STRATEGIC MINERALS EUROPE CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED
MARCH 31, 2024

The following management's discussion and analysis of the results of operations and financial condition ("MD&A") for Strategic Minerals Europe Corp. (the "Company" or "Strategic Minerals"), is prepared as of May 14, 2024, and should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes thereto for the quarter ended March 31, 2024 (the "Financial Statements"), which are available on the Company's web site at www.strategicminerals.com and on www.sedarplus.ca. Readers are encouraged to read the Cautionary Note Regarding Forward-Looking Information included on pages 18 and 19 of this MD&A. The financial information in this MD&A is derived from the Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial statements in International Accounting Standard – Interim Financial Reporting ("IAS34"). Reference should also be made to pages 15 and 16 of this MD&A for information about non-IFRS measures referred to in this MD&A. ***All figures contained herein are expressed in United States dollars ("US" or "$"), except for production or as otherwise stated.***

FIRST QUARTER 2024 HIGHLIGHTS

Some of the most relevant attainments of the Company during the first quarter of 2024 are as follows:

- On October 19, 2023, the Superior Court of Xustiza of Galicia (the "TSXG") decided to provisionally suspend the section C permit for the Company's Penouta Project (the "Decision") after a complaint was filed against the local mining authority Xunta de Galicia (the "Xunta"), requesting a revocation of the section C permit granted to the Company in May 2022. On October 23, 2023, the Company submitted an appeal of the Decision to the Administrative Court of the High Court of Justice of Galicia (the "High Court"). On December 13, 2023, the Company was notified of the High Court's decision to maintain the Decision and continue the provisional suspension of the section C of the Penouta Project until the main proceeding is decided. On April 9, 2024, the Company was notified that the TSXG will reach its verdict with respect to the Decision on May 31, 2024, which will be communicated to the Company in the following weeks, after the verdict document is prepared and formalized. Meanwhile, operations at the section C of the Penouta Project continue to be suspended.

- During the quarter, the Company maintained in place the required environmental controls and conducted the corresponding inspections of the compressed air facilities. Essential maintenance tasks were carried out to ensure the readiness of the plant equipment.

- The Company renegotiated the terms of the Power Purchase Agreement (as hereafter defined) with Exeria Galega Mais, S.L. for its Penouta Project, deferring payments related to long-term solar energy coverage until operations resume, with all accumulated invoices due by March 31, 2025, including a 3% annual interest rate.

- On March 19, 2024, the Company entered into a business combination agreement (the "Business Combination Agreement") with IberAmerican Lithium Corp. ("IberAmerican") and IberAmerican Resources Inc. ("Subco"), a wholly-owned subsidiary of IberAmerican incorporated solely for the purposes of completing the Amalgamation (as defined hereafter), pursuant to which IberAmerican will acquire all of the issued and outstanding common shares in the capital of the

Company ("Common Shares"). Under the terms of the Business Combination Agreement, each holder of Common Shares will be entitled to receive one common share of IberAmerican ("Iber Share") for every seven Common Shares held. Refer to the Proposed Transaction Section in this MD&A for more details.

- On March 20, 2024, a secured grid promissory note was executed by the Company and Strategic Minerals Spain, S.L. ("SMS"), a wholly-owned subsidiary of the Company, in favour of IberAmerican for up to €828,487 ($894,683), (the "IberAmerican Note"). The IberAmerican Note bears interest at a rate of 8% per annum and is due on demand by IberAmerican at any time upon or after termination of the Business Combination Agreement, as further discussed in this MD&A. On March 20, 2024, €483,538 ($522,173) was advanced by IberAmerican to the Company under the IberAmerican Note. The IberAmerican Note is secured by a second degree share pledge over all of the issued and outstanding shares of SMS.

- The expenses related to maintain the plant in safe conditions while operations are suspended resulted in a net loss for the first quarter of 2024 of $1.404 million ($0.006 per share), which is slightly higher compared to the net loss for the same period of 2023 ($1.321 million or $0.006 per share), during which production at the plant was stopped for a period of 21 days while the Company was improving production, and performed a scheduled overhaul of the plant.

- In response to the continued suspension of activities at the Penouta Project, which has restricted the Company's ability to generate recurring revenue, the Company developed, and presented a restructuring plan directed at commercial suppliers with overdue debts totaling €2,486,421 ($2,685,086). See section Subsequent Events – Agreement with Suppliers of this MD&A for more details.

- As at March 31, 2024, the Company had cash of $0.247 million, (December 31, 2023 - $0.817 million) available to settle current liabilities of $7.331 million (December 31, 2023 - $6.913 million). The Company has taken several actions to reduce the cost while operations are idled and is actively pursuing new sources of financing.

