

**Gotham Resource Corp.**  
(A Capital Pool Company)

**Management's Discussion and Analysis**

**For the year ended March 31, 2023**

**Dated June 15, 2023**

## INTRODUCTION

This management's discussion and analysis ("MD&A") for the year ended March 31, 2023, was prepared by management and approved and authorized for issue on June 15, 2023, for Gotham Resource Corp. (the "Company" or "Gotham") in accordance with International Financial Reporting Standards ("IFRS"). The MD&A should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2023. Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable. All amounts are in Canadian dollars unless otherwise specified. Additional information is available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

The Company's management is responsible for presentation and preparation of the financial statements and the MD&A. The consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

## FORWARD LOOKING STATEMENTS

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith, and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity
- The Company's success at completing future financings
- The Company's strategies and objectives
- General business and economic conditions
- The Company's ability to meet its financial obligations as they become due
- The positive cash flows and financial viability of new business opportunities
- The Company's ability to manage growth with respect to a new business opportunities
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company

Readers are cautioned that the preceding list of risks, uncertainties, assumptions, and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. Due to the risks, uncertainties, and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

## COMPANY OVERVIEW AND OUTLOOK

Gotham was incorporated under the British Columbia *Business Corporations Act* on October 8, 2020 and is, effective August 16, 2021, a Capital Pool Company as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual (the "Manual"). The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Company's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The Company does not have any proposed transactions.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange Policy 2.4.

The head office and the registered head office of the Company is located at Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1B3.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

## SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data reported by Gotham for the years ended March 31, 2023 and 2022. The information set forth should be read in conjunction with the audited annual consolidated financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), and the related notes thereon.

	March 31, 2023	March 31, 2022	March 31, 2021
Loss	\$24,637	\$74,082	\$158,131
Basic and diluted loss per common share	\$0.00	\$0.01	\$0.03
Total assets	\$ 896,106	\$1,023,923	\$732,334
Total long-term debt	\$Nil	\$Nil	\$Nil

	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Shareholders' equity (deficiency)	\$873,157	\$897,794	\$683,544
Share capital	\$989,902	\$989,902	\$714,584
Share-based payment reserve	\$140,105	\$140,105	\$127,091
Deficit	\$256,850	\$232,213	\$158,131
Cash dividends declared per common share	\$Nil	\$Nil	\$Nil

## RESULTS OF OPERATIONS

**Year ended March 31, 2023, compared to the year ended March 31, 2022:**

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Expenses</b>		
Management and Consulting fees	\$ 11,000	\$ 6,000
General and administrative	2,686	6,842
Professional fees	17,864	57,110
Transfer agent and filing fees	17,245	4,130
	<u>(48,795)</u>	<u>(74,082)</u>
Gain on settlement of accounts payable	24,158	-
<b>Loss and comprehensive loss</b>	<u>\$ (24,637)</u>	<u>\$ (74,082)</u>
<b>Loss per share – basic and diluted</b>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding</b>	<u>16,250,000</u>	<u>14,737,671</u>

**Consulting fees** for the year ended March 31, 2023 were \$11,000 (2022 - \$6,000). These fees relate to external accounting services.

**Professional fees** for the year ended March 31, 2023 were 17,864 (2022 - \$57,110). This relates to audit and legal fees. The variance is due to a credit received by the vendor during the year ended March 31, 2023 related to legal fees.

**Transfer agent and filing fees** for the year ended 2023 were \$17,245 (2022 – \$4,130). The increase is due to an increase in listing fees as compared to last year.

### **Loss and comprehensive loss for the period**

As a result of the activities discussed above, the Company experienced a loss and comprehensive loss for the year ended March 31, 2023 of \$24,637 (March 31, 2022 - \$74,082).

## SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected quarterly financial data reported by the Company.

Quarter Ended	Net (loss)/income	Basic and diluted (loss)/earnings per share
March 31, 2023	\$11,689	(\$0.00)
December 31, 2022	(\$13,311)	(\$0.00)
September 30, 2022	(\$13,607)	(\$0.00)
June 30, 2022	(\$9,408)	(\$0.00)
March 31, 2022	(\$52,495)	(\$0.00)
December 31, 2021	(\$3,382)	(\$0.00)
September 30, 2021	(\$3,809)	(\$0.00)
June 30, 2021	(\$14,396)	(\$0.00)

There are no systematic identifiable factors that cause variations in the selected quarterly financial information.

**For the three months ended March 31, 2023, compared to the three months ended March 31, 2022:**

**Consulting fees** for the three months ended March 31, 2023 were \$2,000 (2022 - \$3,000). These fees relate to external accounting services.

**Professional fees** for the three months ended March 31, 2023 were \$3,000 (2022 - \$54,610). This relates to audit and legal fees. The variance is due to a credit received by vendor during the year ended March 31, 2023.

**Income and comprehensive income for the period**

As a result of the activities discussed above, the Company experienced an income and comprehensive income for the three months ended March 31, 2023 of \$11,689 (March 31, 2022 - a loss of \$52,495).

**SHARE CAPITAL**

Authorized - Unlimited common shares without par value

As at March 31, 2023 the Company had 16,250,000 (March 31, 2022 – 16,250,000) common shares issued and outstanding.

As at March 31, 2023, the Company had 12,250,000 (March 31, 2022 – 12,250,000) common shares held in escrow. The shares will be released in four tranches every six months starting on the date of the final QT Exchange Bulletin.

Year ended March 31, 2023:

There was no capital activity during the period ended March 31, 2023.

Year ended March 31, 2022:

During the period ended March 31, 2022, Gotham completed its initial public offering of common shares of the Corporation (the "Offering") on August 16, 2021. The Corporation issued 4,000,000 common shares at a price of \$0.10 per Common Share (the "Offering Price") for total gross proceeds of \$400,000. In connection with the Offering, Gotham incurred \$66,028 in share issuance costs and granted warrants to the agent to purchase up to an aggregate of 320,000 common shares at a price of \$0.10 per common share until August 16, 2023. The fair value of the finders' warrants as at issuance date was \$13,404.

## SHARE PURCHASE OPTIONS

The Company has an incentive stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant, but will not be less than \$0.10. The options can be granted for a maximum term of ten (10) years and vest at the discretion of the Board of Directors.

As summary of the Company's share purchase options activity is as follows:

	March 31, 2023		March 31, 2022	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of period	1,625,000	\$0.10	1,625,000	\$ 0.10
Granted	-	\$ -	-	\$ -
Outstanding at end of period	1,625,000	\$0.10	1,625,000	\$ 0.10

As at March 31, 2023, the following share purchase options were outstanding and exercisable:

Expiry date	Outstanding and Exercisable Options	Weighted Average Exercise Price	Weighted Average Remaining contractual life (in years)
August 16, 2031	1,625,000	\$0.10	8.38
	1,625,000	\$0.10	8.38

## SHARE PURCHASE WARRANTS

On August 16, 2021, the Company issued 320,000 warrants with an exercisable price of \$0.10, which will expire in two years from date of issuance. These warrants were issued as part of the share issuance costs at the time of the closing of the Company's Initial Public Offering.

As at March 31, 2023, the Company had outstanding and exercisable share purchase warrants entitling the holders to acquire common shares as follows:

	March 31, 2023		March 31, 2022	
	Number of warrants	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
Balance, beginning of year	320,000	\$ 0.10	-	\$ -
Issued	-	\$ -	320,000	\$ 0.10
Balance, end of year	320,000	\$ 0.10	320,000	\$ 0.10

As at March 31, 2023 the Company had outstanding and exercisable share purchase warrants entitling the holders to acquire common shares as follows:

Expiry date	Outstanding and Exercisable warrants	Weighted average exercise price	Weighted average remaining life (in years)
August 16, 2023	320,000	\$0.10	0.38
<b>Balance, March 31, 2023</b>	<b>320,000</b>	<b>\$0.10</b>	<b>0.38</b>

## LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, share-based payment reserve, and deficit). Management's objective is to provide investment management services to shareholders which includes investing in marketable securities for the purpose of returns in the form of investment income and capital appreciation, as well as the ability to meet its on-going operational obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, 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. As at March 31, 2023 the Company is not subject to any externally imposed capital requirements or debt covenants.

