



A.I.S. RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2023

A.I.S. RESOURCES LIMITED

Management's Discussion and Analysis

For the year ended December 31, 2023

April 29, 2024

ADVISORY REGARDING THIS MD&A AND FORWARD-LOOKING STATEMENTS

Securities laws encourage public issuers to disclose forward-looking information in their management's discussion and analysis (MD&A) so that investors can get a better understanding of the company's future prospects and make informed investment decisions.

Forward-looking information and statements included in this MD&A about the objectives of the Company and management's expectations, beliefs, intentions or strategies for the future are not guarantees of future performance and should not be unduly relied upon.

All forward-looking statements reflect management's current views as of April 29, 2024, with respect to future events, and they are subject to certain risks, uncertainties and assumptions that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such risks, uncertainties and assumptions include, but are not limited to: general economic conditions; the cost and availability of capital; actions by government authorities; actions by regulatory authorities; availability of raw materials; changes in raw materials prices; currency exchange rates; interest rates; competitor activity; industry pricing pressures; seasonality of the construction industry; and weather-related factors.

A more detailed assessment of the risks that could cause actual results to materially differ from our current expectations is included in the Risk Management and Assessment section of this MD&A.

The following MD&A, prepared as of April 29, 2024, should be read together with the consolidated financial statements for the period ended December 31, 2023 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

The consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries; AIS Resources S.A., an Argentina company and AIS Resources Aust. Pty Ltd, an Australian company. All significant intercompany transactions and balances have been eliminated.

BUSINESS OF THE COMPANY

A.I.S. Resources Limited (the “Company” or “AIS”) was incorporated under the laws of Bahamas Islands. On December 20, 2018, the Company continued as a British Columbia Corporation and is now governed by the Business Corporations Act (British Columbia). The Company is an investment issuer listed on the TSX Venture Exchange and trades under the stock symbol “AIS”.

The head office and principal address of the Company are located at Suite 1120 – 789 West Pender Street, Vancouver, British Columbia, Canada V6C 1H2. The Company’s records office and registered office is located at Suite 700 - 1199 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3T5.

The business of AIS is to identify and develop early-stage projects worldwide, that have strong potential for growth with the objective of providing returns for shareholders. The Company is engaged in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties as well as the purchase and sale of EV battery materials. AIS’s value add strategy is to acquire prospective exploration projects and enhance their value by better defining the mineral resource with a view to attracting joint venture partners and enhancing the value of its portfolio.

SIGNIFICANT EVENTS

- On March 5, 2024, the Company announced its decision to proceed with a 1-for-10 reverse stock split, also known as a stock consolidation, stock merge, or share rollback, applicable to all issued shares and outstanding warrants and options. Effective at the commencement of trading on March 8, 2024, the Company began trading on the TSX Venture Exchange on a post-consolidated basis. After the Consolidation there are 20,421,540 common shares issued and outstanding. The exercise or conversion price and the number of common shares issuable under any of the Company’s outstanding stock options and warrants have been proportionately adjusted to reflect the Consolidation in accordance with the respective terms thereof. All share and per share amounts are stated on a post consolidation basis for all periods presented in this Management Discussion & Analysis.
- On March 4, 2024, the Company announced that it has reached an agreement with American Salars Lithium Inc. (“American Salars”) on an option agreement on the Candela II Lithium Brine Project located in the Incahuasi Salar, Salta Province, Argentina. American Salars may exercise the Option, over a 5-year period, to earn a 100% ownership interest in Spey Resources Argentina S.A., by making cash payments totaling CAD \$2,447,500 and issuing 6,600,000 shares at a deemed price of \$0.30 per share. The Company holds a 20% equity interest in Spey Resources Argentina S.A. and will receive its share of the proceeds on a pro rata basis.
- On September 26, 2023, Spey Resources Corp. (“Spey”) announced the completion of an NI 43-101 Mineral Resource Estimate report on the Candela II project held in Spey Resources Argentina S.A.. The report was completed by WSP Australia Pty Limited and quoting from the Spey new release: “is estimated to contain lithium metal of 86,000 tonnes which equates to 457,520 tonnes of in-situ Lithium Carbonate Equivalent (“LCE”) and a lithium yield of 48,000 tonnes of LCE from 9,000 tonnes of lithium metal.” At this time the reported Inferred Mineral Resource is considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. The current lithium carbonate price of \$30,000 per tonne will provide the basis for a planned scoping study analysis for a possible 5,000 t/year production plant, designed to evaluate the overall economics of the project. The Company holds a 20% equity interest in Spey Resources Argentina S.A.
- On May 23, 2023, Andrew Neale was appointed as President and CEO of the Company.
- Prior to June 30, 2023, Spey advised the Company of its intention to exercise the Pocitos 1 option. The Company notified the Optionor of its intention to exercise the Pocitos 1 option however the Optionor refused to accept payment for the exercise. The Company is assessing its options going forward to enforce its rights with respect to the Option agreement.
- The Company relinquished the Pocitos 2, 7, 9 and Yareta XIII properties.