SELECTED FINANCIAL INFORMATION

Operating information	**Q1 2024**	**Q1 2023**
Mill feed (thousand tonnes)	-	147
Cassiterite concentrate production (tonnes)	-	98
Tantalite and columbite concentrate production (tonnes)	-	23
Total concentrate production (tonnes)	**-**	**121**
Cassiterite concentrate sold (tonnes)	-	105
Tantalite and columbite concentrate sold (tonnes)	-	29
Total sales (tonnes)	**-**	**134**
Grade Tin (%)	-	69.5
Grade Ta2O5 (%)	-	20.6
Grade Nb2O5 (%)	-	22.8
Financial data ($ thousands, except per share amounts)		
Revenue	**-**	**2,902**
Changes in inventories of finished goods & work in progress	-	(126)
Raw materials and consumables used	-	(459)
Supplies	-	(1,105)
Depreciation and amortization expense	(274)	(404)
Profit before expenses and other	**(274)**	**807**
Total operating expenses	(893)	(2,727)
Adjusted EBITDA [1]	**(870)**	**(1,053)**
Gain on sale of assets and investment in associate	-	529
Impairment loss on property, plant and equipment	-	-
Other income (expense)	(237)	130
Net loss	(1,404)	(1,321)
Net loss per share - Basic and diluted	(0.006)	(0.006)
Balance sheet ($ thousands)	*Mar 31, 2024*	*Dec 31, 2023*
Cash and cash equivalents	247	817
Total assets	12,398	14,026
Total non-current liabilities	3,371	3,963

[1] **See "Non-IFRS Measures" for full detail on Adjusted EBITDA**

As there were no operations during the first quarter of 2024 due to the Decision, fixed and maintenance costs to keep the plant ready to resume operation, as well as certain services, are compared to the same period of 2023, when the Company performed a major overhaul of its main ball mill to prevent stoppages of production, halting operations for 21 days.

BUSINESS DESCRIPTION

Strategic Minerals Europe Corp., formerly Buccaneer Gold Corp., is a company existing under the laws of Ontario, Canada. The address of the Company's registered and records office is 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1. The Company's Common Shares and certain of its share purchase warrants ("Warrants") trade on Cboe Canada Inc. (the “Exchange”) under the symbols "SNTA" and "SNTA.WT", respectively. Strategic Minerals is also traded on the Frankfurt Stock Exchange open market under the symbol "26K0" and on the OTCQB marketplace under the symbol "SNTAF."

The Company, through its ownership of SMS, is engaged in the production, development and exploration of properties with tin, tantalum, niobium and other mineral content, and holds 100% of the mining rights to the Penouta Project, located in the northwestern Spanish province of Ourense.

In 2020, SMS was granted the permit to produce 1.2 million tonnes in the open pit, and on May 23, 2022, the Company was granted the definitive concession on section C of the Penouta Project, consisting of 16 mining squares with an area of 155.8 hectares (the "Concession C Grant"), which allows the Company to fully develop the open pit mine to exploit cassiterite (tin), tantalum and niobium, and also to exploit the industrial minerals that exist in the mine, such as quartz, feldspars and micas for a 30 year term, which is renewable for up to 75 years. As of the date hereof operations at the Penouta Project have been suspended due to the Decision.

Prior to the suspension of operations at the Penouta Project, the Company was the largest producer of cassiterite concentrate and tantalite and columbite concentrate in the European Union and was dedicated to: (i) the exploration, research, industrial processing and commercialization of all kinds of minerals and metals, (ii) the constitution, acquisition and sale of mining concessions, (iii) the acquisition and sale of shares and mining rights in general, (iv) rendering services to other companies or institutions directly or indirectly related to mining, and (v) the incorporation of companies or associations with similar purposes.

SIGNIFICANT TRANSACTIONS

Power Purchase Agreement

In 2022, the Company entered into a power purchase agreement with Enerxia Galega Mais, S.L. (the "Power Purchase Agreement") for the Penouta Project, pursuant to which seven gigawatts of electricity will be supplied to the Company for five years starting on January 1, 2023. During the first quarter of 2024, the Company reached an agreement effective from January 1, 2024, to separate invoicing for electricity supply and long-term solar energy coverage settlements. Electricity supply will continue to be paid according to consumption, while invoices related to long-term solar energy coverage will be accrued but not be paid until operations at the Penouta Project resume. Upon resumption of activities, the Company will commence monthly payments based on cash flow availability, with a deadline of March 31, 2025, to settle all amounts invoiced during the suspension period. Should activities not resume by the deadline, both parties will renegotiate a solution. Suspended payments will incur an annual interest of 3%, with the final interest invoice to be issued on March 31, 2025, for immediate settlement.

IberAmerican Note

On March 20, 2024, in connection with the Proposed Transaction, as defined in the Proposed Transaction section of this MD&A, the Company and SMS issued a secured grid promissory note in favour of IberAmerican denominated in euros ("EUR" or "€") for up to €828,487 ($894,683). The IberAmerican Note bears interest at a rate of 8% per annum and is due on demand by IberAmerican upon or after termination of the Business Combination Agreement. On March 20, 2024, €483,538 ($522,173) was advanced by IberAmerican to the Company under the IberAmerican Note.

The IberAmerican Note is secured by a second degree share pledge over all of the issued and outstanding shares of SMS, which directly owns the Penouta Project.

A director of the Company is a director, officer and shareholder of IberAmerican and one officer and one director of the Company are shareholders of IberAmerican. The shareholdings of such individuals do not individually or in the aggregate constitute control of IberAmerican.

Ancillary Share Issuances

On December 31, 2023, the Company was authorized to issue 1,243,750 Common Shares in satisfaction of interest payment of $18,808 to certain holders of the convertible debentures of the Company pursuant to a previous offering of convertible debenture units of the Company on September 26, 2022, at the volume-weighted average trading price for the ten days preceding the interest payment date (CA$0.02 per common share). The Common Shares were issued on January 2, 2024.

OUTLOOK

The Company is currently focused on maintaining the plant ready to resume operations at the Section C of its Penouta Project once the TSXG reaches its verdict with respect to the provisional suspension, and it is analyzing to resume production at a different section of its Penouta Project, in compliance with the TSXG Decision, with the exploitation of tailings and waste deposits to generate immediate cashflow.

