



AMSECO EXPLORATION LTD

Management's Discussion & Analysis

MD&A

**Report for condensed interim financial statements for the
period ended**

June 30, 2024

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This discussion and analysis of the condensed interim financial situation and operating results as of June 30, 2024 and June 30, 2023, complies with Rule 51-102 of the Canadian Securities Administrators ("CSA") on continuous disclosure obligations applicable to reporting issuers. This document is a supplement and an additional source of information and should be read in conjunction with the unaudited financial statements for the periods ended June 30, 2024, and 2023 of Amseco Exploration Ltd. ("Amseco" or the "Company"). This report presents management's views on the Company's current activities and its financial results, both past and present. It also provides an overview of planned activities for the immediate future. Additional information can be obtained from the website www.sedarplus.ca in the section for documents filed by Amseco. All monetary amounts are in Canadian dollars.

Amseco Exploration Ltd. is a reporting issuer under the securities laws of Quebec, Alberta, and British Columbia. The Company's common shares are publicly traded on the TSX Venture Exchange under the symbol "AEL".

1. DATE

This management report is for the period ended June 30, 2024, with additional information up to November 14, 2024.

2. FORWARD LOOKING STATEMENTS

Certain statements in this management report, including opinions, plans, objectives, strategies, estimates, intentions, and expectations of the Company, as well as other statements not based on historical facts, constitute forward-looking statements. These statements can be identified by words such as "forecast," "anticipate," "estimate," "expect," and "envisage," as well as similar expressions. These statements are based on information available at the time they are made, on assumptions made by management, and on management's expectations, acting in good faith, regarding future events. These statements inherently involve known and unknown risks and uncertainties mentioned herein. The Company's actual results could differ significantly from those indicated or implied by these forward-looking statements. Therefore, it is recommended not to rely unduly on forward-looking statements. These statements do not reflect the potential impact of special events (such as the completion of the proposed business combination with Canadian Gold Resources Ltd) that could be announced or occur after the date hereof. Unless required by applicable law, the Company does not intend to update these forward-looking statements to reflect, among other things, new information or future events.

3. DESCRIPTION OF THE COMPANY

The Company's shares are traded on the TSX Venture Exchange under the symbol AEL.V. As of June 30, 2024, there were 14,614,270 common shares of the Company outstanding (14,614,270 as of December 31, 2023). Amseco is actively seeking interesting projects or partnerships that would allow the company to resume operations or create value for its shareholders.

The Company no longer owns any mineral properties. For the period ended June 30, 2024, the Company incurred a net loss of \$73,356 and had negative cash flows from operations of \$22,157. The Company also had deficit of \$15,329,699 as at June 30, 2024. In addition, as at June 30, 2024, the Company's current liabilities and expected expenses for the next twelve months exceeds current assets. The Company currently has no confirmed source of financing.

The Company is an exploration company; since January 17, 2006, it has not carried on any business or operations other than identifying and evaluating business opportunities in the mineral exploration space and does not own any mining property. The Company is seeking projects or partnerships that would allow the company to resume operations or create value for its shareholders. On December 18, 2023, the Company entered into a letter of intent with Canadian Gold Resources Ltd. ("Canadian Gold") in respect of a proposed business combination. It is anticipated that the proposed transaction will constitute a "Reverse Takeover" of the Company by Canadian Gold. In connection with the transaction, Canadian Gold will arrange a concurrent non-brokered private placement for sufficient gross proceeds for the Resulting Issuer to meet the TSX Venture Exchange's listing requirements. On May 31, 2024, the Company entered into a definitive share exchange agreement with Canadian Gold in respect of the proposed business combination.

In order to continue its operation, the Company is dependent on the discovery of new projects or entering into new partnerships (such as the completion of the proposed business combination) and/or and its ability to obtain additional necessary financing to fulfill its commitments and obligations in the normal course of its activities. However, there is no guarantee that the Company will be able to obtain financing or enter into a transaction for a new project or partnership. If the Company fails to identify new projects or partnership, or is unable to obtain additional financing, its future operations could be compromised.

These events or conditions indicate the existence of significant uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

4. EVENTS DURING THIS PERIOD

On May 31, 2024, the Company entered into a definitive share exchange agreement with Canadian Gold in respect of the proposed business combination.

