



DISCOVERY-CORP ENTERPRISES INC.
(an exploration stage company)

Management's Discussion & Analysis

**For the period ended
January 31, 2025**



**Stated in
Canadian dollars**

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The following discussion and analysis of the operations, results, and financial position of the Company for the period ended January 31, 2025 should be read in conjunction with the July 31, 2024 Audited Consolidated Financial Statements and the related Notes. The effective date of this report is February 14, 2025. All amounts are expressed in Canadian dollars unless otherwise noted.

OVERVIEW

Discovery-Corp Enterprises Inc. (the "Company") was incorporated under the laws of British Columbia on May 6, 1986, and maintains its head office at 125A – 1030 Denman Street, Vancouver, British Columbia, Canada, V6G 2M6. The Company's registered and records office is at 700 - 401 West Georgia Street, Vancouver, British Columbia, Canada, V6B 5A1. The Company is an exploration stage company engaged in exploration for base and precious metals. The Company holds an undivided 50% interest in the mineral rights associated with Rock Creek Ranch located in Humboldt County, Nevada, USA. The Company's Galaxy property is located in the Kamloops Mining Division in southern British Columbia, Canada. The property is comprised of two Crown granted mineral claims and seven two-post legacy mineral claims that cover an area of approximately 90 hectares. The legacy claims are 100% owned by Discovery-Corp Enterprises Inc. The Company's shares trade on the TSX Venture Exchange under the trading symbol DCY and have been halted since announcing a proposed Transaction on October 13, 2022.

FORWARD LOOKING STATEMENTS

The Management's Discussion and Analysis is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of January 31, 2025. Except for historical information or statements of fact relating to the Company, certain information contained herein constitutes forward looking statements. Forward looking statements are based on the opinions, plans and estimates of management at the date the statements are made and are subject to a variety of risks, uncertainties and other factors that could cause the actual results to differ materially from those projected by such statements. The primary risk factors affecting the Company are discussed further under the heading "Risk Factors" below. The Company undertakes no obligation to update forwarding looking statements if circumstances or management's estimates, plans or opinions should change. The reader is cautioned not to place undue reliance on forwarding looking statements.

SELECTED ANNUAL INFORMATION

The following are highlights of financial data on the Company for the most recently completed three financial years expressed in Canadian dollars:

	July 31, 2024 (\$)	July 31, 2023 (\$)	July 31, 2022 (\$)
Net loss	(149,640)	(197,591)	(212,136)
Total comprehensive loss	(149,640)	(197,591)	(212,136)
Loss per share	(0.01)	(0.01)	(0.02)
Total assets	56,623	82,785	63,217
Total liabilities	436,329	312,851	95,692
Working capital	(408,622)	(258,982)	(61,391)



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OVERALL PERFORMANCE FOR THE PERIOD ENDED JANUARY 31, 2025

Management will continue investigating new exploration opportunities identified as having favorable potential to enhance the Company's resource property interests or other business opportunities. Discovery-Corp's 43-101 Technical Report on its Galaxy Project is available for viewing on SEDAR and the Company's website www.discovery-corp.com. The technical information was approved by Christopher Naas, P. Geo, a qualified person as defined by NI 43-101 and is not independent of Discovery-Corp.

SUMMARY OF QUARTERLY RESULTS

	2025	2024				2023		
Quarter Ended	Jan. 31 Q2 (\$)	Oct. 31 Q1 (\$)	Jul. 31 Q4 (\$)	Apr. 30 Q3 (\$)	Jan. 31 Q2 (\$)	Oct. 31 Q1 (\$)	Jul. 31 Q4 (\$)	Apr. 30 Q3 (\$)
Loss Before Other Items	(47,888)	(35,518)	(45,837)	(34,268)	(36,939)	(32,443)	(38,780)	(50,907)
Net Loss	(47,704)	(35,334)	(45,792)	(34,268)	(36,733)	(32,443)	(38,600)	(50,907)
Comprehensive loss	(47,704)	(35,334)	(45,792)	(34,268)	(36,733)	(32,443)	(38,600)	(50,907)
Loss Per Share	(0.004)	(0.003)	(0.003)	(0.003)	(0.003)	(0.002)	(0.003)	(0.004)

OPERATION RESULTS FOR THE 2nd QUARTER ENDED JANUARY 31, 2025 COMPARED TO 2nd QUARTER ENDED JANUARY 31, 2024

The review of results should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the fiscal years ended July 31, 2024 and 2023.

