



**Management Discussion & Analysis (“MD&A”)**

**For the nine months ended August 31, 2022**

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work. Additional factors that could cause actual results to differ materially from the Company's plans or expectations include political events, the effects of pandemics, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, general volatility in the equity and debt markets, accidents and labor disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

## **DATE AND INTRODUCTION**

Dinero Ventures Ltd. (the “Company”) is an exploration stage company incorporated on January 27, 2021 under the laws of the Province of British Columbia, Canada. The Company’s business is the acquisition, exploration and evaluation of mineral properties. The Company owns a 100% interest in the Raven Project located in the Lillooet Mining Division of British Columbia, Canada.

The Company completed an initial public offering (“IPO”) of its common shares on August 10, 2022. The Company’s common shares trade on the TSX Venture Exchange under the symbol “DNO”.

The Company’s head office is located at 611 8<sup>th</sup> Street, Stewart, British Columbia, V0T 1W0.

This discussion and analysis of financial position, results of operations and cash flows of Dinero Ventures Ltd. for the nine months ended August 31, 2022 includes information up to and including October 14, 2022 and should be read in conjunction with the Company’s unaudited condensed interim financial statements for the nine months ended August 31, 2022 and the Company’s audited financial statements for the period from January 27, 2021 (date of incorporation) to November 30, 2021.

Other information about the Company can be viewed on its website at [www.dineroventures.com](http://www.dineroventures.com).

## **THE RAVEN PROJECT**

On November 30, 2021, the Company entered into a property purchase and sale agreement with a company with directors in common with the Company to purchase a 100% interest in the Raven Project located in the Lillooet Mining Division of British Columbia, Canada. The Raven Project comprises one mineral claim covering 492.28 hectares.

In consideration, the Company issued the vendor 7,000,000 common shares with a fair value of \$350,000. At August 31, 2022, accumulated costs on the Raven Project are summarized below:

Acquisition costs	\$ 350,000
Claim maintenance fees	14,768
	<u>\$ 364,768</u>

The Raven Project is in good standing with British Columbia Mineral Titles until December 9, 2022.

The Raven Project is subject to a 1.5% net smelter returns royalty to a third party. The Company has the right, at any time prior to commercial production, to purchase one-half of 1% of the 1.5% net smelter returns royalty for \$1,500,000.

The Company has obtained a five-year exploration permit on the Raven Project which has approximately four years remaining. The Raven Project exhibits similar lithologies, alteration and mineralization to the Bralorne Gold Project located 45 kms to its northwest.

The Company has posted a reclamation bond of \$13,000 with the Minister of Finance.

**THE RAVEN PROJECT** – (cont'd)

*Recommendations and Budget for Fall 2022 Exploration Program at the Raven Project*

A \$450,000 exploration program of road repair for access, drill trail and pad construction, mapping, rock and soil geochemical sampling, excavator and hand trenching and 1,225 metres of diamond drilling in 8 holes is recommended on the Raven Project.

The budget for the Fall 2022 Exploration Program is detailed below:

Fall 2022 Exploration Program	
Road repair for access, drill trail and pad construction	\$30,000
Mapping and sampling (geologist, prospector)	\$30,000
Excavator and hand trenching	\$20,000
Grid soil geochemistry (300 samples @ \$60 each, all-in)	\$18,000
Diamond drilling (1,225 metres in 8 holes @ \$200/m, all-in)	\$245,000
Rock geochemistry (400 samples @ \$50 each, including freight)	\$20,000
Logging, sampler, supervision	\$19,000
Accommodation, food, supplies, transportation, communication	\$18,000
Preparation, report and drafting	\$10,000
Contingency	\$40,000
<b>TOTAL</b>	<b>\$450,000</b>

**SELECTED ANNUAL INFORMATION**

The following table sets out selected financial information of the Company for the period from January 27, 2021 (date of incorporation) to November 30, 2021:

	November 30, <u>2021</u>
Revenues	Nil
Net loss and comprehensive loss	(24,427)
Basic and diluted loss per share	(0.01)
Total assets	647,102
Non-current financial liabilities	Nil
Dividends	Nil

## **DISCUSSION OF OPERATIONS**

The Company recorded a comprehensive loss of \$258,004 for the nine months ended August 31, 2022 compared to \$16,291 for the period from January 27, 2021 (date of incorporation) to August 31, 2021.

