Claims, located near Cobalt, Ontario and Surge will have no further direct rights to the Properties.

### **Glencore Bucke Project**

Fuse entered into a property purchase agreement dated 31 August 2017 with Glencore Canada Corporation (subsidiary of Glencore plc) (“Glencore”) of Baar Switzerland, LSE: GLEN to acquire a 100% interest in the Glencore Bucke Property situated in Bucke Township, 6 km east-northeast of Cobalt, Ontario. On 28 February, 2018, the Company completed its obligations under the purchase agreement.

The Glencore Bucke property consists of two patented mining claims totaling approximately 16.2 ha in area and sits along the west boundary of Fuse’s Teledyne Cobalt Project. In 1981, Teledyne leased mining claim 585 (“Glencore Bucke Property”) from Falconbridge Nickel Mines Ltd., as the company recognized the significant exploration potential that the Property had due to the possible southern extensions of the Cobalt Contact veins on mining claim T43819 that projected southward onto the Property. In the same year, Teledyne completed 36 diamond drill holes totaling 10,903 ft (3323.3 m) on the Property. The drilling program outlined two separate vein systems hosting significant cobalt and silver values. The two zones are known as the Main Zone, measuring 152.4 m in length, and the Northwest Zone, measuring 70.0 m in length. The Main Zone had a north-south strike, which is hypothesized as the southern extension of the #3 vein from the Cobalt Contact Mine located immediately to the north of the Property. Additional work was recommended but never completed due to a downturn in cobalt prices at the time. Based on the surface drill program completed by Teledyne, historical reserves of 60,000 tons in the geologically inferred category, and 15,000 tons in the probable category, at an average grade of 0.45% Co, 3.0 oz/t Ag was estimated (Linn, 1983). The historical reserve estimate contains categories that are not consistent with current CIM definitions. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. No attempt was made to reconcile the historical reserve calculations as reported by Teledyne Tungsten. The Company is not treating the historical reserve estimate as a current mineral resource or mineral reserve.

In the fall of 2017, Fuse completed 21 diamond drill holes totalling 1,913.50 m on the Glencore Bucke Property. Fuse’s Phase 1 diamond drill program was designed to confirm and extend the existing known mineralized zones on the Property. The program tested the Main Zone for a strike length of approximately 55 m and the Northwest Zone for a strike length of approximately 45 m. Due to the nature of the mineralization, drill holes were closely spaced apart, generally at 10 m along sections, and 12.5 m between sections on average. The most significant results include:

- GB17-03 that intersected 0.76% Co, 1 ppm Ag over 1.0m from 21.15 to 22.15 m.
- GB17-04 that intersected 1.62% Co, 7 ppm Ag over 0.50 m from 16.25 to 16.75 m.
  - Including 3.11% Co, 13.8 ppm Ag over 0.25m from 16.5 to 16.75m
- GB17-06 that intersected 0.25% Co, 12 ppm Ag over 1.75 m from 22.50 to 24.25 m.
  - Including 1.15% Co and 50.8 ppm Ag over 0.25m from 23.5 to 23.75m.
- GB17-06 that intersected 4.45% Co, 34.2 ppm Ag over 0.30 m from 44.40 to 44.70 m.
- GB17-07 that intersected 1.11% Co, 16.6 ppm Ag over 2.00 m from 98.5 to 100.50 m.

- Including 7.64% Co and 9.1 ppm Ag over 0.26m from 99.79 to 100.05m.
- GB17-10 that intersected 0.55% Co, 0.8 ppm Ag over 5.00 m from 28.00 to 33.00 m.
- GB17-13 that intersected 0.92% Co, 2.85 ppm Ag over 2.00 m from 34 to 36 m
  - Including 4.09% C and 6.6 ppm Ag over 0.3 m from 35.1 to 35.4 m
- GB17-13 that intersected 0.46% Co, 132.5 ppm Ag over 0.90 m from 77.60 to 78.50 m.
- GB17-13 that intersected 0.55% Co, 16.9 ppm Ag over 0.60 m from 100.80 to 101.40 m.
- GB17-15 that intersected 0.55% Co, 2.1 ppm Ag over 0.90 m from 27.50 to 28.40 m.
- GB17-15 that intersected 8.42% Co, 136 ppm Ag over 0.30 m from 62.40 to 62.70 m.
- GB17-18 that intersected 0.43% Co, 86.8 ppm Ag over 0.90 m from 80.10 to 81.00 m.
- GB17-19 that intersected 0.75% Co, 111.1 ppm Ag over 0.60 m from 46.00 to 46.60 m.
- GB17-20 that intersected 0.44% Co, 19.4 ppm Ag over 4.05 m from 60.25 to 64.30 m.
- Including 0.76% Co, 31.3 ppm Ag over 2.3m
- Including 3.54% Co, 49.4 ppm Ag over 0.3m from 62.8 to 63.1m
- GB17-21 that intersected 0.73% Co, 50.0 ppm Ag over 0.60 m from 69.70 to 70.30 m.

Drill Intercept locations and QAQC procedures are disclosed in the Teledyne Technical Report: [Fuse Battery Technical Report Feb 4'21.pdf](#)

The aforementioned intervals represent core lengths, and not true widths.