Additionally, the Company has executed the Business Combination Agreement and is working towards closing the Proposed Transaction, as described in the Proposed Transaction section of this MD&A. The Proposed Transaction, if completed, is expected to influence the Company's future operations and financing strategies significantly.

Upon a favorable outcome of the Decision and the completion of the Proposed Transaction, the Company would be positioned to shift its focus towards executing the strategic plan for the Penouta Project, as described in the Company's MD&A for the year ended December 31, 2023, and in its Annual Information Form dated March 27, 2024, both of which are available on the Company's website and on www.sedarplus.ca.

In the event the Decision is not favorable to the Company, further legal recourses will be analyzed and executed. If necessary, depending on the amount of funding raised, the Company may review priorities to guarantee the continuity of the Company while the procedure advances and additional financing is obtained. As at March 31, 2024, the Company had cash of $0.247 million available to settle current liabilities of $7.331 million. These matters represent material uncertainties that cast significant doubt as to the ability of the Company to fulfill its commitments as planned.

RESULTS OF OPERATIONS AND OVERALL PERFORMANCE

Production and Sales

Production and sales	Q1 2024	Q1 2023
Mill feed (thousand tonnes)	-	147
Cassiterite concentrate		
Production (tonnes)	-	98
Sales (tonnes)	-	105
Grade Tin (%)	-	69.5
Tantalite and columbite concentrate		
Production (tonnes)	-	23
Sales (tonnes)	-	29
Grade Ta_2O_5 (%)	-	20.6
Grade Nb_2O_5 (%)	-	22.8
Total Revenue ($ thousands)	-	2,902

Despite the Company's eagerness to resume operations during the first quarter of 2024, operations remained suspended due to the Decision. Before the halt of operations, the Company had continuously improved output and quality of concentrate. Maintenance has continued to keep the plant in optimal conditions to resume operations soon after it is allowed to.

Operating results

($ thousands)	**Q1 2024**	**Q1 2023**
Revenue	-	2,902
Profit (loss) before expenses and other	*(274)*	*807*
Depreciation and amortization expense	(24)	(66)
Employee expenses	(164)	(752)
Share-based payments	-	(248)
Other operating expenses	(705)	(1,661)
Results from operations before other expenses	*(1,167)*	*(1,920)*
Adjusted EBITDA [1]	***(870)***	***(1,053)***

[1] **See "Non-IFRS Measures" for full detail on Adjusted EBITDA**

During the first quarter of 2024, despite the suspension of operations, the Company maintained in place the required environmental controls and conducted the corresponding inspections of the compressed air facilities in accordance with local regulations.

Essential maintenance tasks were carried out to ensure the readiness of the plant equipment to resume operations once allowed by the TSXG.

The loss before expenses and other during the first quarter of 2024 was $0.274 million, driven exclusively by the depreciation of the period. Profit before expenses and other for the same period of 2023, was $0.807 million.

After the Decision, the Company applied for "ERTE", a program to preserve employment under specific circumstances, in which the social security system of Spain pays the employees a certain percentage of their salary during the time they are not working, and the Company only pays their social security wages and the time the employees are effectively working. The average headcount during the first quarter of 2024 was 73 employees (73 during the same period of 2023). Total employee expenses amounted to $0.164 million for the first quarter of 2024 (2023 – $0.752).

Electricity and diesel consumption were minimal during the first quarter of 2024. The Company reached an agreement under the Power Purchase Agreement by which only the actual consumption of energy will be paid on an ongoing basis, deferring payments related to long-term solar energy coverage until operations resume, with all accumulated invoices due by March 31, 2025, including a 3% annual interest rate. From the energy cost, 26% corresponds to consumption and 74% to long-term solar energy coverage.

Other operating expenses remained at a low level and consist mainly of professional services and supplies. The details regarding these expenses can be found in the table below:

Other Operating Expenses ($ thousands)	Q1 2024	Q1 2023	Variance	%Var.
Leases	23	111	(88)	-79%
Royalties	-	17	(17)	-100%
Repairs and Maintenance	27	202	(175)	-87%
Professional services	417	579	(162)	-28%
Transportation	-	13	(13)	-100%
Insurance premiums	19	12	7	58%
Banking and similar services	20	21	(1)	-5%
Advertising, publicity and public relations	5	7	(2)	-29%
Supplies (electricity / diesel)	108	570	(462)	-81%
Admin & Insurance	13	7	6	86%
Other Services	70	109	(39)	-36%
Other Taxes	3	13	(10)	-77%
Total Other Operating Expenses	**705**	**1,661**	**(956)**	**-58%**

As a summary, the Company implemented and maintains certain proactive actions to preserve the operations, namely:

1. Adherence to the ERTE program to protect the employment of its personnel.
2. A program to preserve the physical integrity of the facilities and equipment under the non-normal operational state of the mine.
3. An operating program for water management in the different reservoirs involved in the mine.
4. Coordination with suppliers to minimize the impact of the Decision for the suppliers.
5. A plan to mitigate the social impact for the community, especially in Viana de Bollo and border towns.
6. Environmental controls continued to be carried out and the normal record capture plan continued in the variables of noise, vibrations, water, and dust, maintaining all values within the range allowed by the technical and legal regulations, both national and international.

All these measures are intended to preserve cash flow and withstand while a resolution of the TSXG is announced.

STOCK OPTIONS

No stock options of the Company were granted, cancelled, or expired during the first quarter of 2024.