**Cash flows used in operating activities** were \$89,511 during the year ended March 31, 2023. Comprises of payments to filing fees, consulting fees and listing fees.

**Cash flows used by financing activities** were \$38,306 during the year ended March 31, 2023. In connection with the Offering from last year-end, Gotham incurred \$38,306 in share issuance costs.

As a result of the above activities, for the year ended March 31, 2023, the Company had \$896,106 of cash to settle current liabilities of \$22,949. As such, management feels the Company has sufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year.

However, the Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

The Financial Statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The accompanying interim financial statements do not reflect adjustments that may be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate, adjustments may be necessary to the carrying amounts and/or classification of assets and/or liabilities and the reported expenses in these financial statements. Such adjustments could be material.

## RELATED PARTY TRANSACTIONS

Related party transactions are recorded at the exchange amount as agreed to by the parties. There was no key management compensation or transactions for the year ended March 31, 2023.

## **RISKS AND UNCERTAINTIES**

### **Strategic Risk**

At present, the Company has very limited sources of funding from which to repay its existing obligations and fund on-going operating costs. If the Company is unable to obtain adequate additional financing, management might be required to curtail the Company's operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case its ability to continue as a going concern may be adversely affected.

There is also no guarantee that the Company will be able to complete the acquisition of or participation in a new business opportunity. If an acquisition of or the participation in corporations, properties, assets or businesses is identified, the Company may find that even if the terms of an acquisition or participation are economic, it may not be able to finance such acquisition or participation and additional funds will be required to enable the Company to pursue such an initiative.

There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. The Company will be competing with other companies, many of which will have far greater resources and experience than the Company. No assurance can be given that the Company will be successful in raising the funds required for an acquisition.

### **Lack of Dividend Policy**

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

### **Possible Dilution to Present and Prospective Shareholders**

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

### **Dependence of Key Personnel**

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

## **FINANCIAL INSTRUMENTS**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### **Market Risk**

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at March 31, 2023 the Company is not exposed to currency risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

**(iii) Price rate risk**

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Management closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Given the Company's limited market exposure at this time it has assessed there to be a low level of price rate risk.

**Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at March 31, 2023 the Company has current assets of \$896,106 to settle current liabilities of \$22,949, leaving the Company with a working capital of \$873,157. As such, management feels the Company has sufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year.

The Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Consequently, the Company is exposed to liquidity risk as at March 31, 2023.

*Recognition*

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

*Classification*

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has implemented the following classifications:

Cash	FVTPL
Accounts payable, Accrued liabilities	Amortized cost

*Measurement*

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash is a level 1 financial instrument measured at fair value on the statement of financial position.

*Use of estimates and judgments*

The following are the critical judgments and estimates that Gotham has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

*Critical judgments*

The ability of the Company to continue as a going concern is dependent on obtaining additional financing and if required through the issuance of debt or equity. There is a risk that additional financing will not be

available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company were unable to continue operations in the normal course of business.

#### Key sources of estimation uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting the financial statements include:

#### Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

#### Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, Gotham would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

## **PROPOSED QUALIFYING TRANSACTION**

No transactions are proposed.

## **OFF-BALANCE SHEET ARRANGEMENT**

The Corporation currently has no off-balance sheet arrangement.

## **DISCLOSURE OF OUTSTANDING SHARE DATA**

As at the date of this MD&A, the Company had the following common shares and stock options outstanding:

Common shares	16,250,000
Share purchase options	1,625,000
Share purchase warrants	320,000
Total Common Shares fully diluted	18,195,000