OUTLOOK

The Company invests in high risk, venture capital investments. Liquidity of these investments varies among each respective investment and accordingly the investment cycle can be of long duration. The Company is also engaged in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties.

Bright Gold Project

The Bright Gold property is comprised of exploration license EL006194 that covers 57 sq km of land along the Bright-Mytleford highway. The exploration licence is surrounded by Dart Mining (ASX:DTM), Fosterville South (TSX.V:FSX), and E79 Resources (CSE:ESNR) only 6km from E79's Happy Valley Project. The licence contains more than 250 historical gold mines, reefs (quartz veins) and gold occurrences dating back to the 1890's. Historically the EL006194 yielded 341,000 oz gold at grades ranging between 7-99 g/t, averaging 22 g/t Au.

The Bright Gold Project and surrounds comprises many major historical workings and recorded production of over 730,000 oz from both alluvial and rock mining. The largest producers on the Project were the Rose, Thistle and Shamrock mine @ 22.2g/t Au for 140,000 oz and the Oriental Mine @ 28g/t for 6,194 oz.

During January 2022 the Company entered into an agreement (the "Agreement") to acquire a 60% interest in the Bright Gold Property (the "Project" or "Property"), exploration licence EL006194 from Clarus Resources Pty Ltd. (the "Vendor") Under the terms of the Agreement the Company acquired a 60% interest by paying AUD\$150,000 and issuing 10 million shares to the Vendor. The Company has an option to acquire the remaining 40% of the Property on the following terms:

- i) 20% on the date on which an indicated mineral resource containing not less than 50,000 ounces of gold is identified. The payment will be comprised of 50% cash and 50% common shares of the Company and will be calculated based on the gold resource estimate (troy oz of gold) multiplied by the gold price per troy oz (A) in accordance with the following schedule:

Resource Estimate	Underground Mine	Open Cut
Inferred	A x0.5% x troy oz of gold	A x0.85% x troy oz of gold
Indicated	A x1% x troy oz of gold	A x1.66% x troy oz of gold
Measured	A x2% x troy oz of gold	A x4.0% x troy oz of gold

- ii) 20% on the date on which a feasibility study is provided containing an indicated and/or measured mineral resource. The payment will be comprised of 50% cash and 50% common shares of the Company and will be calculated based on the gold resource estimate (troy oz of gold) multiplied by the gold price per troy oz (A) in accordance with the following schedule:

Resource Estimate	Underground Mine	Open Cut
Indicated	A x1% x troy oz of gold	A x2.0% x troy oz of gold
Measured	A x2% x troy oz of gold	A x5.0% x troy oz of gold

Under the terms of an amending agreement the shares shall be issued at a deemed price of \$0.06 per share. The number of common shares to be issued shall not at any time exceed 9.9% of the post-issuance issued and outstanding share capital of the Company on a diluted basis.

During the year ended December 31, 2021, the Company paid an advance of \$139,149 (AUD\$150,000) towards the acquisition cost of the Bright Gold Project.

During the year ended December 31, 2022, the Company issued 10 million common shares to the Vendor in accordance with the Agreement.