During the fall of 2018, Fuse completed 24 diamond drill holes totaling 2,559.03 m on the Glencore Bucke Property. The Phase 2 program was planned with the intent of intersecting mineralized zones along strike and vertically above and below previous intersections reported by Fuse in 2017 on the Main and Northwest Zones. In addition, the Phase 2 program tested several outlying targets, drill hole GB18-41 was completed to test for mineralization at depth beneath a historical trench and intersected anomalous cobalt mineralization. To the south, drill holes GB18-42 to GB18-45 were completed in a fence 200 m south of recent drilling on the Main and North West Zones (2017 and 2018 Fuse) in an area where no known historical drilling had been completed. Selected significant results for drill holes GB18-22 through to GB18-45 include:

- GB18-26 that intersected 0.29 % Co over 0.25 m from 79.25 to 79.50 m.
- GB18-27 that intersected 0.47 % Co, 0.82% Cu over 2.33 m from 94.42 to 96.75 m
  - Including 1.3% Co, 0.97% Cu over 0.83 m from 94.42 to 95.25 m.
- GB18-29 that intersected 0.06% Co, 1.28% Cu over 3.75 m from 61.75 to 65.50 m
  - Including 0.24% Co, 0.43% Cu over 0.40 m from 63.00 to 63.40 m.
- GB18-30 that intersected 0.70 % Co over 0.50 m from 40.00 to 40.50 m.
- GB18-31 that intersected 0.13% Co over 1.85 m from 54.75 to 56.60 m,
  - Including 0.65% Co over 0.35 m from 56.25 to 56.60 m.
- GB18-33 that intersected 0.26% Co over 0.25 m from 31.70 to 31.95m, and 0.37% Co over 0.25 m from 32.15 to 32.40 m.
- GB18-34 that intersected 0.63% Co, 1.63% Cu over 2.00 m from 108.25 to 110.25 m,
  - Including 2.01% Co, 0.28% Cu over 0.45 m from 109.80 to 110.25 m.
- GB18-35 that intersected 0.87% Co, 1.02% Cu over 0.25 m from 80.10 to 80.35 m.
- GB18-36 that intersected 1.48% Co, 0.38% Cu over 0.50 m from 93.50 to 94.00 m.
- GB18-38 that intersected 0.26% Co, 0.44% Cu over 0.55m from 76.25 to 76.80 m.
- GB18-39 that intersected 0.62% Co over 0.50 m from 89.50 to 90.00 m, and 0.61% Co over 0.40 m from 93.35 to 93.75 m.
- GB18-40 that intersected 0.12% Co, 0.33% Cu over 0.75 m from 94.75 to 95.50 m.
- GB18-44 that intersected 0.26 % Co, 1.16% Cu over 3.15 m from 110.60 to 113.75 m,

- Including 0.57% Co, 0.27% Cu over 0.65 m from 110.60 to 111.25 m.
- GB18-45 that intersected 0.43% Cu, 1.04% Zn over 7.90 m from 104.00 to 111.90 m,
  - Including 2.01% Cu, 0.55% Zn over 0.70 m from 109.00 to 109.70 m.

Drill Intercept locations and QA/QC procedures are disclosed in the Teledyne Technical Report: [Fuse Battery Technical Report Feb. 4'21.pdf](#)

The aforementioned intervals represent core lengths, and not true widths.

In Summer of 2022, the company directed Simcoe Geoscience to conduct an IP survey utilizing the Alpha IP Wireless Time Domain Distributed Technology System over the Glencore/Buck Project. The objective of the survey was to resolve narrow vein cobalt and silver mineralization and any cross-cutting structures to a depth of approximately 125m on 400m long grid lines with a 50m line spacing.

Following the IP survey, the company conducted a drill program on the Bucke Property in Autumn of 2022. The drill program completed 13 drill holes for a total of 1842 meters. Five holes in the north to follow up on T-18, GB17-21, GB18-36, and GB17-15 further down dip of the existing structure. Successfully the new holes had comparable results and prove the mineralization continues further at depth in the Main Zone. Four holes were planned east and southward to test IP anomalies interpreted to be structural features of interest, no significant values reported. Toward the south, four holes to follow up GB18-44, test geophysical targets and determine if structures or veins trend onto the Teledyne. These holes contained two excellent cobalt results suggesting the mineralization may continue further southward onto the Teledyne.

Key highlights from the 2022 drill campaign:

- GB22-46 intercepted 1.8% Cu over 5.58m from 101.39 to 106.97m, including 3.54% Cu over 1.00m from 105.00 to 106.00m. It also intercepted 0.39% Co and 0.58% Cu over 0.75m from 137.70m to 138.45m.
- GB22-47 intercepted 2.06% Cu and 0.18% Co over 6.85m from 103.15 to 110.00m, including 3.94% Cu and 0.84% Co over 0.54m from 104.91 to 105.45m.
- GB22-49 intercepted 1.46% Cu over 2.00m from 123.00 to 125.00m.
- GB22-50 intercepted 7.75% Co and 5.44% Ni over 0.42m from 55.38 to 55.80m, and 2.17% Cu over 3.93m from 66.88 to 70.81m, including 4.01% Cu over 0.93m from 67.87 to 68.80m.
- GB22-55 intercepted 5.71% Co and 3.14% Ni over 0.47m from 64.16 to 64.63m.
- GB22-56 intercepted 5.56 % Co and 2.66 % Ni over 0.52m from 99.00 to 99.52m.
- GB22-50 contained up to 11.9 grams per tonne Au from initial statistics the gold grade is strongly correlated with Nickel and Cobalt. Nickel and Cobalt also have a strong correlation.

This campaign had many successful intercepts, a more complete list can be found in the 5 September 2023 News Release.

### **Teledyne Cobalt Project**

In 2016, Fuse entered into an option agreement to acquire up to a 100% interest, subject to a 2% net smelter royalty ("NSR"), on the Teledyne Cobalt Property. In the spring of 2018, Fuse announced that it had amended and accelerated the option agreement, and that it earned a 100% interest in the Property with the vendors retaining the 2% NSR.

The Property, located in Bucke and Lorrain Townships, consists of 5 patented mining claims totaling 79.1 ha, and 46 unpatented mining claim cells totaling approximately 700 ha. The Property is easily accessible by highway 567 and a well-maintained secondary road.