As of the date of this MD&A, the following stock options of the Company were outstanding and exercisable. The below listed stock options of the Company have an average remaining life of 3.06 years:

Grant Date	Vesting Date	Expiry Date	Exercise Price (CA$)	Stock Options Outstanding
7-Dec-21	7-Dec-21	7-Dec-26	0.25	13,215,000
20-Jan-22	20-Jan-22	20-Jan-27	0.27	100,000
16-Jan-23	16-Jan-23	16-Jan-28	0.085	5,695,000
11-Sep-23	11-Sep-23	11-Sep-28	0.035	600,000
			Total	**19,610,000**

SOCIALLY RESPONSIBLE, SUSTAINABLE AND SCALABLE

The Company has established an environmental policy (the "Environmental Policy") based on its responsibility to protect and rehabilitate the environment in areas where the Company has conducted exploration and development work. The Company's primary objective is to prevent environmental damage and protect and rehabilitate the environment in the areas affected by its mining activities, by applying preventative measures at the Penouta Project to minimize its environmental impact as much as possible, reducing the impact that it would have in the surrounding area using protective and corrective measures.

The Environmental Policy is described in the Company's MD&A for the year ended December 31, 2023 and in its Annual Information Form dated March 27, 2024, both of which are available on the Company's website and on www.sedarplus.ca.

SUMMARY OF QUARTERLY RESULTS

	2024	2023				2022		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Operating information								
Mill feed (thousand tonnes)	-	49	293	325	147	156	226	214
Cassiterite concentrate production (tonnes)	-	24	174	206	98	87	174	153
Tantalite and columbite concentrate production (tonnes)	-	4	35	40	23	18	32	28
Total concentrate production (tonnes)	-	*28*	*209*	*246*	*121*	*105*	*206*	*181*
Cassiterite concentrate sold (tonnes)	-	25	196	193	105	100	161	141
Tantalite and columbite concentrate sold (tonnes)	-	4	38	38	29	21	30	24
Total sales (tonnes)	-	*29*	*234*	*231*	*134*	*121*	*191*	*165*
Grade Tin (%)	-	71.0	70.5	69.7	69.5	69.9	70.5	71.2
Grade Ta2O5 (%)	-	24.8	26.1	24.7	20.6	24.3	24.3	23.0
Grade Nb2O5 (%)	-	26.2	26.2	26.4	22.8	25.3	25.2	25.0
Financials ($ thousands, except per share amounts)								
Revenue	**-**	**507**	**4,769**	**4,628**	**2,902**	**2,200**	**3,687**	**4,688**
Changes in inventories of finished goods & work in progress	-	(451)	(469)	551	(126)	64.4	606.2	(25.4)
Raw materials and consumables used	-	(3)	(449)	(603)	(459)	(313)	(292)	(574)
Supplies	-	(182)	(1,588)	(1,433)	(1,105)	(1,215)	(966)	(930)
Depreciation and amortization expense	(274)	(441)	(454)	(422)	(404)	(409)	(458)	(277)
Profit before expenses and other	*(274)*	*(570)*	*1,809*	*2,721*	*807*	*326*	*2,577*	*2,882*
Depreciation and amortization expense	(24)	(72)	(71)	(66)	(66)	(64)	(72)	(43)
Employee expenses	(164)	(311)	(895)	(887)	(752)	(680)	(617)	(614)
Share-based payments	-	-	(11)	-	(248)	-	-	-
Other operating expenses	(705)	(879)	(1,810)	(1,713)	(1,661)	(1,363)	(1,741)	(1,433)
Operating expenses	*(893)*	*(1,262)*	*(2,786)*	*(2,667)*	*(2,727)*	*(2,107)*	*(2,430)*	*(2,091)*
Adjusted EBITDA [1]	***(870)***	***(1,239)***	***(415)***	***604***	***(1,053)***	***(1,234)***	***746***	***1,208***
Finance income	1	86	5	4	137	(0)	3	39
Finance costs	(221)	(268)	(272)	(91)	(147)	(75)	(44)	(112)
Gain on sale of assets and investment in associate	-	-	789	-	529	988	-	-
Gain (loss) from investment in associate	(17)	-	(20)	(22)	-	-	-	-
Impairment loss on property, plant and equipment	-	(13,144)	-	-	-	-	-	-
Gain on settlement of debt	-	-	-	-	8	-	-	-
Change in fair value of investment	-	13	(39)	2	(15)	-	-	-
Other income (expense)	(1)	80	26	61	148	73	68	96
Total other income (expense)	*(237)*	*(13,233)*	*489*	*(46)*	*660*	*985*	*27*	*23*
Income tax expense	-	(0)	(75)	(0)	(62)	-	-	-
Net income (loss)	(1,404)	(15,065)	(563)	8	(1,321)	(796)	175	814
Net Income (loss) per share - Basic and diluted	(0.006)	(0.063)	(0.002)	0.000	(0.006)	(0.003)	0.001	0.003

[1] See "Non-IFRS Measures" for full detail on Adjusted EBITDA

Production and concentrate quality have constantly improved since the transition to open pit mining at the Penouta Project during the first quarter of 2022. The trend was interrupted in Q4 2022 due to low levels of water in Spain, which resulted in 20 days without production during October and November of 2022. During Q1 2023, the Company performed a major overhaul of the main ball mill, successfully completed in 21 days in which the plant was stopped, to prevent malfunctioning of the main mill and mechanical breakdowns affecting the operations. Production was interrupted on September 18, 2023, due to an unusual drought and lack of rain in Spain, and after a few days of resumed production, it was stopped again due to the Decision to provisionally suspend the section C permit for the Penouta Project. Production at the Penouta Project remained suspended for all of the first quarter of 2024.