Yalgogrin Gold Project

On October 7, 2020, the Company entered into an Option Agreement (the “Agreement”) to acquire a 100% interest in the Yalgogrin Gold Project (the “Project” or “Property”) located in West Wyalong, NSW, Australia.. Under the terms of the Agreement, the Company acquired 60% interest in the Project by paying the consideration consisting of (i) a cash payment of AU\$275,000 (paid) upon signing of the Agreement; and (ii) the issuance of 4,000,000 of the Company’s common shares (issued). During the year ended December 31, 2022, the Company recorded a write-down of \$1,386,804 as management decided to relinquish the property.

Toolleen-Fosterville Gold Project

On November 11, 2020, the Company entered into a Sale and Purchase Agreement (the “Agreement”) to acquire a 100% interest in the Toolleen-Fosterville Gold Project (the “Project” or “Property”) located 3 km from the township of Toolleen, Victoria Australia and 12 km from the Kirkland Lake Fosterville gold mine. The Project is comprised of one exploration licence. The Agreement replaces and supersedes a binding letter of intent dated August 21, 2020 for acquisition of the Project. The Project is subject to a 1% net smelter return royalty on all gold production.

During the year ended December 31, 2022, the title to the underlying exploration licence was transferred to the Company following a payment of AU\$375,000 and issuance of 6,060,000 common shares and 6,060,000 share purchase warrants of the Company.

During the year ended December 31, 2023, the Company recorded a write-down of \$1,424,630 on Toolleen-Fosterville property.

Kingston Gold Project

On November 13, 2020, the Company entered into a Sale and Purchase Agreement (the “Agreement”) to acquire a 100% interest in the Kingston Gold Project (the “Project” or “Property”) located near Navarre, Victoria, Australia. The Project is comprised of one exploration licence. The Agreement replaces and supersedes an option agreement dated September 17, 2020 for acquisition of the Project. The Company paid AU\$35,000 for an exclusivity period of 60 days between the option agreement and the Sale and Purchase Agreement dates. The Project is subject to a 1% net smelter return royalty on the first 50,000 oz gold production after the exploration licence is converted into a mining licence.

Under the terms of the Agreement, the Company acquired 100% interest in the Project by paying the consideration consisting of (i) cash payments of AU\$125,000 (paid) upon signing of the Agreement; (ii) cash payment of AU\$125,000 (paid) upon receiving TSX Venture Exchange approval; and (iii) issue upon exchange approval 4,000,000 shares of the Company (issued) and 4,000,000 share purchase warrants (issued) exercisable at \$0.15 for five years.

During the year ended December 31, 2023, the Company recorded a write-down of \$939,634 on Kingston property.

Candela II Project

On March 18, 2021, the Company entered into an Option Agreement to acquire a 100% interest in the Candela II Project (the “Project” or “Property”) located in Incahuasi Salar in Salta province, Argentina, for a purchase price of USD \$1.2 million. The Project is comprised of a mining license. Under the terms of the Option Agreement, the Company paid USD \$100,000 upon signing of the Option Agreement and paid USD \$100,000 six months from the Option Agreement date. The Option Agreement is valid for a 12-month option period entitling the Company to conduct exploration, sampling, chemistry and drilling to determine the commercial viability of the Project.

During March 2021, the Company entered into an Option Agreement with Tech One Lithium Resources Corp. (“Tech One”), a subsidiary of Spey Resources Corp., granting Tech One the right to acquire an 80% interest in the Project for a purchase price of USD \$1 million. Under the terms of the Option Agreement, Tech One paid USD \$100,000 to the Company upon signing the Option Agreement and paid USD \$100,000 in six months from the Option Agreement date. In addition, Tech One must incur expenditures of \$500,000 USD on the property during the option period (12 months). Tech One has the right to acquire the remaining 20% interest in the Project for a consideration of USD \$6 million.

During March 2022, the Company paid US\$1,000,000 to acquire 100% interest in the Candela II project. Concurrently, the Company received US\$1,000,000 from Tech One for 80% of the Candela II project. The Company retains a 20% interest in Candela II.