The Property adjoins the south and west boundaries of claims that hosted the Agaunico Mine. From 1905 through to 1961, the Agaunico Mine produced a total of 4,350,000 lbs. of cobalt ("Co"), and 980,000 oz. of silver ("Ag") (Cunningham-Dunlop, 1979). A significant portion of the cobalt that was produced at the Agaunico Mine was located along structures that extended southward towards the northern boundary of patented mining claim PAT-49017, part of the Teledyne Cobalt Property. Cobalt mineralization consisted of cobaltite and smaltite hosted within steeply dipping veins and extensive disseminations within Huronian sedimentary rocks. From 1951 through to 1957, the average Co content of the ores mined at the Agaunico Mine was approximately 0.5%. In 1955, 526,000 lbs. of Co, 146,000 oz. of Ag, 117,000 lbs. of nickel ("Ni"), and 81,000 lbs. of copper ("Cu") were extracted from 62,000 tons of ore (Cunningham-Dunlop, 1979).

In 1953, Big Agaunico Mines Ltd. carried out a drilling program on a portion of Fuse's Teledyne Cobalt Property to locate the extension of the south-striking Agaunico cobalt-rich Vein 15. Drill holes No. 8 and No. 12 intersected 0.58% Co over 5 ft (1.5 m), and 0.46% Co over 3 ft (0.9 m) respectively. The aforementioned intervals represent core lengths, and not true widths. These intersections, located 350 ft (106.7 m) and 600 ft (182.9 m) south of the northern claim boundary of claim 372, confirmed the likely extension of the Agaunico cobalt zone (Vein #15) onto the Property (Cunningham-Dunlop, 1979).

In 1979, Teledyne Canada Ltd. ("Teledyne") completed six surface diamond drill holes and encountered a zone of cobalt mineralization that extended 640 ft (195 m) south from the claim boundary. In 1980, Teledyne completed a 10 ft (3.0 m) by 13 ft (4.0 m) access decline at a decline of -15 degrees for length of approximately 2,300 ft (701.0 m) to facilitate underground exploration of the mineralization zone encountered in their surface diamond drilling program. A total of 6,167 ft (1,879.7 m) of underground diamond drilling was completed in 22 drill holes (Bresee, 1981). The drill program confirmed the extension of the Agaunico cobalt zone onto patented mining claim PAT-49017 for a strike length of approximately 500 ft (152.4 m). The drill program also encountered a second zone with a strike length of 450 ft (137.2 m). Based on the surface and underground diamond drill programs, historical reserves of 60,000 tons in the geologically inferred category, and 40,000 tons in the probable category, at an average grade of 0.45% Co, 0.6 oz/t Ag was estimated (Linn, 1983). The historical reserve contains categories that are not consistent with current CIM definitions. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. No attempt was made to reconcile the historical reserve calculations as reported by Teledyne Tungsten. The Company is not treating the historical reserve estimate as a current mineral resource or mineral reserve.

Over \$25 million (inflation-adjusted) of past work has already been completed on the Teledyne Property. This work has resulted in valuable infrastructure, which includes a 10 ft (3.0 m) by 13 ft (4.0 m) access ramp at a decline of -15 degrees for a length of approximately 2,300 ft (701.0 m) constructed to facilitate underground exploration of the mineralized zone.

During the fall of 2017, Fuse completed 11 diamond drill holes totaling 2,204 m on the Teledyne Cobalt Property. Fuse's Phase 1 diamond drill program was designed to confirm and extend the existing known mineralization along strike, and up and down dip. The program tested the Teledyne Main Zone for a strike length of approximately 220 m. The most significant results include:

- TE17-01 that intersected 0.62% Co over 6.00 m from 136.00 to 142.00 m including 3.92% Co over 0.75 m from 140.25 to 141.00 m.

- TE17-02 that intersected 0.95% Co over 1.90 m from 143.00 to 144.90 m,
  - Including 2.58% Co over 0.60 m from 144.30 to 144.90 m.
  - Including 4.80% Co over 0.30 m from 144.60 to 144.90 m.
- TE17-02 that intersected 0.59% Co over 3.90 m from 156.00 to 159.90 m, including 2.22% Co over 0.60 m from 156.60 to 157.20 m.
- TE17-04 that intersected 1.82% Co over 6.00 m from 138.00 to 144.00 m, including 5.06% Co over 1.75 m from 141.25 to 143.00 m.
  - Including 1.64% Co, 6.9 ppm Ag over 0.55m from 140.45 to 141.00 m
  - Including 4.31% Co, 15.2 ppm Ag over 0.39m from 141.25 to 141.64 m
  - Including 18.7% Co, 16 ppm Ag over 0.15m from 141.64 to 141.79 m
  - Including 7.25% Co, 8.7 ppm Ag over 0.45m from 142.05 to 142.5 m
  - Including 1.86% Co, 5.2 ppm Ag over 0.50m from 142.5 to 143.0 m
- TE17-05 that intersected 2.32% Co over 4.00 m from 126.50 to 130.50 m
  - Including 21.9% Co, 11.5ppm Ag over 0.36m from 127.64 to 128.0 m.
- TE17-05 that intersected 1.70% Co over 6.00 m from 136.00 to 142.00 m.
- TE17-07 that intersected 0.50% Co over 2.10 m from 127.60 to 129.70 m.
- TE17-08 that intersected 0.77% Co over 3.40 m from 169.50 to 172.90 m,
  - including 1.17% Co over 2.00 m from 169.50 to 171.50 m.
- TE17-08 that intersected 0.59% Co over 1.20 m from 174.00 to 175.20 m.
- TE17-08 that intersected 0.62% Co over 0.60 m from 178.60 to 179.20 m.
- TE17-11 that intersected 0.54% Co over 2.00 m from 130.00 to 132.00 m.

Drill Intercept locations and QAQC procedures are disclosed in the Teledyne Technical Report: [Fuse Battery Technical Report Feb. 4'21.pdf](#)

The aforementioned intervals represent core lengths, and not true widths.