The comprehensive loss for the period ended January 31, 2025 was \$47,704 or \$(0.004) per share compared to a comprehensive loss of \$36,733 for the period ended January 31, 2024 or \$(0.003) per share. There was no share-based payment expense. Administration expenses for the period ending January 31, 2025 were \$33,888 compared to \$36,939 in 2024. Administration expenses for the period ending January 31, 2025 were lower by \$3,051.

Investor relations and travel remain constant at under \$500 for the period.

The Company is financing itself through accounts payable and these expenses have increased accounts payable to \$515,260 as of January 31, 2025 compared to \$354,065 on January 31, 2024, an increase of \$161,195.



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Administration Expenses

There was no share-based payment expense in 2025 and 2024 and the administration expenses for the Company expressed in Canadian dollars are broken down as follows:

	Three Month Period ended Jan. 31, 2025	Six Month Period ended Jan.31, 2025	Three Month Period ended Jan. 31, 2024	Six Month Period ended Jan. 31, 2024
Consulting fees administration (Note 9)	15,700	24,700	29,700	59,400
Professional fees	14,923	14,923	2,502	2,502
Travel	-	-	-	-
Listing, filing and transfer agent fees	1,765	1,876	4,449	6,870
Office	-	144	210	460
Shareholder and investor relations	-	-	-	-
Bank charges and interest	1,500	3,304	78	195
	\$ 33,888	\$ 44,947	\$ 36,939	\$ 69,427

RESOURCE PROPERTIES

	January 31, 2025	January 31, 2024
Galaxy Property, British Columbia, Canada	\$ 20,916	\$ 20,916

Galaxy Property, British Columbia, Canada

The Company holds an undivided 100% interest in seven mineral claims and two Crown-granted mineral claims in the Kamloops Mining Division of British Columbia, Canada, known as the Galaxy Property.

Rock Creek, Nevada, USA

The Company holds a 50% interest in the Rock Creek property. The Company has written off the property for accounting purposes, but retains its interest for any future benefits.

Exploration Expenditures

With field exploration work ongoing all properties remain in good standing. The exploration expenses for the Company are broken down as follows:

	Three Month Period ended Jan.31, 2025	Six Month Period ended Jan 31, 2025	Three Month Period ended Jan 31, 2024	Six Month Period ended Jan. 31, 2024
Government fees	\$ -	\$ 500	\$ -	\$ -
Exploration	14,000	37,959	-	-
	\$ 14,000	\$ 38,459	\$ -	\$ -



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LIQUIDITY AND WORKING CAPITAL

Cash flow

Cash utilized in operations was \$2,096 for the period ended January 31, 2025 compared to cash utilized in operations was \$31,757 for the period ended January 31, 2024. The decrease in cash utilization is due to operations being financed by increasing accounts payable.

At this time the Company has no operating revenues. Historically, the Company has raised funds through equity financing, asset sales and the exercise of warrants to fund its operations. Financing through the issuance of common shares is affected by certain market conditions including the price of metals. The market price of metals is highly speculative and volatile. Instability in the market price may affect investor interest in mining stocks. If the metal prices substantially decline, this may adversely affect the Company's ability to raise sufficient capital to fund operations including exploration.

The expenses of the Company's Acquisition Transitions are funded through accounts payable as the last financing was October 14, 2021 when the Company closed a non-brokered private placement of 1,250,000 units at a price of \$0.08 per unit for total gross proceeds of \$100,000.

The Company's stock was halted with the October 13, 2022 Transaction. There were no shares issued during the period ending January 31, 2025 and no shares were issued during the year ended July 31, 2024.

Working Capital

The Company has incurred significant losses since inception and as at January 31, 2025 the Company has an accumulated deficit of \$7,935,634 (July 31, 2024 - \$7,852,596). The Company incurred a net loss of \$83,038 for the six month period ending January 31, 2025 (July 31, 2024 - \$149,640) and as of that date, the Company's current liabilities exceeded its current assets by \$491,660 (July 31, 2024 - \$408,622). The Company's ability to continue as a going concern is dependent upon its ability to secure additional financing on a timely basis and achieve sufficient positive cash flows from operating activities to cover obligations and expenses.