On September 26, 2023, Spey Resources Corp. (“Spey”) announced the completion of an NI 43-101 Mineral Resource Estimate report on the Candela II project held in Spey Resources Argentina S.A.. The report was completed by WSP Australia Pty Limited and quoting from the Spey new release: “is estimated to contain lithium metal of 86,000 tonnes which equates to 457,520 tonnes of in-situ Lithium Carbonate Equivalent (“LCE”) and a lithium yield of 48,000 tonnes of LCE from 9,000 tonnes of lithium metal.” At this time the reported Inferred Mineral Resource is considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. The current lithium carbonate price of \$30,000 per tonne will provide the basis for a planned scoping study analysis for a possible 5,000 t/year production plant, designed to evaluate the overall economics of the project. The Company holds a 20% equity interest in Spey Resources Argentina S.A

On March 4, 2024, the Company announced that it has reached an agreement with American Salars Lithium Inc. (“American Salars”) on an option agreement on the Candela II Lithium Brine Project located in the Incahuasi Salar, Salta Province, Argentina. American Salars may exercise the Option, over a 5-year period, to earn a 100% ownership interest in Spey Resources Argentina S.A., by making cash payments totaling CAD \$2,447,500 and issuing 6,600,000 shares at a deemed price of \$0.30 per share. The Company holds a 20% equity interest in Spey Resources Argentina S.A. and will receive its share of the proceeds on a pro rata basis.

Pocitos Project

On June 10, 2021, the Company entered into an Option Agreement to acquire a 100% interest in five mining tenements comprising the Pocitos Project (the “Project” or “Properties”) located in Salta province, Argentina. The purchase price of each tenement was USD \$1,000 per hectare. Under the terms of the Option Agreement, the Company paid USD \$125,000 upon signing and USD \$100,000 in the year ended December 31, 2022 entitling it to conduct exploration, sampling, chemistry and drilling to determine the commercial viability of the Project. The initial option period was 18 months from the date of signing and in April 2022 it was extended to June 30, 2023 at no additional cost.

On June 22, 2021, the Company entered into an Option Agreement with Spey Resources Corp. (“Spey”) granting Spey the right to acquire a 100% interest in two mining tenements, Pocitos 1 and Pocitos 2, of the Pocitos Project. The purchase price of Pocitos 1 is USD \$1,000,000 and of Pocitos 2 is USD \$732,000. Spey has the option to pay the purchase price 100% in cash or 80% in cash and 20% in shares of Spey. Under the terms of the Option Agreement, Spey paid USD \$200,000 to the Company upon signing the Option Agreement and issued 2,500,000 shares of Spey for an initial 18-month option period, subsequently extended to June 30, 2023. In addition, Spey incurred expenditures of USD \$500,000 on the property within 12 months from the Option Agreement date.

Prior to June 30, 2023 Spey advised the Company of its intention to exercise the Pocitos 1 option. The Company notified the Optionor of its intention to exercise the Pocitos 1 option however the Optionor refused to accept payment for the exercise. The Company is assessing its options going forward to enforce its rights with respect to the Option agreement.

On September 1, 2022, the Company entered into an exploration and purchase option agreement with C29 Metals Limited (“C29”) granting C29 the right to acquire 100% interest in the Pocitos 7 and 9 licences of the Pocitos project by June 30, 2023. Under the terms of the Option Agreement, C29 agreed to pay USD \$25,000 per licence upon signing of the agreement (paid), USD \$115,000 per licence following 30 days of the signing (paid) and USD \$75,000 per licence after the technical evaluation report was completed. C29 could acquire 80% interest in the Pocitos 7 and 9 licences by paying \$2.38

million to the Company by June 30, 2023. C29 could subsequently acquire AIS's 20% interest at a price based on the LCE resource. C29 declined to exercise the option.

AIS decided not to exercise the Pocitos 2, 7, 9 and Yaretta XIII options and allowed the Options to expire unexercised.