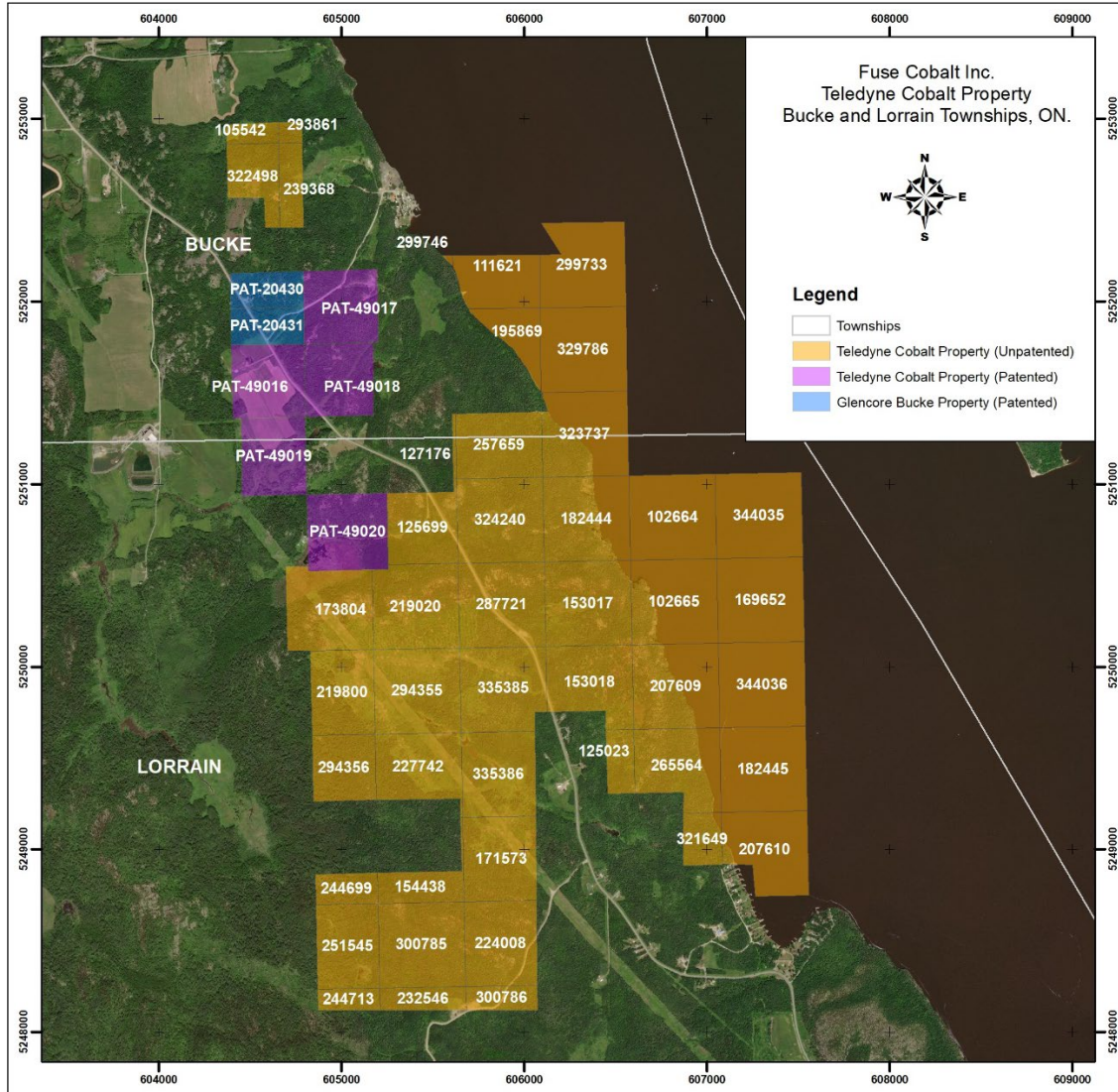
During the fall of 2018, Fuse completed 9 diamond drill holes totaling 1,689.15 m on the Teledyne Cobalt Property. As at Glencore Bucke, the Phase 2 program was planned with the intent of intersecting mineralized zones along strike and vertically above and below previous intersections reported by Fuse in 2017. In addition, the Phase 2 program tested several outlying targets, both beneath a historical trench with veining present at surface, and to intersect the East Zone. Selected significant results for drill holes TE18-12 through to TE18-20 include:

- TE18-12 that intersected 1.12% Co over 5.20 m from 136.80 to 142.00 m.
  - Including 4.68% Co, 2.5 ppm Ag over 0.45m from 136.8 to 137.25m
  - Including 1.74% Co, 1.5 ppm Ag over 0.71m from 137.75 to 138.46 m
  - Including 2.71% Co, 1.2 ppm Ag over 0.35m from 139.75 to 140.10m
- TE18-13 that intersected 0.63% Co over 3.00 m from 167.40 to 170.40 m including 2.98% Co over 0.50 m from 167.40 to 167.90 m.
- TE18-14 that intersected 0.10% Co over 2.00 m from 128.50 to 130.50 m.
- TE18-15 that intersected 1.15% Co over 2.31 m from 122.00 to 124.31 m,
  - Including 4.26% Co, 4.5 ppm Ag over 0.5m from 123.81 to 124.31 m
- TE18-17 that intersected 1.33% Co over 4.35 m from 116.90 to 121.25 m,
  - Including 2.54% Co over 0.25m from 116.9 to 117.15m,
  - Including 5.79% Co over 0.35m from 117.8 to 118.15m,
  - Including 6.89% Co over 0.25 m from 120.50 to 120.75 m.
- TE18-19 that intersected 0.26% Co over 0.30 m from 151.30 to 151.60 m.



Drill Intercept locations and QA/QC procedures are disclosed in the Teledyne Technical Report: [Fuse Battery Technical Report Feb. 4’21.pdf](#)

The aforementioned intervals represent core lengths, and not true widths.