SUMMARY OF FINANCIAL CONDITION AND LIQUIDITY

($ thousands) Financial Position as at,	Balances as at, Mar 31, 2024	Dec 31, 2023	Variance	%Var.
Assets				
Current assets:				
Cash	247	817	(570)	(70%)
Trade and other receivables	142	567	(425)	(75%)
Promissory note	-	-	-	100%
Inventories	441	454	(13)	(3%)
Other current assets	39	62	(23)	(37%)
Total current assets	**870**	**1,900**	**(1,030)**	**(54%)**
Non-current assets:				
Property, plant and equipment	9,304	9,816	(512)	(5%)
Investment in associate	-	-	-	100%
Investment, at fair value	74	93	(19)	(20%)
Guarantee and other deposits	2,016	2,064	(48)	(2%)
Right-of-use assets	135	153	(18)	(12%)
Total assets	**12,398**	**14,026**	**(1,628)**	**(12%)**
Liabilities and shareholders' equity				
Current liabilities:				
Trade and other payables	3,824	4,156	(332)	(8%)
Current portion of long-term liabilities	3,507	2,758	749	27%
Total current liabilities	**7,331**	**6,914**	**417**	**6%**
Non-current liabilities:				
Long-term liabilities	1,357	1,915	(558)	(29%)
Decommissioning liabilities	2,014	2,048	(34)	(2%)
Total liabilities	**10,702**	**10,877**	**(175)**	**(2%)**
Shareholders’ equity:				
Share capital	40,957	40,938	19	0%
Shares to be issued	-	19	(19)	(100%)
Contributed surplus	4,556	4,556	-	- %
Accumulated other comprehensive loss	(3,644)	(3,594)	(50)	1%
Deficit	(40,173)	(38,770)	(1,403)	4%
Total shareholders' equity	**1,696**	**3,149**	**(1,453)**	**(46%)**
Total liabilities and shareholders' equity	**12,398**	**14,026**	**(1,628)**	**(12%)**

As at March 31, 2024, the Company had a deficiency in working capital of $6.461 million compared to working capital deficiency of $5.014 million at the end of 2023. Working capital during the first quarter of 2024 was mainly used to preserve the plant during stoppage. The Company is analyzing to resume production at a different section of its Penouta Project, in compliance with the TSXG Decision, with the exploitation of tailings and waste deposits to generate immediate cashflow.

Key components of the working capital include:

- Cash as at March 31, 2024 of $0.247 million, down from $0.817 million at the end of 2023. Cash during the quarter was mainly used to preserve the plant while production is halted.

- Trade and other accounts receivable of $0.142 million at the end of the period, a decrease from the $0.567 million at December 31, 2023 as payments from clients were received in regular conditions and tax receivables were fulfilled by the authorities. Trade receivables decreased to $nil from $0.056 million in 2023. Other account receivables including taxes (VAT) decreased to $0.142 million from $0.511 million at the end of 2023.

- Inventories at the end of the period were valued at $0.441 million mainly formed of materials and supplies ($0.425 million). Inventories of $0. 454 million at the end of 2023 included $0.437 million of materials and supplies.

- Trade accounts payable decreased to $3.824 million as at March 31, 2024 from $4.156 million at the end of 2023 as less purchases were made due to the halt of operations, in addition to the balance of the agreement made during 2020 with suppliers holding balances above €15,000 (approximately $16,013) for payment deferrals, which are being paid in 19 quarterly installments, ending in 2025. The Company is in negotiations with certain suppliers to extend the payment terms due to the Decision suspending the operations.

Operating activities

Net cash used in operating activities during the first quarter of 2024 amounted to $0.800 million, compared to net cash used in operating activities of $0.790 million during the same period of 2023.

Investing activities

During the first quarter of 2024, there were no investing activities. During the same period of 2023, investment in equipment of $0.388 million was offset by the $0.739 million received from Electric Royalties Ltd. for the acquisition of a 0.75 percent gross revenue royalty on the production of the Penouta Project.

Financing activities

The Company has continued to work towards the fulfilment of its financial commitments, which for the first quarter of 2024 include (i) the repayment of existing loans in the amount of $0.262 million; and (ii) payment of the principal amount of leases equal to $0.019 million. The Company received €483,538 ($522,173) from the IberAmerican Note. See section Significant Transactions – IberAmerican Note of this MD&A for more details. Total cash from financing activities during the first quarter of 2024 reached $0.244 million. During the same period of 2023, $0.431 million was used to repay existing loans in the amount of $0.408 million, and to cover the principal of leases for $0.023 million.

The following table summarizes the Company's payments due from contractual obligations for the following years.

Contractual Obligation ($ thousands - undiscounted)	1 year	1-3 years	More than 3 years	Total
Bank loans	786	763	-	1,549
Government grants	127	236	-	362
Convertible debentures - loan	878	-	-	878
Promissory note	941	134	-	1,075
IberAmerican Note	522	-	-	522
Arrangements with suppliers	371	128	-	499
Lease liabilities	138	350	8	496
Total	3,763	**1,611**	**8**	**5,381**

If the Decision is successfully appealed, and if the Company is able to raise the necessary funds, the Company expects to be better positioned to maintain operations and fulfil its financial commitments. The Company is managing its short-term liquidity challenges, negotiating agreements with certain suppliers, and actively pursuing new sources of financing. The Company is analyzing to resume production with the exploitation of tailings and waste deposits at a different section of its Penouta Project, in compliance with the TSXG Decision, to generate immediate cashflow.