At December 31, 2023, exploration and evaluation assets are comprised of:

	December 31, 2021			December 31, 2022			December 31, 2023		
	Expenditures	Impairment		Expenditures	Impairment		Expenditures	Impairment	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Yalgogrin (a)									
Acquisition	566,944	-	(566,944)	-	-	-	-	-	-
Deferred exploration costs	817,322	2,538	(819,860)	-	-	-	-	-	-
	1,384,266	2,538	(1,386,804)	-	-	-	-	-	-
Toolleen-Fosterville (b)									
Acquisition	1,070,144	-	-	1,070,144	-	(1,070,144)	-	-	-
Deferred exploration costs	349,788	2,647	-	352,435	2,051	(354,486)	-	-	-
	1,419,932	2,647	-	1,422,579	2,051	(1,424,630)	-	-	-
Kingston (c)									
Acquisition	915,923	-	-	915,923	-	(915,923)	-	-	-
Deferred exploration costs	18,351	3,509	-	21,860	1,852	(23,712)	-	-	-
	934,274	3,509	-	937,783	1,852	(939,635)	-	-	-
Bright (d)									
Acquisition	-	439,149	-	439,149	-	-	-	-	439,149
Deferred exploration costs	-	510,285	-	510,285	232,198	-	-	-	742,483
	-	949,434	-	949,434	232,198	-	-	-	1,181,632
Candela II (e)									
Acquisition	252,510	1,272,000	-	1,524,510	-	-	-	-	1,524,510
Deferred exploration costs	944,008	124,924	-	1,068,932	-	-	-	-	1,068,932
Recoveries	(857,833)	(1,735,609)	-	(2,593,442)	-	-	-	-	(2,593,442)
	338,685	(338,685)	-	-	-	-	-	-	-
Pocitos (f)									
Acquisition	159,265	129,455	-	288,720	-	-	-	-	288,720
Deferred exploration costs	3,292	1,769,017	-	1,772,309	721,766	-	-	-	2,494,075
Recoveries	(159,265)	(1,839,104)	-	(1,998,369)	(783,287)	(1,139)	-	-	(2,782,795)
	3,292	59,368	-	62,660	(61,521)	(1,139)	-	-	-
Total	4,080,449	678,811	(1,386,804)	3,372,456	174,580	(2,365,404)	-	-	1,181,632

Buda Juice

The Company holds 3.99% of Buda Juice LLC, a US company. Buda Juice is an operator and franchiser of cold pressed USDA certified organic juice. With its 5000 sq. ft. state of the art kitchen is located in Dallas, Texas, Buda Juice is in the process of expanding its presence in the USA and Canada as well as e-commerce markets.

The Company determined that the fair value of its investment in Buda Juice at December 31, 2023 was \$2,122,522 USD (December 31, 2022 - \$904,852 USD). During the year ended December 31, 2023, the Company recognized an unrealized loss on investment of 28,774 (2022 – gain of \$78,360) which has been recorded as other comprehensive income.

SELECTED ANNUAL INFORMATION

	December 31, 2023 \$	December 31, 2022 \$	December 31, 2021 \$
Revenue	-	-	-
Net loss			
- total	(3,468,078)	(1,678,126)	(851,943)
- per share basis	(0.17)	(0.08)	(0.01)
Comprehensive loss	(3,496,852)	(1,599,766)	(856,830)
Total assets	2,473,301	5,584,416	6,149,616
Working capital (deficiency)	(1,575,797)	(298,543)	(427,510)

SUMMARY OF QUARTERLY RESULTS

Period	Net income (loss)	Income (loss) per share	Total expense
4 th Quarter 2023	(2,626,122)	(0.17)	(210,107)
3 rd Quarter 2023	(369,839)	(0.00)	199,629
2 nd Quarter 2023	(63,750)	(0.00)	266,704
1 st Quarter 2023	(408,367)	(0.00)	236,563
4 th Quarter 2022	(1,159,988)	(0.01)	210,426
3 rd Quarter 2022	63,732	0.00	211,848
2 nd Quarter 2022	(613,594)	(0.00)	261,592
1 st Quarter 2022	15,256	0.00	277,438

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023

The Company continued its efforts to identify, evaluate and acquire additional suitable investments.

The Company realized a comprehensive loss of \$3,496,852 (2022 – \$1,599,766). Significant changes were as follows:

- Consulting fees decreased to \$58,821 (2022 - \$188,073) as a result of decrease in consultant engagements.
- Professional fees increased to \$360,123 (2022 - \$215,820) with an increase in legal services availed.
- General and administrative expenses of \$144,810 (2022 - \$216,917) include insurance, short-term lease, website maintenance, and shareholder communications expense.
- Travel and promotion costs were \$nil (2022 - \$37,705) in relation to absence of travel or promotional activities.
- Loss on marketable securities of 154,324 (2022 – loss of \$180,586).
- Operator income of \$68,282 (2022 - \$126,957) in relation to management of exploration projects for third parties.