**Qualified Person Statement**

“Project Overview” and “Subsequent Event” sections of this MD&A have been reviewed and approved for technical content by Matt Halliday, P. Geo., an independent consulting geologist and a Qualified Person under the provisions of NI 43-101.

The Qualified Person has verified the data disclosed, including sampling and analytical data. The data was validated by reviewing the geological database and doing spot checks on key analytical results with the certificates of analysis. Drill depths were verified from the geological database and spot checked against the driller invoices. Claims were verified using MLAS reports. A review of pertinent historical literature on the

Teledyne was performed, mostly through data available from historic assessment reports on the Geology Ontario website. The QP found a copy of the Linn report in a the Branchwater Resources Ltd Report 1998, which outlines the historic resources.

## **Nevada, USA Properties:**

### **Lithium Springs Property**

In November 2022, Fuse entered a Purchase and Sale agreement to acquire a 100% interest in 108 placer claims. The claims cover approximately 858 hectares of playa and alluvial fan located at the south end of the Black Rock Desert outside of the hamlet of Gerlach in Washoe County, Nevada.

The project is located at the southern end of Black Rock Desert, Nevada, about 132 air-line km north-northeast of Reno, Nevada. Black Rock Desert basin is about 110 km long and up to 25 km wide at the widest point. The central playa measures about 50 km northeast – southwest and 10 km southeast – northwest. The western arm of the Black Rock Desert covers an area of about 2,000 square kilometers and contains 5 of the 30 currently listed Known Geothermal Resource Areas in Nevada.

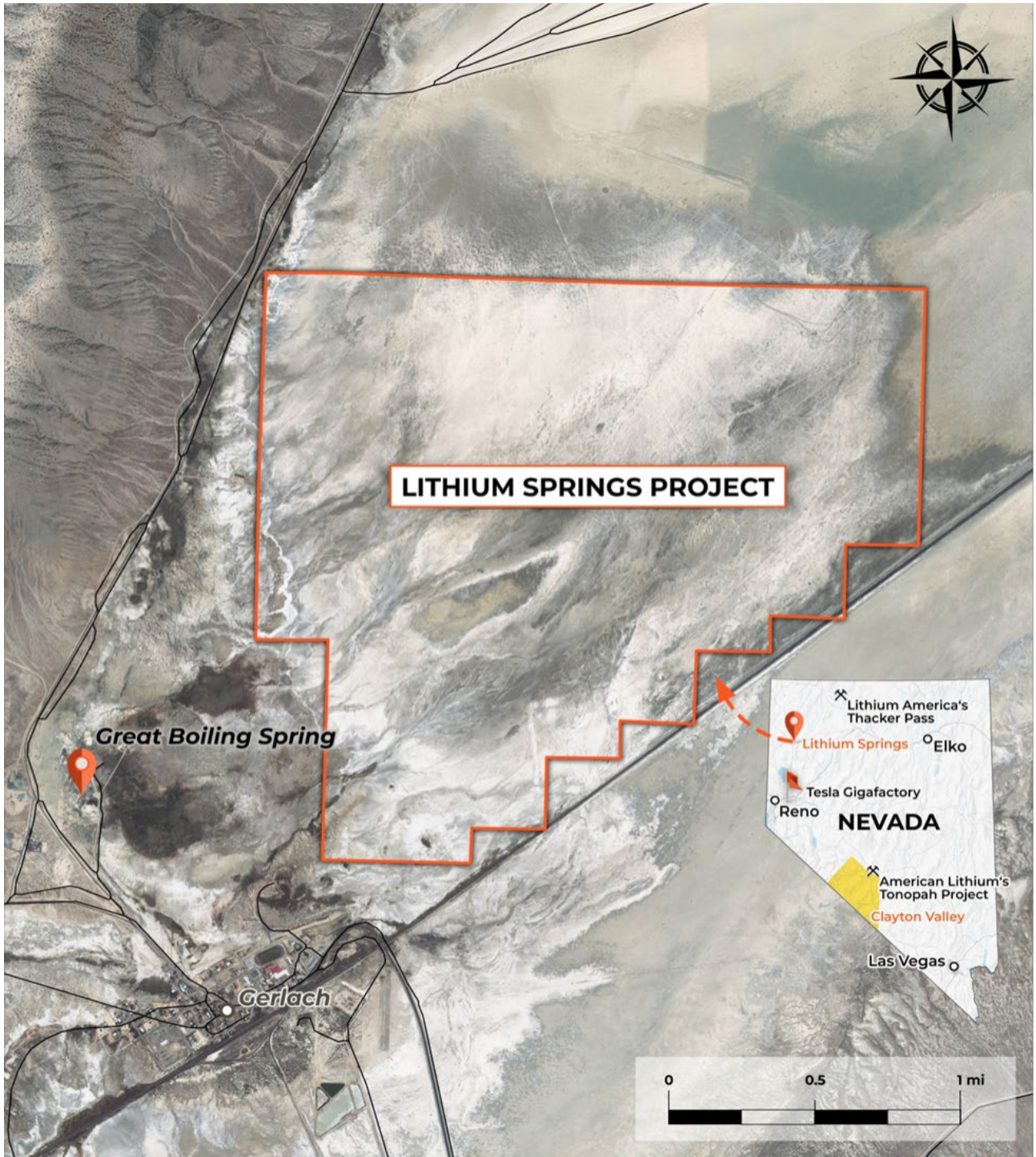
The property covers an area of playa underlain by a moderately deep basin interpreted from gravity and seismic surveys indicating a maximum thickness of valley-fill deposits of about 1,200 m/ 3,600 ft. A high salt content prevents any significant vegetation from growing on the playa surface. Locally, the basin is being fed in part by boiling springs and siliceous sinter containing strongly anomalous Lithium values (up to 3.5 ppm) that flank the property on the west side. (U.S. GEOLOGICAL SURVEY Open-File Report 81-918.) While these lithium values are well below those of producing lithium brines, they do represent a significant source of metal available for evaporative concentration within the playa basin.