5. EQUITY

As of June 30, 2024, equity stood at (\$127,693) ((\$54,337) as of December 31, 2023). The deficit as of June 30, 2024, is \$15,329,699 (\$15,256,343 as of December 31, 2023).

There were 1,315,000 options outstanding as of June 30, 2024 (1,315,000) as of December 31, 2023).

6. OPERATING RESULTS

The operating result for the three-month period ended June 30, 2024 is a net loss of \$58,688. For the six-month period ended June 30, 2024, the net loss is \$73,356 (three-month period June 30, 2023 a net loss of \$30,672; six-month period ended June 30, 2023 a net loss of \$6,952).

Cash Flows

Cash flows for the period ended June 30, 2023, were primarily used for operating activities amounting to (\$22,157) ((\$49,447) – June 30, 2023), offset by proceeds from the disposal of an investment of \$22,770 (\$50,431– June 30, 2023) related to investing activities.

7. FINANCIAL CONDITION AND LIQUIDITY

As of June 30, 2024, the Company held current assets of \$18,735, including cash of \$626 (\$13 as at December 31, 2023), an investment of \$10,400 (\$42,120 as at December 31, 2023), and goods and services tax receivable of \$7,137 (\$903 as at December 31, 2023). These current assets are insufficient to cover current liabilities amounting to \$146,428 as at June 30, 2024 (\$101,379 as at December 31, 2023), refer to section 3 above.

7.1 Dividend Policy

Since its incorporation, the Company has never declared a cash dividend on outstanding shares. It is unlikely that dividends will be paid in the near future.

7.2 Off-Balance Sheet Agreements

The Company has not entered into any off-balance-sheet arrangements.

7.3 Financial Instruments

The Company's financial instruments consist of cash, an investment, and accounts payable and accrued liabilities.

7.4 Capital Information

The Company's capital management objectives are to:

- To ensure the Company's ability to continue its operations;
- Increase the value of the Company's assets; and
- To ensure a return to the Company's shareholders.

These objectives will be achieved through the establishment of acquisition projects and the eventual development of these projects. As explained in note 1, the Company has entered in a definitive agreement for proposed business combination with Canadian Gold. The transaction is subject to shareholder and regulatory approvals.

The Company manages its capital on a carrying value basis. Capital for the period is presented in Note 5 of the interim condensed financial statements and in the statements of shareholders' deficiency.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to capital management objectives, procedures or processes during the reporting periods.

8. FINANCIAL POSITION AND STATEMENT OF NET LOSS INFORMATION

Description	June 30, 2024	June 30, 2023
Cash	626	3 565
Total liabilities	146 428	92 650
Shared capital	13 985 955	13 985 955
(Net loss)	(73 356)	(6 952)
Loss per share (basic and diluted)	-	-

9. SUMMARY OF QUARTERLY RESULTS

	2024		2023				2022	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	\$	\$	\$	\$	\$	\$	\$	\$
Other operating and financial expenses	54 968	9 439	22 615	16 195	35 949	7 801	3 575	8 269
(Net loss) Net profit	(58 688)	(14 669)	(22 669)	(32 035)	(30 672)	23 720	11 725	(22 714)
Earnings (loss)per share	(0,004)	(0,001)	(0,001)	(0,002)	(0,002)	0,002	0,001	(0,002)

The Company has not carried on any business or operations other than identifying and evaluating business opportunities in the mineral exploration space and does not own any mining properties. Accordingly, it has not generated any revenue from commercial activities and it incurs mostly administrative expenses. In recent quarters, the Company has financed its activities from the proceeds from the sale of an investment. As June 30, 2024, the remaining investment had a value of \$10,400.

The main differences compared to 2023, are as follows:

- The market value of the investment portfolio for Q4 2024 and Q1 2023 was higher than the respective previous period, generating a profit close to \$48,000. Legal fees (\$13,327) in Q2 2024 related to the stock exchange vs none in Q2 and Q1 2023. Professional fees for the audit in Q2 2024 have increased compared to Q2 2023
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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial instruments:

The current financial assets and liabilities, which include cash and accounts payable, approximate their fair value due to their immediate or short-term maturity. The fair value of the investment in a listed entity as of June 30, 2024, LithiumBank, is determined based on the fair value of the shares traded on the TSX.V.