- Unrealized foreign exchange gain of \$28,744 (2022 – \$473,590) due to currency fluctuation.
- Loss on settlement of receivables of \$229,548 (2022 - \$nil) in relation to management of exploration projects for third parties.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2023

The Company realized a comprehensive loss of \$2,652,725 (2022 – of \$1,174,737). Significant changes were as follows:

- Consulting fees decreased to \$8,461 (2022 - \$9,318) as a result of decrease in consultant engagement.
- Professional fees increased to \$95,139 (2022 - \$60,755) with an increase in legal services availed.
- General and administrative expenses of \$21,821 (2022 - \$50,997) include insurance, short-term lease, website maintenance, and shareholder communications expense.
- Travel and promotion costs decreased to \$nil (2022 - \$10,913) in relation to absence of promotional activities.
- Loss on marketable securities of \$8,063 (2022 – loss of \$236,575).
- Unrealized foreign exchange gain of \$19,228 (2022 – loss of \$337,152) due to currency fluctuation.

LIQUIDITY AND CAPITAL RESOURCES

The Company had \$4,904 cash and cash equivalents at December 31, 2023 (December 31,2022 - \$241,866).

During the year ended December 31, 2023, the primary use of cash was the funding of operating activities of \$87,412(2022 - \$398,296).

Cash used in investing activities amounted to \$149,550 (2022 - \$90,969), comprised of exploration and evaluation assets expenditure of \$264,600 (2022 - \$1,442,228), option payments received \$nil (2022 - \$1,272,000). Proceeds from sale of marketable securities were \$115,150 (2022 - \$213,259).

Cash provided by financing activities amounted to \$nil (2022 - \$563,630) from share issuances.

The Company's continued existence is dependent upon the achievement of profitable operations or the ability of the Company to raise alternative financing. Changes in future conditions could require material write-downs of carrying values of assets.

At December 31, 2023, the Company had a working capital deficit of \$1,575,797 (2022 – \$298,543). The Company has incurred net losses since inception and as of December 31, 2023, had accumulated losses of \$24,398,522 (December 2022 - \$20,930,444).

Share Capital

The Company did not issue shares during the year ended December 31, 2023.

During the year ended December 31, 2022, the Company issued the following:

On August 15, 2022, the Company issued 100,000 shares with a value of \$300,000 pursuant to the Bright Gold Property option agreement.

On May 9, 2022, the Company completed a private placement comprising 1,624,000 units at \$0.35 per unit for gross proceeds of \$568,400. Each unit is comprised of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share at a price of \$0.05 for a period of one year from the date of closing of the placement. The directors of the Company participated in the private placement. Gross proceeds from this private placement of \$487,200 were allocated to share capital and \$81,200 to warrants based on residual method. The Company paid cash finder's fees totaling \$766.

Promissory notes and Loans payable

During the year ended December 31, 2020, the Company issued a promissory note in the amount of \$150,000 to a former director of the Company. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 8% per annum. The Company issued 379,747 bonus shares with a fair value of \$30,000 in connection with the promissory note, which was recorded against the face value of the promissory note on the date of issuance. During the year ended December 31, 2023, the Company recorded \$12,000 (2022 - \$12,000), respectively, as interest expense. The carrying value of this promissory note at December 31, 2023 is \$182,647 (December 31, 2022 - \$170,647).

During the year ended December 31, 2021, the Company issued a promissory note in the principal amount of \$100,000 to a third party. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 6% per annum payable at maturity. In connection with the promissory note, the Company issued 2,000,000 bonus warrants with an exercise price of \$0.05 and term of one year. The fair value of the bonus warrants of \$15,909 was recorded against the face value of the promissory note on the date of issuance. The fair value of the bonus warrants was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 0.82% and an expected volatility of 69.65%.