In 2016, a grid soil sampling program was conducted on the property, consisting of 170 sites where samples were collected at 200-meter intervals on lines spaced 400 meters apart. The results showed lithium values ranging from 82.8 to 520 ppm, with a median of 182 ppm, which were significantly higher than the background in the surrounding areas.

The presence of lithium in the active geothermal fluids and surface salts of the Black Rock Desert property, along with the local geologic setting, suggests similarities to lithium brine deposits in Clayton Valley, Nevada, and South America. The geothermal fluids in the nearby area have lithium concentrations in the 3 to 5 mg per liter range, which likely contributed to the surface sampling values.

These preliminary results justify further exploration for a Clayton Valley type brine and/or clay deposit. A reasonable expectation for the Company's First Phase exploration program would be to re-sample the area, complete a geophysical survey, and conduct a phased exploration program consisting of surface sampling, auger or push drill water sampling, and geophysical work to identify drilling sites for an initial drill test of the property. A subsequent Phase two exploration program may include additional surface and sub-surface sampling in the form of drilling, to test the property for lithium-bearing brine and/or clay deposits.



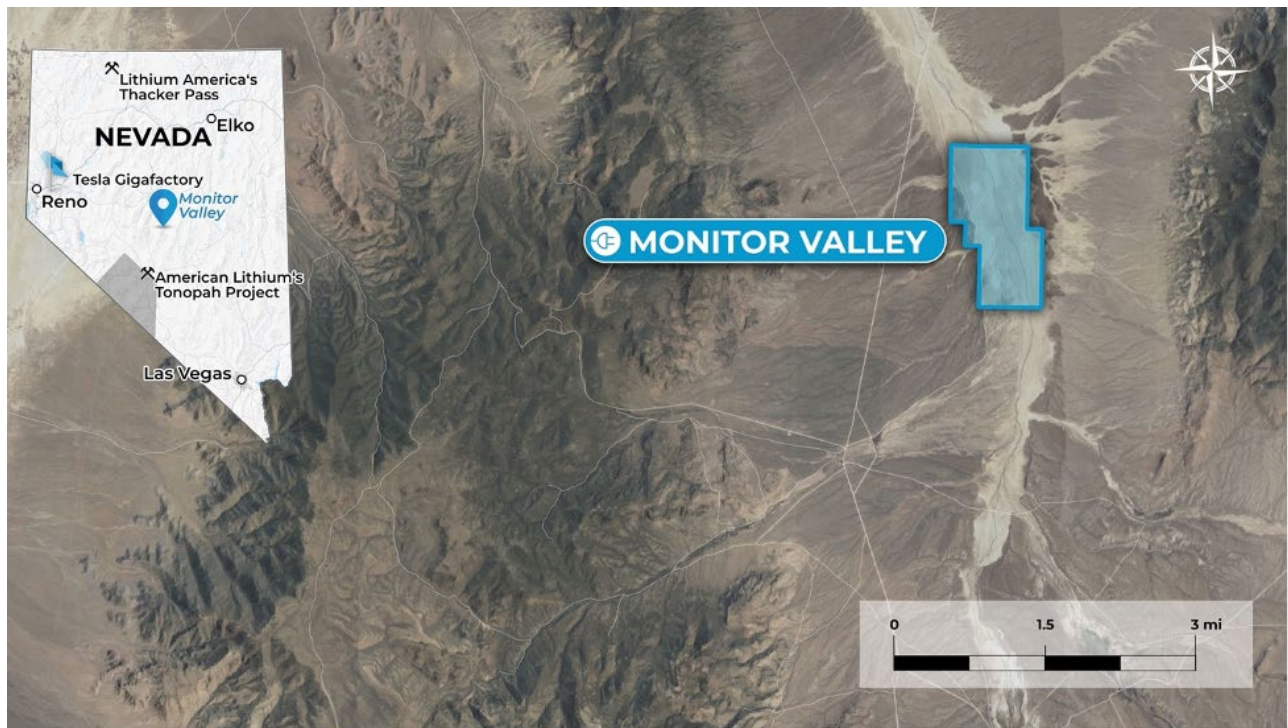


## Monitor Valley North Property

In November 2022, Fuse entered into a Purchase and Sale Agreement whereby the Company became the legal and beneficial owner of 97 placer claims (MVN1 – MVN97) covering approximately 770 hectares of alluvial sediments and clays located 134 km northeast of Tonopah, Nevada.

The property is located in Monitor Valley, Nevada, about 138 km north-northeast of Tonopah, Nevada. The center of the property is about 39.21° North Latitude, 116.65° West Longitude. The property is 55 km due west of the Little Smokey Valley, Nevada where exploration for lithium is ongoing.

The Monitor Valley North Project is a sediment-hosted lithium clay target. The property is easily accessible for exploration and exploitation to be carried out throughout the year. A surface sampling program was conducted on a 100m x 100m grid across the property with grades ranging from 10ppm to 70 ppm. A Controlled Source Audio-frequency Magnetotelluric (CSAMT) geophysics program was conducted on the site, comprised of 9 E-W trending liens and a total of 17-line kilometers of data collected.



On 11 September 11 2023, KLM Geoscience mobilized to the Monitor Valley North Project to collect CSAMT data across the project site.

On 17 September 2023, Rangefront Geological mobilized to the Monitor Valley North Project to collect soil samples on a 100m x100m grid across the project site.

## Qualified Person Statement

“Project Overview” and “Subsequent Event” sections of this MD&A have been reviewed and approved for technical content by Seth Cude, PG (Principal Geologist), an independent consulting geologist and a Qualified Person under the provisions of NI 43-101.



## SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION

### Selected Annual Financial Information

Unless otherwise noted, all currency amounts are stated in Canadian dollars. The following table summarizes selected financial data for Fuse for each of the three most recently completed financial years. This information set forth below should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS, and related notes.