In the event the Decision is not favorable to the Company, further legal recourses will be analyzed and executed. If necessary, depending on the amount of funds available to the Company, the Company may review priorities to guarantee the continuity of the Company while the procedure advances and additional financing is obtained. These matters represent material uncertainties that cast significant doubt as to the ability of the Company to fulfill its commitments as planned.

The Proposed Transaction, if completed, is expected to influence the Company's future financing strategies significantly. In addition, the Business Combination Agreement contains certain covenants of the Company with respect to its financial obligations and activities. The full text of the Business Combination Agreement can be found on the Company's profile on SEDAR+ at www.sedarplus.ca.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has the following securities outstanding:

(a) 239,559,266 Common Shares;

(b) 38,367,978 warrants of the Company exercisable into 38,367,978 Common Shares in aggregate as follows:

Number of warrants	Exercise price	Expiry date
33,070,478	CA$0.40	Jul 16, 2026
4,760,000	CA$0.25	Oct 13, 2024
537,500	CA$0.06	Apr 11, 2026

(c) 1,190 convertible debentures of the Company; and

(d) 19,610,000 stock options of the Company to purchase an aggregate of 19,610,000 Common Shares.

On December 31, 2023, the Company was authorized to issue 1,243,750 Common Shares in satisfaction of interest payment of $18,808 to certain holders of the convertible debentures of the Company at a price of CA$0.02 per Common Share. The Common Shares were issued on January 2, 2024.

CAPITAL MANAGEMENT

The Company considers its capital to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management during the quarter ended March 31, 2024.

As of the date of this MD&A, the Company continues to wait for the approval of the requested extension for deposits to be made to the financial institution providing the bank guarantee covering the obligations required for exploitation concession on Section C of the Penouta Project, as further described in the Company's MD&A for the year ended December 31, 2023.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than that of the Exchange which requires one of the following to be met: (i) shareholders' equity of at least CA$2.5 million, (ii) net income from continuing operations of at least CA$375,000, (iii) market value of listed securities of at least CA$25 million, or (iv) assets and revenue of at least CA$5 million each. Assets as at March 31, 2024 total $12.398 million and sales for the last twelve months total $9.904 million.

SUBSEQUENT EVENTS

Update on Section C Permit
On April 9, 2024, the Company was notified that the TSXG will reach its verdict with respect to the Decision on May 31, 2024, which will be communicated to the Company in the following weeks, after the verdict document is prepared and formalized. Meanwhile, operations at the section C of the Penouta Project continue to be suspended.

Agreement with Suppliers
In response to the continued suspension of activities at the Penouta Project, which has restricted the Company's ability to generate recurring revenue, the Company developed, and presented a restructuring plan directed at commercial suppliers with overdue debts totaling €2,486,421 ($2,685,086) (the "Restructuring Plan").

The proposal addresses the entire sum of these debts, without interest, with payment terms as follows:

a) 40% of the debt will be paid on the earlier of two dates: within ten days before normal business operations resume, or by November 30, 2024.
b) The remaining 60% will be settled in 12 equal monthly installments, beginning two months after the initial 40% payment.

On May 3, 2024, the Company submitted the restructuring plan, approved by 87.18% of the affected commercial suppliers, to the corresponding court ("Juzgado de lo mercantil"), requesting a judicial order to apply the agreement to the entirety of the balance.

IberAmerican Note

As of the date of this MD&A, additional funds were advanced by IberAmerican to support working capital requirements of the Company. The total outstanding balance is $973,985.

RELATED PARTY TRANSACTIONS

Related parties include directors, officers, close family members, certain consultants and enterprises that are controlled by these individuals, as well as certain persons performing similar functions. Transactions with related companies, which are recorded under the corresponding headings in the consolidated statements of operations and comprehensive loss, are as follows:

The Company leases certain facilities to Sequoia Venture Capital S.L.[1]; as at March 31, 2024 and December 31, 2023, the outstanding balance was $2,789 and $2,783, respectively. During the first quarter of 2024 a total of $8,271 (2023- $12,299) was recorded as operating expenses. As at March 31, 2024 and December 31, 2023, $nil remained payable.

During the first quarter of 2024, the Company incurred fees of $4,514 (2023 - $4,462) from Salamanca Ingenieros S.L., a corporation beneficially owned by a director. As at March 31, 2024 and December 31, 2023, $nil remained payable.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Remuneration of directors and key management personnel of the Company for the three months ended March 31, 2024 and 2023 was:

Key Management Compensation ($ thousands)	Q1 2024	Q1 2023
Management fees	67	120
Director fees	68	75
Share-based compensation	-	185
Total	**135**	**380**

Convertible Debentures of the Company in the amount of $0.539 million were subscribed by directors and officers of the Company. As at March 31, 2024, the outstanding balance of convertible debentures held by directors and officers was $0.488 million (December 31, 2023 - $0.471 million).

On April 11, 2023, the Company's subsidiary, SMS, issued the Notes to the certain directors and officers of the Company for an aggregate principal amount of $1.075 million. As an additional consideration for providing the Notes, those directors and officers of the Company received an aggregate of 537,500 common share purchase warrants of the Company. As at March 31, 2024, the outstanding balance of the Notes was $1.09 million (December 31, 2023 - $1.069 million).