During the year ended December 31, 2022, the Company entered into an amending agreement with the third party to extend the maturity of the loan by six months. In connection with the extension, the Company issued 3,333,333 bonus warrants with an exercise price of \$0.05 and term of one year. The fair value of the bonus warrants of \$31,970 was recorded against the face value of the promissory note on the date of issuance. The fair value of the bonus warrants was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 4.44% and an expected volatility of 118.33%. During the year ended December 31, 2023, the Company recorded \$9,500 (2022- \$6,305), respectively, as interest expense and recorded accretion expense of \$27,678 (2022- \$17,585), respectively, in connection with this promissory note. The carrying value of this promissory note at December 31, 2023 is \$110,775 (December 31, 2022 - \$73,597).

During the year ended December 31, 2021, the Company issued a promissory note in the principal amount of \$150,000 to a third party. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 6% per annum payable at maturity. In connection with the promissory note, the Company issued 3,000,000 bonus warrants with an exercise price of \$0.05 and term of one year. The fair value of the bonus warrants of \$23,862 was recorded against the face value of the promissory note on the date of issuance. The fair value of the bonus warrants was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 0.82% and an expected volatility of 69.65%.

During the year ended December 31, 2022, the Company entered into an amending agreement with the third party to extend the maturity of the loan by six months. In connection with the extension, the Company issued 5,000,000 bonus warrants with an exercise price of \$0.05 and term of one year. The fair value of the bonus warrants of \$47,955 was recorded against the face value of the promissory note on the date of issuance. The fair value of the bonus warrants was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 4.44% and an expected volatility of 118.33%. During the year ended December 31, 2023, the Company recorded \$14,250 (2022 - \$9,655), respectively, as interest expense and recorded accretion expense of \$41,517 (2022 - \$26,901), respectively, in connection with this promissory note. The carrying value of this promissory note at December 31, 2023 is \$166,163 (December 31, 2022 - \$110,396).

During the year ended December 31, 2021, the Company issued a promissory note in the principal amount of \$139,149 to a director of the Company. The note is unsecured, payable within 5 business days from demand, and bears interest at

a rate of 10% per annum. During the year ended December 31, 2022, the Company repaid \$50,000 of the principal balance of the loan. During the year ended December 31, 2023, the Company recorded \$22,282 (2022 - \$13,024), respectively, as interest expense in connection with this promissory note. The carrying value of this promissory note at December 31, 2023 is \$111,431 (December 31, 2022 - \$102,517).

RELATED PARTY TRANSACTIONS

For the year ended December 31, 2023, the Company recorded the following transactions with related parties:

- a) \$135,000 in management fees to the Chairman of the Board of Directors (2022 - \$133,875).
- b) \$60,000 in management fees to the Chief Executive Officer ("CEO") of the Company (2022 - \$nil).
- c) \$135,000 in professional fees to a company controlled by the Chief Financial Officer ("CFO") of the Company (2022 - \$133,875).
- d) \$6,250 in director's fees to a company controlled by a former director of the Company (2022 - \$30,000).
- e) \$nil in consulting fees to a company controlled by a former director and CEO of the Company (2022 - \$129,863).
- f) \$nil in project management fees to a company controlled by a former director and CEO of the Company (2022 - \$37,817).

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Compensation awarded to key management includes the following:

	December 31, 2023	December 31, 2022
	\$	\$
Short-term benefits	369,165	487,538
Stock-based compensation	-	-
Total	369,165	487,538

Amounts owing to related parties are as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Chairman of the Board for management fees – Martyn Element	178,323	101,109
CEO of the company for management fees – Andrew Neale	60,000	-
Former director for director's fees – Anthony Balme	43,750	37,500
Former director and CEO for consulting fees – Phillip Thomas & Panopus Plc.	264,863	264,863
Former director and CEO for other expenses – Phillip Thomas & Gurtan PTY Ltd.	3,516	3,593
Former director and CEO for project management fees – Phillip Thomas & Panopus Plc.	91,863	94,071
Company controlled by the CFO for professional fees – Kiki Smith & KSI CPA Inc.	165,341	71,392
	807,656	572,528

Included in prepaid expenses at December 31, 2023, is \$nil for expenses are paid to the Chairman of the Board (December 31, 2022 - \$21,974).

Included in accounts receivable at December 31, 2023, is \$742 due from a company associated with a former director (December 31, 2022 - \$3,476).