	Years Ended 31 December (audited)		
	2023	2022	2021
Total revenues	\$ -	\$ -	\$ -
General and administrative expenses	(1,668,360)	(2,641,323)	(444,861)
Loss before other items in total	(1,668,360)	(2,641,323)	(444,861)
Net loss	(1,673,487)	(2,643,349)	(517,105)
Net income (loss) per share – Basic & fully diluted	(0.009)	(0.018)	(0.005)
Totals assets	5,716,710	6,399,022	4,420,051
Cash dividends declared per share	Nil	Nil	Nil

### Selected Quarterly Financial Information

The following table sets out Fuse's summarized quarterly results for each of the eight most recently completed quarters. This financial data has been prepared in accordance with IFRS. All amounts are shown in Canadian dollars.

	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
Loss from operations	\$(988,168)	\$(167,531)	\$(214,205)	\$(298,456)	\$(374,779)	\$(882,041)	\$(221,366)	\$(1,163,136)
Comprehensive Loss for the quarter	\$(991,173)	\$(168,936)	\$(214,964)	\$(298,411)	\$(381,458)	\$(874,552)	\$(221,093)	\$(1,166,243)
Diluted Income (Loss) per share	\$(0.003)	\$(0.001)	\$(0.001)	\$(0.002)	\$(0.002)	\$(0.004)	\$(0.001)	\$(0.011)

## RESULTS OF OPERATIONS

### For the year ended 31 December 2023 compared to the same period ended 31 December 2022.

Comprehensive loss for the year ended 31 December 2023 was \$1,673,487 as compared to \$2,643,349 for the same period in 2022. The decrease in comprehensive loss of \$969,862 was mainly attributable to the net effect of:

- Increase of \$7,610 in Accounting and audit fees, from \$26,980 in 2022 to \$34,590 in 2023.
- Increase of \$38,645 in Consulting fees, from \$379,049 in 2022 to \$417,694 in 2023.
- Increase of \$252 in Legal fees, from \$6,279 in 2022 to \$6,531 in 2023.
- Decrease of \$953,206 in Marketing and Communications, from \$999,265 in 2022 to \$46,059 in 2023.
- Decrease of \$50,742 in Office expenses, from \$58,392 in 2022 to \$7,650 in 2023.

- Decrease of \$22,000 in Rent, from \$24,000 in 2022 to \$2,000 in 2023.
- Decrease of \$1,648 in Share-based payments, from \$1,015,198 in 2022 to \$1,013,550 in 2023.
- Decrease of \$32,191 in Transfer agent and regulatory fees, from \$102,104 in 2022 to \$69,913 in 2023.
- Increase of \$40,317 in Travel, lodging and food, from \$30,056 in 2022 to \$70,373 in 2023.
- Increase of \$3,099 in Foreign exchange gain, from \$2,053 in 2022 to \$5,152 in 2023.

**For the three months ended 31 December 2023 compared to the same period ended 31 December 2022.**

Comprehensive loss for the three months ended 31 December 2023 was \$991,173 as compared to \$381,460 for the same period in 2022. The increase in comprehensive loss of \$609,713 was mainly attributable to the net effect of:

- Decrease of \$175 in Accounting and audit fees, from \$20,175 in 2022 to \$20,000 in 2023.
- Increase of \$8,483 in Consulting fees, from \$87,425 in 2022 to \$95,908 in 2023.
- Decrease of \$1,516 in Legal fees, from \$1,516 in 2022 to \$Nil in 2023.
- Decrease of \$244,286 in Marketing and Communications, from \$254,454 in 2022 to \$10,168 in 2023.
- Decrease of \$44,574 in Office expenses, from \$24,746 in 2022 to \$19,828(recovery) in 2023.
- Decrease of \$6,000 in Rent, from \$6,000 in 2022 to \$Nil in 2023.
- Increase of \$935,919 in Share-based payments, from \$81,704(recovery) in 2022 to \$854,215 in 2023.
- Decrease of \$41,050 in Transfer agent and regulatory fees, from \$47,017 in 2022 to \$5,967 in 2023.
- Increase of \$6,587 in Travel, lodging and food, from \$15,151 in 2022 to \$21,738 in 2023.
- Decrease of \$3,696 in Foreign exchange loss, from \$6,701 in 2022 to \$3,005 in 2023.

**LIQUIDITY AND CAPITAL RESOURCES**

As at 31 December 2023 the Company had \$1,097,000 in cash (2022: \$2,024,884). Working capital as at 31 December 2023 was \$1,092,046 (2022: \$2,047,761).

During the year ended 31 December 2023, the Company had a net decrease in cash of \$927,884 compared to \$1,340,525 – net increase as at 31 December 2022. The decrease cash in was mainly due to the net effect of general and administrative expenses during the year and common shares issuance in 2022.

From time to time the Company works to raise additional capital through private placements and other forms of equity financing. Its ability to fund exploration projects is dependent upon its ability to obtain sufficient funding for operations and is ultimately dependent on the recoverability of the amounts capitalized to mineral exploration properties. The Company has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. Because the Company is not yet a producer, the primary source of future funds is through the sale of additional equity capital and optioning of resource properties. There is no assurance that the Company will be successful in raising sufficient capital to meet its obligations. If it is not

successful in raising sufficient capital, it may have to curtail or otherwise limit operations. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

## RELATED PARTY TRANSACTIONS

Except as set forth below and elsewhere within this MD&A, the Company has not entered into any related party transactions for the years ended 31 December 2023 and 2022.