[1] Sequoia Venture Capital S.L. and Salamanca Ingenieros S.L. are beneficially owned by Francisco Garcia Polonio (Director of the Company).

With respect to the Proposed Transaction, Mr. Campbell Becher, a director of the Company, is a director, officer and shareholder of IberAmerican, and, Jaime Perez Branger, an officer of the Company, and Miguel de la Campa, a Director of the Company are shareholders of IberAmerican. The shareholdings of such individuals do not individually or in the aggregate constitute control of IberAmerican or the Company. Mr. Campbell Becher abstained from Company board meetings and voting on all matters related to the Proposed Transaction.

PROPOSED TRANSACTION

On March 19, 2024, the Company entered into the Business Combination Agreement with IberAmerican and Subco, a wholly-owned subsidiary of IberAmerican incorporated solely for the purposes of completing the Amalgamation, pursuant to which IberAmerican will acquire all of the issued and outstanding Common Shares (the “Proposed Transaction”).

Under the terms of the Business Combination Agreement, each holder of Common Shares will be entitled to receive one Iber Share for every seven Common Shares held.

The Proposed Transaction will be completed by way of a three-cornered amalgamation under the laws of Ontario, whereby Subco and Strategic will amalgamate under the provisions of the *Business Corporations Act* (Ontario), by jointly completing and filing Articles of Amalgamation, and the resulting amalgamated entity will survive as a wholly-owned subsidiary of IberAmerican (the “Amalgamation”). Following closing of the Proposed Transaction, three nominees selected by the Company shall be appointed to the board of directors of IberAmerican.

The Business Combination Agreement provides for, among other things, “fiduciary out” provisions that allow the Company to consider and accept a superior proposal, subject to a “right to match period” in favour of IberAmerican. The Business Combination Agreements also provides for a termination fee of €1 million ($1.085 million) to be paid by the Company to IberAmerican if the Business Combination Agreement is terminated in certain specified circumstances.

The board of directors of the Company has unanimously approved the Business Combination Agreement and has determined that the Amalgamation is fair to shareholders of the Company and is in the best interest of the Company.

The Company’s annual and special shareholder meeting is set forth to take place on May 24, 2024 (the “Meeting”). At the Meeting, the Company will seek shareholder approval for the Amalgamation , which requires:

- approval of at least 66 2/3% of the votes cast by Strategic shareholders; and
- a simple majority of the votes cast by Strategic shareholders, excluding votes from certain shareholders, as required under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions.*

The completion of the Proposed Transaction is subject to certain customary closing conditions for transactions of this nature, including among other things:

- Obtaining approval from the Exchange for the listing of the Iber Shares issuable to shareholders of Strategic and any other required regulatory approvals,
- Approval of a majority of IberAmerican shareholders pursuant to the policies of the Exchange,
- All options, warrants and other convertible securities of the Company are either exercised, converted or forfeited and cancelled prior to closing of the Proposed Transaction.

Upon completion of the Proposed Transaction, Strategic will apply to cease to be a reporting issuer under applicable Canadian securities laws, and apply to have its securities delisted from the Exchange.

The Proposed Transaction is expected to strengthen the Company's financial condition by providing access to IberAmerican's more extensive resources and capital, which will enhance its ability to fund ongoing operations and reduce financial strain. The Company's financial performance is projected to improve as synergies between its Penouta Project and IberAmerican's projects are realized. In terms of cash flows, the infusion of capital and the potential for more efficient operations post-transaction are expected to result in improved liquidity and cash flow stability.

Full details of the Proposed Transaction are set out in the Business Combination Agreement and the management information circular for the Meeting, filed by the Company on its profile on SEDAR+ at www.sedarplus.ca.

The notice of meeting and management information circular for the Meeting, to be held on May 24, 2024, is available on the Company's website and on www.sedarplus.ca

NON-IFRS MEASURES

The non-IFRS measures included in this document, such as EBITDA (as defined below) and adjusted EBITDA, are intended to provide additional information for the reader as the Company believes certain investors could use this information to evaluate the Company's underlying performance of its core operations and its ability to generate cash flow and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers.

Non-IFRS measures referred to in this MD&A are defined as follows:

Adjusted EBITDA represents earnings before interest, income taxes, depreciation, and amortization ("EBITDA"), adjusted to exclude share-based payments, gain on retained investment in associate, gain on sales of assets, and gain on disposal of investment in associate.

The following table provides a reconciliation of adjusted EBITDA to net loss as reported in the consolidated financial statements:

($ thousands)	Q1 2024	Q1 2023
Net income (loss)	**(1,404)**	**(1,321)**
Finance income	(1)	(137)
Finance costs	221	147
Gain on settlement of debt	-	(8)
Change in fair value of investment	-	15
Income tax expense	-	62
Depreciation and amortization expense	298	470
EBITDA	**(887)**	**(772)**
Gain on sale of assets and investment in associate	-	(529)
Loss from investment in associate	17	-
Share-based payments	-	248
Adjusted EBITDA	**(870)**	**(1,053)**

The following table provides details of the primary components of adjusted EBITDA:

($ thousands)	Q1 2024	Q1 2023
Revenue	(23)	2,902
Changes in inventories of finished goods & work in progress	-	(126)
Raw materials and consumables used	-	(459)
Supplies	-	(1,105)
Other operating expenses	(682)	(1,661)
Employee expenses	(164)	(752)
Other income (expense)	(1)	148
Adjusted EBITDA	**(870)**	**(1,053)**
Gain on sale of assets and investment in associate	-	529
Loss from investment in associate	(17)	-
Share-based payments	-	(248)
EBITDA	**(887)**	**(772)**

RISK OF FINANCIAL INSTRUMENTS

The Company's financial risk management is centralized in its finance department, which has established the necessary mechanisms to control exposure to interest rate fluctuations, as well as credit and liquidity risks. The main financial risks affecting the Company are indicated below:

Credit risk: In general, the Company maintains its cash in financial institutions with high credit ratings.