At December 31, 2023, promissory notes and loans payable with an aggregate principal amount of \$239,149 were payable to a director of the Company (December 31, 2022 - \$239,149). There was \$54,929 of interest accrued on the principal amount (December 31, 2022 - \$34,013). (Note 11)

SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2023, the following events occurred:

- a) On March 5, 2024, the Company completed a 10:1 share consolidation. All share and per share amounts are stated on a post consolidation basis for all periods presented in these financial statements.
- b) 1,562,500 share warrants expired unexercised on January 29, 2024.

OUTSTANDING SHARE DATA

As at the date of this report, the capital stock of the Company was as follows:

The authorized share capital of the Company is an unlimited number of shares with no par value. All issued shares, consisting only of common shares, are fully paid.

	Number of shares issued or issuable
Common shares	20,421,541
Warrants	2,630,000
Options	1,040,167
Total, if all exercised	24,091,708

INVESTMENT POLICY AND BUSINESS RISK

Investment Goals

Our investment goal is to pursue high potential projects and ideas or themes with a view to maximizing returns. These specific investment objectives are as follows:

- Opportunistic: Opportunistic investments in high growth potential projects and business propositions that are presented in a high growth market or in a distressed state where assets have been significantly discounted.
- High Growth: Primary objective is to maximize returns for shareholders, taking advantage of increasing product prices, scarcity of product or technology or barriers to entry that can be used to our market advantage.
- Sectors: Invest thematically in diverse sectors including mining, chemicals, energy technology and food and beverages.

Investment Objectives

Our measurable investment objectives are as follows:

- Achieve a minimum Return on Capital Employed (ROCE) of 30% per annum within 24 months of investing (or the time period allocated to payback), and
- Achieve a positive NPV using a discount rate of 12% that provides for an Internal Rate of Return that exceeds 30% after the investment equity has been earned after tax.

Investment Strategy

- After defining attractive market segments in our thematic sectors, use our fair value model to allow investment opportunities to be evaluated for Company fit to investment objectives and thematic investment policy.
- Value assets using appropriate investment methodology and test for risk and sustainability of cashflows and benchmark these metrics accordingly.
- Utilize capital in distressed assets and invest where a major market share can be acquired quickly.

Risks arise within the context of the general economic environment in which investment decisions are made. This includes but is not limited to, such macroeconomic factors as fluctuations in interest rates, commodity prices, foreign exchanges rates and liquidity in the economy and in specific markets. There are risk effects that these factors have on individual issuers and investments made by the Company.

Additionally, risks arise with respect to each individual investment made by the Company including, but not limited to factors such as operational performance, profitability, and the opportunity to sell the investment in the future. Investments may take extended periods of time until fruition becomes evident; and while management endeavors to perform at the highest level, there is a risk of failure.

The Company has also commenced activities in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. The Company intends to develop these projects then spin them out at the appropriate time.

Due to the nature of the Company's business and the present stage of exploration of its resource properties (which are primarily early stage exploration properties with no known resources or reserves that have not been explored by modern methods), the following risk factors, among others, will apply:

Mining Industry is Intensely Competitive: The mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, 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 the Company not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any mineral deposit will be such that any of its resource properties could be mined at a profit.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its proposed business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: The Company may become subject to liability for pollution or hazards against which it cannot insure or against 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.

Government Regulation: Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Matters: Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties will be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result

in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties. In particular, failure by the Company to raise the funding necessary to maintain in good standing its various option agreements could result in the loss of its rights to such properties.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce minerals from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

Price Fluctuations and Share Price Volatility: In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Surface Rights and Access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

Title: Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to resource properties may be subject to unregistered prior agreements or transfers, and it may also be affected by undetected defects or the rights of indigenous peoples.

Acquisition of Mineral Concessions under Agreements: The agreement pursuant to which the Company has the right to acquire a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share

of ongoing expenditures. The Company does not presently have the financial resources required to complete all expenditure obligations under its property acquisition agreement over their full term. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include credit risk, currency risk, interest rate risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors. Please refer to Note 14 of the consolidated financial statements for the year ended December 31, 2023, for further details.

ADDITIONAL CORPORATE INFORMATION

Additional information relating to the Company, including the Information Circular, can be found on the SEDAR website at www.sedarplus.ca.