

KUBERA GOLD CORP. (formerly Shafer Resources Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2023

Dated: April 5, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Kubera Gold Corp. (formerly Shafer Resources Corp.) for the year ended December 31, 2023 and is prepared as at April 5, 2024. Throughout this MD&A, unless otherwise specified, "Kubera", "Company", "we", "us" and "our" refer to Kubera Gold Corp. This MD&A should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2023 and the notes thereto which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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 success at completing future financings;
- The Company's strategies and objectives;
- General business and economic conditions;
- Foreign political policies and objectives;
- The Company's ability to successfully negotiate mining licenses;
- The Company's ability to meet its financial obligations as they become due; and
- 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,

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uncertainties, and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

CORPORATE OVERVIEW AND OUTLOOK

Kubera was incorporated on September 28, 2018 in the province of British Columbia, and on October 10, 2023, changed its name from Shafer Resources Corp. to Kubera Gold Corp. The Company is an exploration stage company engaged in acquiring, exploring and developing mineral properties, principally located in Ontario, Canada. On March 11, 2024, the Company completed an initial public offering ("IPO") and on March 13, 2024 became listed as a Tier 2 Mining issuer on the TSX Venture Exchange ("TSX-V" or "Exchange") under the trading symbol KBRA. The address of the Company's corporate office and principal place of business is 1600 – 609 Granville Street, Vancouver, BC V7Y 1C3, and its registered and records office is located at 2200 – 885 West Georgia Street, Vancouver, BC V6C 3E8.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. As of December 31, 2023, the Company has not generated revenues from its principal activities and is considered to be in the exploration stage.

MINERAL PROPERTIES

Dash Lake Property, Ontario

On October 10, 2018, the Company entered into an option agreement to acquire a 100% interest in the Dash Lake property (the "Property") located in the Kenora Mining Division, Northwestern Ontario, subject to a 1.5% net smelter royalty ("NSR"). The Property consists of 44 contiguous unpatented mining claims, including 10 boundary cell mining claims and 34 single cell mining claims encompassing a total area of approximately 815 hectares (8.15 square kilometres).

To earn the 100% interest, the Company is required to make total cash payments of \$6,000, incur aggregate exploration expenditures of \$75,000, and issue a total of 200,000 common shares of the Company as follows:

- Pay \$6,000 (paid) and issue 40,000 common shares (issued) upon entering into of the Option Agreement;
- Within 10 days of completion of the minimum of \$75,000 in exploration expenditures, issue 40,000 common shares (issued);
- Within 10 days of delivery of a National Instrument 43-101 report on the Property that meets the requirements of Exchange, issue 80,000 shares (issued); and
- After listing on the Exchange, upon the earlier of completion of an initial phase 1 work program of not less than \$100,000, or the date, which is 12 months from listing on the Exchange, the Company will have 90 days to issue a final 40,000 common shares for 100% right, title and interest in the Property.

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As of December 31, 2023, the exploration and evaluation assets consisted of the following:

	December 31, 2023
Acquisition Costs:	
Balance, beginning of year	\$ 14,000
Balance, end of year	\$ 14,000
Exploration Costs:	
Balance, beginning of year	\$ 162,993
Geological services	40,239
Geophysics	2,524
Soil assays	7,652
Total Exploration Costs	213,408
Balance	\$ 227,408

As of December 31, 2022, the exploration and evaluation assets consisted of the following:

	December 31, 2022
Acquisition Costs:	
Balance, beginning of year	\$ 14,000
Balance, end of year	14,000
Exploration Costs:	
Balance, beginning of year	\$ 157,993
Geological services	5,000
Total Exploration Costs	162,993
Balance	\$ 176,993

SELECTED ANNUAL INFORMATION¹

Kubera is an exploration stage company with no mineral producing properties, and thus, does not have revenues from any mineral properties.

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2021
Loss and comprehensive loss:			
(i) total for the year	\$59,415	\$18,731	\$18,873
(ii) loss per share – basic and diluted	\$0.01	\$0.00	\$0.00
Total assets	\$383,913	\$354,908	\$372,915
Total current liabilities	\$172,692	\$84,272	\$83,548
Total long-term financial liabilities	\$nil	\$nil	\$nil

¹ Audited financial information prepared in accordance with International Financial Reporting Standards ("IFRS").

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SUMMARY OF QUARTERLY RESULTS¹

Kubera is an exploration stage company with no mineral producing properties, and thus, does not have revenues from any mineral properties.