The remuneration of directors and other members of key management for the years ended 31 December 2023 and 2022 are as follows:

<b>31 December</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Short-term benefits – consulting and corporate development fees	<b>227,500</b>	196,000
Share-based payments	<b>159,149</b>	105,331
<b>Total key management personnel compensation</b>	<b>386,649</b>	301,331

Related party transactions are summarized as follows:

<b>31 December</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Consulting fees to Director and former President	<b>24,000</b>	19,000
Consulting fees to Director, President and Chief Executive Officer (“CEO”)	<b>72,000</b>	12,000
Consulting fees to Chief Financial Officer (“CFO”)	<b>57,500</b>	54,500
Consulting fees to the Corporate Secretary	<b>74,000</b>	67,000
Consulting fees to the former Director and former Chairman	-	37,500
Consulting fees to a company controlled by a former director	-	6,000
Share based payments	<b>159,149</b>	105,331
<b>Total related party transactions</b>	<b>386,649</b>	301,331

## OUTSTANDING SHARE DATA

The number of common shares outstanding as at 31 December 2023 was 187,948,801 shares (2022: 186,948,801).

## CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), Fuse utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing a Venture Issuer Basic Certificate do not make any representations relating to establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP ("IFRS").

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of Fuse's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided securities legislation.

## RISK FACTORS

The mineral industry involves significant risks. In addition to the risk factors described elsewhere in this MD&A, the risk factors that should be taken into account in considering Fuse's business include, but are not limited to, those set out below. Any one or more of these risks could have a material adverse effect on the future prospects of the Company and the value of its securities.



## **Current Global Financial Condition**

Current global financial conditions have been subject to increased volatility and turmoil. These factors may affect Fuse's ability to obtain equity financing in the future or, if obtained, to do so on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations as well as the trading price of its common shares could be adversely affected.

## **Industry and Mineral Exploration Risk**

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's exploration efforts will be successful. At present, Fuse's projects do not contain any proven or probable reserves. Success in establishing reserves is a result of a number of factors, including the quality of the project itself. Substantial expenditures are required to establish reserves or resources through drilling, to develop metallurgical processes, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Because of these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves.

The Company may be subject to risks that could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks. Fuse attempts to balance these risks through insurance programs where required and ongoing risk assessments conducted by its technical team.

## **Commodity Prices**

Fuse is in the business of exploring for base and precious metals, the market prices of which can fluctuate widely. Metal prices ultimately depend on demand in the end markets for which metals are used. Demand is affected by numerous factors beyond the Company's control, including the overall state of the economy, general level of industrial production, interest rates, the rate of inflation, and the stability of exchange rates, any of which can cause significant fluctuations in metals prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of metals has fluctuated widely in recent years and there are no assurances as to what will be the future prices of base and precious metals. In the course of its current operations, the Company does not enter into price hedging programs.

## **Environmental**

Exploration projects and operations are subject to the environmental laws and applicable regulations of the jurisdiction in which Fuse operates. Environmental standards continue to evolve and the trend is to a longer, more complete and rigid process. The Company reviews environmental matters on an ongoing basis. If and when appropriate, the Company will make appropriate provisions in its financial statements for any potential environmental liability.

## **Reliance upon Key Personnel**

The Company is dependent upon a number of key management and operational personnel, including the services of certain key employees. Its ability to manage activities, and hence its success, will depend in large

part on the efforts of these individuals. During times when metals prices are strong, the Company faces intense competition for qualified personnel, and there can be no assurance that Fuse will be able to attract and retain such personnel at any time. Fuse does not maintain "key person" life insurance. Accordingly, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company.

### **Insurance**

Fuse's insurance will not cover all the potential risks associated with its operations. In addition, although certain risks are insurable, it might be unable to maintain insurance to cover these risks at economically feasible premiums. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to Fuse or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that it may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

### **Requirements to Obtain Government Permits**

Government approvals and permits are currently required in connection with Fuse's exploration activities, and further approvals and permits may be required in the future. The duration and success of the Company's efforts to obtain permits are contingent upon many variables outside of its control. Obtaining government permits may increase costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. There can be no assurance that all necessary permits will be obtained and if obtained, that the costs involved will not exceed Fuse's estimates or that it will be able to maintain such permits. To the extent such approvals are required and not obtained or maintained, the Company may be prohibited from proceeding with planned exploration or development of mineral properties.

### **Joint Ventures**

From time to time Fuse may enter into one or more joint ventures. Any failure of a joint venture partner to meet its obligations could have a material adverse effect on such joint ventures. In addition, the Company might be unable to exert influence over strategic decisions made in connection with properties that are involved in such joint ventures.

### **Exploration Risks**

The exploration for and development of mineral deposits involves significant risks. Few properties that are explored are ultimately developed into producing mines. Whether a mineral deposit will be commercially viable depends on a number of factors, including: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulation, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Even if the Company identifies and acquires an economically viable ore body, several years may elapse from the initial stages of development until production. As a result, it cannot be assured that Fuse's exploration or development efforts will yield new mineral reserves or will result in any new commercial mining operations.

### **Mineral Property Title Risk**

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to mineral concessions may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of the properties will not be challenged or impaired. Third parties may have valid claims underlying portions of Fuse's interests, including prior unregistered liens, agreements, transfers or claims, including aboriginal land claims, and title may be affected by, among other things, undetected defects or unforeseen changes to the boundaries of Fuse's properties by governmental authorities. As a result, the Company may be constrained in its ability to operate its properties or unable to enforce its rights with respect to its properties. An impairment to or defect in the title to the Company's properties could have a material adverse effect on its business, financial condition or results of operations. In addition, such claims, whether or not valid, would involve additional cost and expense to defend or settle.

### **Potential for Conflicts of Interest**

Certain of the Company's directors and officers may also serve as directors or officers of other companies involved in natural resource exploration and development or other businesses and consequently there exists the possibility for such directors and officers to be in a position of conflict. Fuse expects that any decision made by any of such directors and officers involving Fuse will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Fuse and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matters in which such director may have a conflict of interest or which are governed by the procedures set forth in applicable law.

### **SUBSEQUENT EVENTS**

There is no reportable subsequent event.