Included in the loss for the nine months ended August 31, 2022 were management fees of \$12,000. On April 15, 2022, the Company entered into two management services agreements with private companies owned by its Chief Executive Officer and Chief Financial Officer. The agreements were effective June 1, 2022. The agreements provide for management fees of \$2,000 per month and have a term of one year.

Included in the loss for the nine months ended August 31, 2022 was a stock-based compensation charge of \$225,500. On August 10, 2022, the Company granted 2,050,000 stock options to the directors of the Company.

Included in the loss for the nine months ended August 31, 2021 consulting fees of \$9,534 related to the preparation of the technical report on the Raven Project.

## **SUMMARY OF QUARTERLY RESULTS**

The figures for the quarter ended November 30, 2021 are derived from the Company's audited financial statements. All other quarterly figures are derived from the Company's unaudited condensed interim financial statements.

		August 31, 2022 \$	May 31, 2022 \$	February 28, 2022 \$
Total revenue		Nil	Nil	Nil
Net loss and comprehensive loss		(239,212)	(7,143)	(11,649)
Basic loss per share		(0.01)	(0.00)	(0.00)
Diluted loss per share		(0.01)	(0.00)	(0.00)

	November 30, 2021 \$	August 31, 2021 \$	May 31, 2021 \$	February 28, 2021 \$
Total revenue	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	(8,134)	(1,482)	(11,404)	(3,407)
Basic loss per share	(0.00)	(0.00)	(0.26)	(0.20)
Diluted loss per share	(0.00)	(0.00)	(0.26)	(0.20)

## **LIQUIDITY AND CAPITAL RESOURCES**

At August 31, 2022, the Company has not advanced the Raven Project to commercial production and has not generated revenue from operations. The Company does not expect to generate revenues in the foreseeable future and expects to continue to incur costs to explore the Raven Project.

At August 31, 2022, the Company had working capital of \$567,435. The Company has financed its administrative overheads and mineral property transactions to date through the issuance of common shares. However, there is no assurance it will be able to do so in the future.

The following common shares were issued for cash during the period from January 27, 2021 (date of incorporation) to November 30, 2021:

- On May 31, 2021, the Company issued 4,000,000 common shares at \$0.001 per share for proceeds of \$4,000.
- On November 30, 2021, the Company issued 6,200,000 common shares at \$0.05 per share for proceeds of \$310,000.

### **Initial Public Offering:**

The Company entered into an agreement with Research Capital Corporation (the “agent”) to complete an initial public offering of 5,000,000 common shares at \$0.15 per share for gross proceeds of \$750,000.

- On August 10, 2022, the Company completed its initial public offering of 5,000,000 common shares at \$0.15 per share for gross proceeds of \$750,000.

The Company paid the agent a commission of \$75,000 and a corporate finance fee of \$35,000. The Company also issued the agent 500,000 agent’s warrants. The warrants are exercisable into common shares at \$0.15 per share until August 10, 2024.

The Company incurred the following additional charges with respect to its initial public offering:

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Filing fees	\$	35,729
Legal fees and disbursements		199,449
Other professional fees		11,910
Printing		14,778
	\$	261,866

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For accounting purposes, share issue costs were deducted from the gross proceeds of the IPO.

**LIQUIDITY AND CAPITAL RESOURCES** – (cont'd)

*Initial Public Offering: - (cont'd)*

The principal purposes for which the funds available to the Company upon the completion of its IPO are as follows:

Principal Purpose	
Fall 2022 Exploration Program on the Raven Project	\$450,000
Estimated administrative costs	\$120,000
<b>TOTAL</b>	<b>\$570,000</b>

Estimated administrative costs for the 12-month period following the completion of the IPO are as follows:

Estimated Administrative Costs for Next 12 Months	
Accounting	\$10,000
Filing fees	\$ 7,000
Legal	\$20,000
Audit and tax	\$21,000
Transfer agent	\$ 8,000
Management fees	\$48,000
Office and miscellaneous	\$6,000
<b>TOTAL</b>	<b>\$120,000</b>

## **CRITICAL ACCOUNTING ESTIMATES**

Preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities as at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

### *Significant accounting judgments*

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the Company's financial statements are discussed below:

- The recoverability of the carrying value of exploration and evaluation assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU"), or group of CGUs, level in the year the new information becomes available. If indicators of impairment exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

- The going concern assumption.