	4th Quarter Ended December 31, 2023	3rd Quarter Ended September 30, 2023	2nd Quarter Ended June 30, 2023	1st Quarter Ended March 31, 2023
	\$	\$	\$	\$
Loss and comprehensive loss for the period	47,361	5,018	7,018	18
Basic/diluted loss per share	0.01	0.00	0.00	0.00
	4th Quarter Ended December 31, 2022	3rd Quarter Ended September 30, 2022	2nd Quarter Ended June 30, 2022	1st Quarter Ended March 31, 2022
	\$	\$	\$	\$
Loss and comprehensive loss for the period	7,901	18	18	10,794
Basic/diluted loss per share	0.00	0.00	0.00	0.00

¹ Unaudited financial information prepared in accordance IFRS

RESULTS OF OPERATIONS FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2023, COMPARED TO THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2022

The following is an analysis of the Company's operating results for the three months and year ended December 31, 2023 and includes a comparison against the comparable periods in the previous year.

General and administrative expenses for the three months and year ended December 31, 2023, were \$232 and \$286, respectively, compared to \$18 and \$72, respectively, for the three months and year ended December 31, 2022. These expenses are bank service fees as well as advertising and promotion.

Consulting fees for the three months and year ended December 31, 2023, were \$5,000 and \$5,000, respectively, compared to \$nil and \$nil for the three months and year ended December 31, 2022, respectively. These related to accounting and administrative fees.

Professional fees for the three months and year ended December 31, 2023, were \$30,943 and \$42,943, respectively, compared to \$7,884 and \$18,659, respectively, for the three months and year ended December 31, 2022. These fees were incurred for legal and accounting services. Fiscal 2023 expenses were significantly higher due to the IPO costs.

Transfer agent and filing fees for the three months and year ended December 31, 2023, were \$11,186 and \$11,186, respectively, compared to \$nil and \$nil for the three months and year ended December 31,

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2022, respectively. These fees were incurred with the TSX-V for the preliminary and final prospectus filing fee, as well as for the SEDAR+ fees.

Loss and comprehensive loss for the period

As a result of the activities discussed above, the Company experienced a loss and comprehensive loss of \$47,361 and \$59,415, respectively, for the three months and year ended December 31, 2023, compared to \$7,902 and \$18,731, respectively, for the three months and year ended December 31, 2022.

SHARE CAPITAL

Authorized

Unlimited number of common and preferred shares without par value. As of the date of this MD&A there are no preferred shares issued or outstanding.

Share Consolidation

On September 19, 2023, the Company completed a consolidation of its issued and outstanding common shares on a 2.5:1 basis. All share and per share information in the Financial Statements and this MD&A have been retroactively adjusted to reflect the consolidation.

Shares issued

On March 11, 2024, the Company completed its IPO of 3,000,000 common shares at a price of \$0.25 per share for gross proceeds of \$750,000. The Company paid a cash commission of \$45,000, a corporate finance fee of \$30,000, \$99,005 in legal fees, \$20,578 in listing fees, and \$3,200 in agent's expenses and granted to the agent, 180,000 agents' options, with each agents' option exercisable for one common share of the Company at a price of \$0.25 until March 11, 2027. Deferred financing costs at December 31, 2023 are \$103,176 (2022: \$10,000).

Upon completion of the IPO, an aggregate of 1,200,000 common shares of the Company are being held in escrow pursuant to the requirements of the Exchange. Ten percent of the escrowed common shares were released from escrow on March 11, 2024, and fifteen percent will be released every six months thereafter.

	Number of Common Shares
Balance as at December 31, 2022, and 2023	6,591,920
Shares issued for cash	3,000,000
Balance, as of the date of this MD&A	9,591,920

Stock options

The Company has adopted a rolling 10% stock option plan (the "Plan") which provides that the directors of the Company may grant options to purchase common shares of the Company to directors, officers, employees, and service providers, with the number of options being limited to 10% of the issued shares at the time of granting of options. The Board of Directors in its sole discretion may determine any vesting

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provisions for options. Options are equity settled. The exercise price shall be determined by the directors of the Company at the time of grant in accordance with the provisions of the Plan, with a minimum price of \$0.05 or discounted market price. The expiry date for an option shall not be more than ten years from the grant date.

There was no activity with respect to stock options for the years ended December 31, 2023 or December 31, 2022.

On March 11, 2024, the Company granted stock options to directors, officers, and a consultant to the Company to acquire up to an aggregate of 800,000 common shares. Each option is exercisable to acquire one common share at a price of \$0.25 any time prior to March 11, 2029.