Liquidity risk: In order to ensure liquidity and to be able to meet all payment commitments arising from its activity, the Company has the cash shown in its balance sheet.

Interest rate risk: The Company's treasury is exposed to interest rate risk, which could have an adverse effect on financial results and cash flows. Management of the Company does not consider the interest rate risk to be significant.

The Company has several loans granted in foreign currencies and could therefore be exposed to exchange rate risk.

Transactions in foreign currencies: The Company's functional currencies are the Canadian dollar and Euro, and major purchases and sales are transacted in Canadian dollars and Euros. As at March 31, 2024, the Company has a foreign currency balance of $39,103 (December 31, 2023 – balance of $26,026) included in cash, and $1.090 million (December 31, 2023 – $1.069 million) in promissory notes which are subject to foreign currency risk.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CHANGE IN REPORTING CURRENCY

Effective December 31, 2021, the Company changed its presentation currency from Euro to USD. The Company made such change to facilitate comparison with other mining and resource companies. The change in presentation currency represents a voluntary change in accounting policy.

CRITICAL ACCOUNTING ESTIMATES

There have been no changes in the Company's accounting estimates during the three months ended March 31, 2024.

RISKS AND UNCERTAINTIES

Exploration, development and mining of precious metals involve numerous inherent risks resulting from the economic conditions of the various areas of operation. Therefore, the Company is subject to several financial, operational and political risks that could have a significant impact on its profitability and levels of operating cash flows.

Although the Company assesses and minimizes these risks by applying high operating standards, including careful management and planning of its facilities, hiring qualified personnel and developing their skills through training and development programs, these risks cannot be eliminated.

Such risks include, but are not limited to:

1. Market Price
2. Dilution
3. Payment of Dividends
4. Limited Operating History and Financial Resources
5. Dependence on the Penouta Project
6. Mineral Deposits May Not be Economical
7. Market Price of Metals
8. Mining Operations May Not Be Established or Profitable
9. Ability to Exploit Future Discoveries
10. Financing Risks
11. Geopolitical tensions, the military conflict between Russia and Ukraine and the ongoing conflict in the Middle East
12. Mining is Inherently Dangerous
13. Operations and Exploration Subject to Governmental Regulations
14. Operation and Exploration Activities are Subject to Environmental and Endangered Species Laws and Regulations
15. Permits and Licenses, including the Decision as discussed in this MD&A
16. Additional Costs May Be Incurred by Mineral Property Operators as a Result of International Climate Change Initiatives
17. Community Relations
18. Competition
19. Defects in Title to Mineral Properties
20. Future Litigation Could Affect Title
21. Deficient Third Parties' Reviews, Reports and Projections
22. Directors and Officers May Have Conflicts of Interest
23. Global Financial Conditions May Be Volatile
24. Epidemic and Pandemic Diseases
25. Adequate Infrastructure May Not Be Available to Develop the Penouta Project
26. Future Acquisitions and Partnerships

27. Partial Ownership or Joint Venture Agreements
28. Canada Revenue Agency's Recent Focus on Foreign Income Earned by Canadian Companies May Result in Adverse Tax Consequences
29. Anti-Bribery Laws (Such as the Corruption of Foreign Public Officials Act of Canada)
30. The Company Will be Exposed to Foreign Exchange Risk
31. Equipment, Materials and Skilled Technical Workers
32. Risks Relating to Attracting and Retaining Qualified Management and Technical Personnel
33. Disruption from Non-Governmental Organizations
34. Strategic Mineral's Operations Are Subject to Human Error
35. Health & Safety
36. Nature and Climatic Conditions
37. Uninsured or Uninsurable Risks
38. Disruption in Activities Due to Acts of God May Adversely Affect Strategic
39. Changes in Technology
40. Additional Funds Required in Case the Decision is Not Resolved Favourably Soon.

The foregoing is not an exhaustive list and readers are encouraged to read a more comprehensive list in the Annual Information Form dated March 27, 2024 available on the Company's web site at *www.strategicminerals.com* and on *www.sedarplus.ca*.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures and internal controls over financial reporting have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for evaluating the disclosure controls and procedures and internal controls over financial reporting.

There have been no changes in the Company's internal controls over financial reporting during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believes that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed and operated, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking information. Often, but not always, forward-looking statements use words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved or any variations (including negative variations) of such words and phrases. Such forward-looking statements, including but not limited to statements with respect to anticipated business plans or strategies, resolution of the Decision and the proceeding with the TSXG, the acquisition of the Company by IberAmerican and completion of the Proposed Transaction, arrangements with suppliers of the Company, total cash costs, and capital expenditures, involve known and unknown risks, uncertainties and other factors which may cause the actual actions, events and results to be materially different from estimated actions, events or results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risk Factors" in the Company's Annual Information Form dated as of March 27, 2024, which is available for review on SEDAR+ at www.sedarplus.ca.

The Company believes the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.