Exposure and risk management:

The Company is exposed to several risks to varying degrees. The type of risk and the way exposure is managed are described below:

i) Market risk

Market risk is the risk that changes in market prices, such as foreign currency rates, interest rates and prices of equity instruments, will affect the Company's or the value of financial instruments. The objective of market risk management is to manage and maintain market risk exposures within acceptable parameters while optimizing returns. The Company does not have any derivative financial instruments to manage these risks.

Currency risk

The Company is not exposed to exchange rate fluctuation risks as all its transactions so far have been conducted in Canadian dollars.

ii) Liquidity risk

Liquidity risk represents the risk that the Company will have difficulty meeting its obligations as they become due. As indicated in Note 9 of the condensed interim financial statements for June 30, 2024, the Company manages this risk through the management of its capital structure. Additionally, it manages liquidity risk by constantly monitoring its actual and projected cash flows. Refer to section 3 of this MD&A.

iii) Credit risk

Credit risk represents the risk that the Company will incur a financial loss if another party to a financial instrument fails to meet its contractual obligations. This risk arises mainly from cash. The carrying value of these financial assets represents the maximum exposure to credit risk as of these financial statements. The credit risk on cash is limited since the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies.

11. CONFLICTS OF INTEREST/TRANSACTIONS WITH RELATED PARTIES

Certain directors of the Company are also directors, officers, or shareholders of other companies engaged in the same line of business. Such associations may lead to conflicts of interest. Directors are required by law to act honestly and in the best interests of the Company. If a conflict of interest arises at a board meeting, any director involved in the conflict will disclose their interest and refrain from voting on the matter.

Transactions between related parties

Related parties to the Company include key executives and companies controlled by key executives as explained below.

Transactions are conducted in the normal course of the Company's business and are measured at their exchange value, which is the amount agreed upon by the parties to the agreements.

Transactions with companies controlled by key executives or with executives:

	Three months ending		Six months ending	
	June 30	June 30	June 30	June 30
	2024	2023	2024	2023
	\$	\$	\$	\$
Administratives charges				
Management fees	2 500	2 500	5 000	5 000
Rent	1 050	-	2 100	-

As of June 30, 2024, accounts payable and accrued liabilities include amounts payable to related parties of \$95,566 (compared to \$87,000 as at December 31, 2023).

12. MATERIAL ACCOUNTING POLICIES

A full disclosure and description of the Company's material accounting policies, judgements and estimates can be found in Note 3 of the audited financial statements for the year ended December 31, 2023.

13. DISCLOSURE CONTROLS AND PROCEDURES

It is the responsibility of Amseco Exploration Ltd.'s management to establish and maintain necessary processes to obtain sufficient information so that the President and CEO and the CFO can certify that, to their knowledge and with the diligence they exercise, the documents

for the period ended December 31, 2023, do not contain any false or misleading information concerning a material fact nor omit any material fact required to be stated.

Management also certifies that the financial statements and other financial information presented in the documents fairly present in all material respects the financial condition and the results of its operations and its cash flows for these periods.

13.1 Outlook

Management will continue to manage its funds very rigorously with the primary objective of optimizing shareholder return on investment. Management, in applying its development strategy, will consider the global context of exploration, stock market trends, the price of gold, and other metals.

On December 18, 2023, the Company entered into a letter of intent with Canadian Gold Resources Ltd. (“Canadian Gold”) in respect of a proposed business combination.

On May 31, 2024, the Company entered into a definitive share exchange agreement with Canadian Gold in respect of the proposed business combination.

13.2 Management responsibility

The interim financial statements for June 30 2024, and the other information contained in this report are the responsibility of management. They have been prepared in accordance with IFRS Accounting Standards and approved by the Board of Directors

14. OTHER

14.1 Regulation 51-102 – Section 5.4

Information on outstanding securities (November 14, 2024)

Common shares outstanding: **14 614 270**

Option in circulation	Exercising options		Due Date
265,000	\$ 0.10	265,000	October 2028
525,000	\$ 0.075	525,000	May 31
525,000	\$ 0.05	525,000	August 2033
1,315,000		1,315,000	

Warrants: none

(S) Jean Desmarais

Signature of Jean Desmarais, President and Member of the Board of Directors