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

### *Estimates and assumptions*

The key estimates applied in the preparation of the Company's financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Amount of mining exploration tax credit receivable.

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

### **MANAGEMENT CHANGES**

On April 27, 2022, the Company appointed Brian Morrison to its Board of Directors. Mr. Morrison is a self-employed management consultant to public companies and has provided services in a variety of management and financial oversight roles.

He has directorships in numerous public companies. He has an in-depth knowledge of securities markets and related regulatory issues. Mr. Morrison obtained a Bachelor of Commerce degree from the University of Northern British Columbia in 2004 and completed the Canadian Securities Course in 2006. Mr. Morrison will be an independent member of the Company's audit committee.

### **TRANSACTIONS BETWEEN RELATED PARTIES**

At October 14, 2022, the Company's Board of Directors consists of Edward Kruchkowski, Randolph Kasum, Corey Kruchkowski, Bailey Kasum, Brian Morrison and Brent Petterson. The officers of the Company are Edward Kruchkowski, Chief Executive Officer and Randy Kasum, Chief Financial Officer.

The Company incurred the following charges by companies with directors in common with the Company during the nine months ended August 31, 2022 and during the period from January 27, 2021 to August 31, 2021:

	Nine months ended August 31, 2022	January 27, 2021 to August 31, 2021
Accounting	\$ 8,950	\$ -
Management fees	12,000	-
Share issue costs	2,800	-
	<u>\$ 23,750</u>	<u>\$ -</u>

At August 31, 2022, exploration advances includes \$40,000 (November 30, 2021: \$Nil) paid to a company with directors in common with the Company for a future exploration program.

At August 31, 2022, due to related parties includes \$12,600 (November 30, 2021: \$Nil) due to companies with directors in common with the Company for management fees. Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

### **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

There were no changes in the Company's significant accounting policies during the nine months ended August 31, 2022 that had a material effect on its condensed interim financial statements.

The Company's significant accounting policies are disclosed in Note 3 to its audited financial statements for the period from January 27, 2021 (date of incorporation) to November 30, 2021.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements to report.

### **PROPOSED TRANSACTIONS**

The Company has no proposed transactions to report.

### **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The fair values of the Company's accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments. The Company's cash is classified at Level 1 of the fair value hierarchy. The Company has no financial instruments at Levels 2 or 3.

The Company has exposure to the following risks from its use of financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is held in a Canadian financial institution. The Company has minimal credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of August 31, 2022 are \$51,192 (November 30, 2021: \$7,529). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days. Management will be required to raise funds to meet its financial obligations.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity price risk and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

At August 31, 2022 and November 30, 2021, the Company is not exposed to any significant market risk.

## **RISKS AND UNCERTAINTIES**

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

### *COVID-19*

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and the related adverse public health developments have adversely affected workforces, economies and financial markets, leading to a global economic downturn. Management has implemented safeguards and protocols recommended by the relevant health authorities to protect its workers and continues to monitor the situation.

### *General Risk Associated with the Mining Industry*

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation and experience may not, in some cases eliminate. The commercial viability of a mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations. Management may attempt to mitigate its exploration risk by employing a strategy of joint ventures with other companies which balances risk while at the same time allows properties to be advanced.

### *Dependence on Key Personnel*

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and competition for professionals is intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

**RISKS AND UNCERTAINTIES** – (cont'd)

*Permits and Licences*

The operations of the Company will require licences and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and mining operations of its projects.

*Environmental Regulation*

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The Company may become subject to liability for pollutions or hazards against which it cannot insure or again which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

**OUTSTANDING SHARE DATA**

*Number of Issued and Outstanding Common Shares:*

At October 14, 2022 22,200,000

*Stock Options:*

At October 14, 2022, there were 2,050,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held at \$0.15 per share until August 10, 2027.

*Agent's Warrants:*

At October 14, 2022, there were 500,000 agent's warrants outstanding entitling the holder thereof the right to purchase one common share for each warrant held at \$0.15 until August 10, 2024.