Management may actively seek additional financing opportunities through the issuance of equity as the need for capital arises. Management is actively engaged in seeking to meet its funding requirements to repay debt to restore working capital. The Company continues to undertake available cost-cutting measures. The Company's negative working capital of \$491,660 is a result of the Scramble Transaction that requires receiving Discovery Shareholder, TSXV and Court approval, none of which has happened and should anyone of these not be obtained then the Company may have significant risk of not be a going concern. There can be no assurance that management's plan will be successful.



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SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this Management's Discussion and Analysis and the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Accounting Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Exploration and evaluation assets

Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial reserves. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Estimates and assumptions made in the realization of the Company's investment in mineral property interests may change if new information becomes available. New information may become available during the use of these assets that causes the Company to adjust its estimates.

Cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties. In respect of costs incurred for its mineral properties, management has determined that exploratory drilling, evaluation, and related costs incurred, which have been capitalized, continue to be appropriately recorded on the consolidated statements of financial position at its carrying value as management has determined there are no indicators of impairment for its mineral properties as at January 31, 2025, July 31, 2024 and 2023.



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Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. Management assesses the amount of cash on hand at each reporting date to determine whether the Company pursues any exploration programs or adjusts management salaries and other expenses in the following year. Based on an analysis of the Company having enough cash to cover the operating expenses for the next 12 months, the Company will not be able to continue as a going concern for the next 12 months unless the Company is successful in generating operation revenue or raising additional capital.

Mining exploration tax credits

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in Canada. Management's judgment is applied in determining whether the resource expenditures are eligible for claiming such credits.

RISK MANAGEMENT

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities.

At January 31, 2025, the Company had cash of \$623 (July 31, 2024 - \$7,204) available to apply against short-term business requirements and current liabilities of \$515,260 (July 31, 2024 - \$436,329). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash and reclamation bonds. The Company limits exposure to credit risk by maintaining its cash and reclamation bonds with major financial institutions.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows from the Company's financial instruments will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company's exposure to and management of credit risk, liquidity risk and market risk related to financial instruments above have not changed materially since July 31, 2024.



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Financing and Market price

Historically, the Company has raised funds through equity financing, operating revenues and the exercise of options and warrants to fund its operations. Financing through the issuance of common shares is affected by certain market conditions including the price of metals. The market price of metals is highly speculative and volatile. Instability in the market price may affect investor interest in mining stocks. If the metal prices substantially decline, this may adversely affect the Company's ability to raise sufficient capital to fund operations including exploration. The current uncertain global junior market conditions have significantly reduced the Company's ability to finance operations.

Risks Inherent in the Exploration and Development Business

The reader is cautioned that the following description of risks and uncertainties is not all-inclusive as it pertains only to conditions currently known to management. There can be no guarantee, or assurance, that other factors will or will not adversely affect the Company. If the Proposed Transactions are not completed the Company may not be a going concern. The Proposed Transactions require approval by Shareholders, TSXV and the Courts.

Exploration and development involve a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body 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, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable. Availability of skilled people, equipment and infrastructure (including roads, posts, power supply) can constrain the timely development of a mineral deposit. Even after the commencement of mining operations such operations may be subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground controls problems and flooding. The occurrence of any of the foregoing could result in damage to or destruction of mineral properties and production facilities, personal injuries, environmental damage, delays or interruption of production, increases in production costs, monetary losses, legal liability and adverse governmental action.

Insurance coverage against certain risks, including certain liabilities for environmental pollution, may not be available to the Company or to other companies within the industry. In addition, insurance coverage may not continue to be available at economically feasible premiums, or at all. Any such event could have a material adverse effect on the Company.

Title

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all its properties are in good standing. However, such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.