On March 11, 2024, the Company amended the expiry date of the 150,000 stock options then outstanding to March 11, 2029.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2022, and 2023	150,000	\$0.25
Granted	800,000	\$0.25
Balance, as of the date of this MD&A	950,000	\$0.25

As at the date of this MD&A, stock options outstanding and exercisable are as follows:

Grant Date	Number of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (Years)
August 21, 2019	100,000	\$0.25	March 11, 2029	5.00
January 2, 2020	50,000	\$0.25	March 11, 2029	5.00
March 11, 2024	800,000	\$0.25	March 11, 2029	5.00
Total	950,000	\$0.25		5.00

Agent options

As part of the IPO on March 11, 2024, the Company granted to the agent options to acquire 180,000 common shares at a price of \$0.25 per common share until March 11, 2027.

A summary of the Company's agent option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2022, and 2023	-	\$-
Granted	180,000	\$0.25
Balance, as of the date of this MD&A	180,000	\$0.25

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As at the date of this MD&A, agent options outstanding and exercisable are as follows:

Grant Date	Number of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (Years)
March 11, 2024	180,000	\$0.25	March 11, 2027	3.00
Total	180,000	\$0.25		3.00

LIQUIDITY AND CAPITAL RESOURCES

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is not subject to any externally imposed capital requirements. There were no changes to management's approach to capital management during the year ended December 31, 2023.

A summary of the Company's cash flows during the year ended December 31, 2023 and 2022 is as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cash flows used in operating activities	\$ (60,135)	\$ (24,834)
Cash flows used in financing activities	(59,144)	-
Cash flows used in investing activities	(7,800)	-
Decrease in cash for the year	(127,079)	(24,834)
Cash, beginning of the year	165,903	190,737
Cash, end of the year	\$ 38,824	\$ 165,903

Cash flows used in operating activities were \$60,135 during the year ended December 31, 2023 compared to \$24,834 during the year ended December 31, 2022. The cash was used to maintain the administrative needs of the Company.

Cash flows used in financing activities were \$59,144 during the year ended December 31, 2023, compared to \$nil during the year ended December 31, 2022. Retainers in the amount \$15,000 for agent's corporate finance fee and legal expenses were paid as of December 31, 2023 and have been included in deferred financing costs, and \$10,000 in prepaid agent legal expenses was reclassified from prepaid expenses to deferred financing costs. Additionally, \$78,176 in legal and listing expenses incurred in connection with the IPO, are included in deferred financing costs at December 31, 2023.

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Cash flows used in investing activities were \$7,800 during the year ended December 31, 2023 compared to \$nil during the year ended December 31, 2022. The cash was used to finance exploration activities on the Company's exploration and evaluation assets.

As a result of the above activities, at December 31, 2023, the Company has \$38,824 of cash to settle current liabilities of \$172,692. On March 11, 2024, the Company completed its IPO for gross proceeds of \$750,000. As such, the Company's management believes it has sufficient cash to fund corporate overhead costs for the next year.

The Company has no operating revenues and finances its operations principally through equity financing. Although the Company has been successful in raising the above funds, there can be no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities. In these uncertain times, the Company carefully monitors its expenditure and cash flows. The Company anticipates that it will continue to rely on the equity market to raise additional funds when needed. Debt financing has not been used to fund property acquisitions and exploration and the Company has no current plans to use debt financing.

Since incorporation, the Company's capital resources have been limited. The Company has had to rely upon the sale of equity securities for the cash required for exploration, evaluation, and administration.

The Company does not have any commitments for material capital expenditures, and none are presently contemplated other than as disclosed above normal operating requirements. The Company will require funds in order to fund any exploration programs, and as a result, the Company will have to continue to rely on equity, or debt financing if it becomes available to the Company, in the future. There can be no assurance that financing, whether equity or debt, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

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 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

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key

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management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

As at December 31, 2022 and 2023, there was \$nil amount due to or from related parties.

There was no key management compensation during the years ended December 31, 2022 and 2023. There were no other related party transactions during the year ended December 31, 2023.

On March 11, 2024, the Company granted an aggregate of 620,000 stock options to directors and officers of the Company (see Share Capital section).

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring mineral properties. It is exposed to several risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation, and other risks. The Company currently has no source of revenue. The Company relies on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

An investment in the Company's common shares should be considered highly speculative due to the nature of the Company's existing business and operations.