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Realization

The investment in resource properties comprises a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the confirmation of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Inflation

The impact of inflation is causing significant volatility and weakness in global junior equity markets and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

Competition for Mining Properties

The mining industry in which the Company is engaged is in general, highly competitive. Competitors include well-capitalized mining companies, independent mining companies and other companies having financial and other resources far greater than those of the Company. The Company competes with other mining companies in connection with the acquisition of mineral properties. In general, properties with a higher grade of recoverable mineral with economically viable deposits afford the owners a competitive advantage in that the cost of production of the final mineral product is lower. Thus, a degree of competition exists between those engaged in the mining industry to acquire the most valuable properties. As a result, the Company may eventually be unable to acquire attractive mining properties.

Seasonality

The Galaxy Property in British Columbia lies within an area that is semi-arid, with hot summers, little rainfall and with temperatures typically exceeding 30° C during summer months. Winters are relatively mild with little snowfall and with average temperatures just below freezing. Short "cold-snaps" where temperatures drop to -20° C are common. Although winter may last from November to April, exploration is possible year-round. In the summer months access to the property may be limited if there are access restrictions imposed to monitor the risks of forest fires.



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OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. The Company had 13,467,096 common shares issued and outstanding, and as at January 31, 2025 (2024 – 13,467,096). At time of MD&A outstanding shares remained at 13,467,096 and the Company has no outstanding stock options.

There are no warrants outstanding at time of MD&A. The following warrants expired:

Number of Warrants	Exercise Price	Expiry Date
1,250,000	\$ 0.10	October 12, 2024

The weighted average remaining contractual life of warrants outstanding at January 31, 2025 is 0 (January 31, 2024 – 0.7) years. The outstanding warrants of 1,250,000 expired unexercised on October 12, 2024.

RELATED PARTY TRANSACTIONS

The consolidated financial statements include transactions with directors and/or officers of the Company and/or corporations related to or controlled by them. The remuneration of directors and other key management personnel was as follows:

	January 31, 2025	January 31, 2024
Short-term employee benefits	\$ 29,700	\$ 29,700

At January 31, 2025, the Company had \$332,640 (July 31, 2024 - \$270,270) owing to related parties. The amounts due to related parties are unsecured, have no stated terms of repayment and are interest-free.

Key management personnel were not paid any post-employment benefits, termination benefits or other long-term benefits during the respective periods.

SEGMENT DISCLOSURE

The Company operates in one business segment which is the acquisition and exploration of mineral property interests and its non-current assets are held in Canada.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements in the current year.



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OUTLOOK

Operating expenses for fiscal year 2025 are expected to be funded by cash on hand and/or the issuance of shares including the exercise of warrants and options. Financing through the issuance of common shares is affected by certain market conditions including the price of metals. The market price of metals is highly speculative and volatile. Instability in the market price may affect investor interest in mining stocks. If the metal prices substantially decline, this may adversely affect the Company's ability to raise sufficient capital to fund operations including exploration. The current uncertain global junior market conditions have significantly reduced the Company's ability to finance operations.

PROPOSED TRANSACTIONS

The Company entered into a definitive arrangement agreement dated October 13, 2022 related to the proposed business combination (the "Transaction") of the Company with Scramble Resources Corp. ("Scramble"), a company incorporated under the laws of British Columbia. The Transaction is subject to TSXV, shareholder and court approval. The TSXV has not approved the Transaction or given conditional approval, nor has the Transaction received Discovery Shareholder or court approval. The Transaction completion deadline was March 31, 2023 or such later date as the Parties may mutually agree. As at the six month period ending January 31, 2025 there is no mutual agreement to continue. There can be no assurance that the Transaction will be completed as proposed or at all.

Additional Information

For additional information relating to the proposed Transaction, please see the news release dated October 13, 2022 under Discovery's profile at www.sedar.com. All information contained in the October 13, 2022 news release with respect to the Company and Scramble was supplied, for inclusion herein, by each respective party and each party and its directors and officers have relied on the other party for any information concerning such other party.

Completion of the Transaction is subject to a number of conditions, including but not limited to, the approval of the Arrangement by the Supreme Court of British Columbia, TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. The Transaction would require the approval of 66²/₃% of the Shares cast at the annual and special meeting of the shareholders of the Company. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

OTHER

Additional information relating to the Company is available on SEDAR at www.sedar.com and at www.discovery-corp.com.