The Company requires financing in order to maintain and continue its operations

The Company's ability to continue will largely be reliant on its continued attractiveness to equity investors and its ability to obtain additional financing to maintain and grow operations. Failure to obtain sufficient financing may result in delaying, scaling back, elimination of, or indefinite postponement of, the exploration schedule and its current or future programs. Additionally, should the Company require additional capital to continue, failure to raise such capital could result in the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

From time to time, the Company may issue new shares, seek debt financing, dispose of assets, or enter transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards.

Exploration and Development

Mineral exploration and development is a speculative business, characterized by several significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production. All the mineral claims in which the Company has a right to acquire an interest are in the exploration stages only and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before

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its economic viability can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Operating Hazards and Risks

Mining operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. During exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding, and earthquakes, may occur. Operations in which the Company has a direct or indirect interest are subject to all the hazards and risks normally incidental to exploration, development, and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage, and possible legal liability for any or all damage.

Foreign Currency Exchange

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying market prices in Canada for minerals are impacted by changes in the exchange rate between Canadian and United States dollars.

Supplies and Infrastructure

The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surface access, skilled labor, fuel, and power at an economic cost cannot be assured. These are integral requirements for exploration, production, and development facilities on mineral properties. Power may need to be generated onsite.

Metal Prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced, even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production, and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that it can be mined at a profit.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements, transfers or native claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labor standards, occupational health, waste disposal, safety, and other matters. Environmental legislation in Ontario provides restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain

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mining industry operations, such as seepage from tailing 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 statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. 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 operations. The Company intends to fully comply with all environmental regulations. The current operations of the Company require permits from Ontario authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters. The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. However, there can be no assurance that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms, a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future. The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Economic Conditions

Unfavourable economic conditions may negatively impact the Company's financial viability. Unfavourable economic conditions could also increase the Company's financing costs, decrease net income, or increase net loss, limit access to capital markets and negatively impact the availability of credit facilities to the Company.

Properties held under option

The Company's mineral exploration property is currently held under option. The Company has no ownership interest in its property until all required property expenditures, share issuances and cash payments have been made. If the Company is unable to fulfill the requirements of the option agreement, it is likely that the Company would be considered in default of the agreement and the option agreement could terminate resulting in the complete loss of all expenditures and option payments made on the property to that date.

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.

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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 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 is dependent on the business and technical expertise of its management team. If it is unable to rely on this business and technical expertise, or if any of the expertise is inadequately performed, the business, financial condition and results of operations of the Company could be materially adversely affected until such time as the expertise could be replaced.

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) Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not currently exposed to foreign exchange risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's sensitivity to interest rates is considered insignificant.

(iii) Price 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 risk of price rate risk.

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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 institutions. The Company's maximum exposure to credit risk is equal to the carrying amount of cash and GST receivable. 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 of December 31, 2023, the Company had a cash balance of \$38,824 to settle current liabilities of \$172,692. All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at December 31, 2023, the Company has no sources of revenue to fund its operating expenditures or fund any identified business acquisition and as such will likely require additional financing to accomplish the Company's long-term strategic objectives. On March 11, 2024, the Company completed its IPO for gross proceeds of \$750,000. Future funding may be obtained by means of issuing share capital, or debt financing. 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 currently exposed to a moderate level of liquidity risk.

Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

As at December 31, 2023 the Company's financial instruments consist of cash, receivables, deferred financing costs, and accounts payable and accrued liabilities. Cash, receivables, deferred financing costs, and accounts payable and accrued liabilities are classified as amortized cost. The fair value of these financial instruments approximate their carrying values which is the amount recorded on the statement of financial position in the Financial Statements.

SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of mineral properties. The Company's exploration and evaluation assets are located in Canada.

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CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

CRITICAL ACCOUNTING ESTIMATES

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

Deferred tax assets and liabilities

The measurement of deferred income 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 operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

Exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental, and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

CRITICAL ACCOUNTING JUDGEMENT

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

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Going Concern

The Company's management has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1 of the Financial Statements.

CHANGE IN ACCOUNTING POLICY

In the current year, the Company has applied the below amendment to IFRS Standards and Interpretations issued by the IASB that was effective for annual periods that begin on or after January 1, 2023. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The International Accounting Standards Board ("IASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments were applied effective January 1, 2023 and did not have a material impact on the Company's Financial Statements.

PROPOSED TRANSACTIONS

No transactions are proposed at this time.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

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ADDITIONAL INFORMATION

Additional information relating the Company is available at www.sedarplus.ca.