

**HOPEFIELD VENTURES TWO INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Report Date:
April 19, 2024

This Management Discussion and Analysis (“**MD&A**”) provides an analysis of the business of Hopefield Ventures Two Inc. (“**Hopefield**” or the “**Company**”) and its financial results for the year ended December 31, 2023. The following MD&A should be read in conjunction with the Company’s audited financial statements and the notes thereto for the year ended December 31, 2023 (the “**Financial Statements**”). This discussion is current as at this report date. The Financial Statements (and the financial information contained in the related MD&A) were prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and all monetary amounts expressed in this MD&A and in the Financial Statements are expressed in Canadian dollars, unless otherwise stated. Such financial statements, MD&A and additional information about the Company are available at www.sedarplus.ca.

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

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- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company.

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

Overall Performance

During the year ended December 31, 2023 the Company recorded a net loss of \$142,910. The loss includes professional fees of \$95,002, filing fees of \$21,516, share-based compensation expenses of \$14,750, and transfer agent fees of \$11,116. Professional fees included legal and audit fees, with \$64,071 in legal fees related to the Company's proposed Transaction with Predictive. The Company anticipates that ongoing legal fees in relation to the proposed Transaction with Predictive will remain the primary expense incurred by the Company until completion of the Transaction.

The Company's revenue, net loss, total assets and liabilities remained consistent from December 31, 2022 to December 31, 2023. Proceeds from the Company's IPO in January 2023 offset increased cash expenses, including increased filing fees and transfer agent fees associated with maintenance as a public company. Professional fees also increased in 2023 compared to 2022. These increases in cash expenses were offset by a decrease in non-cash share-based compensation expense in 2023 as compared to 2022, leading to a comparable net loss.

During the year ended December 31, 2023, the Company had a net cash inflow of \$51,377, compared with a net cash inflow of \$979,428 for the period from incorporation on January 24, 2022 to December 31, 2022. Financing activities in 2023 (completion of the Company's IPO) provided cash of \$189,291 (2022 - \$1,012,012) and operating activities used cash of \$112,914 (2022 - cash usage of \$32,584). Investing activities (issuance of note receivable) in 2023 used cash of \$25,000 (2022 - nil).

As at December 31, 2023, the Company had a working capital balance of \$1,016,656 (December 31, 2022 - \$1,006,208), including cash of \$1,030,805 (December 31, 2022 - \$979,428).

Selected Annual Information⁽¹⁾

The following financial data for the year ended December 31, 2023 and for the period from January 24, 2022 (date of incorporation) to December 31, 2022 is derived from the Financial Statements and should be read in conjunction with the Financial Statements which were prepared in accordance with IFRS. All dollar amounts are reported in Canadian currency.

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	Year Ended December 31, 2023	Period Ended December 31, 2022
Revenue	Nil	Nil
Net loss	\$142,910	\$141,482
Basic and diluted net loss per share	\$0.02	\$0.01
Total Assets	\$1,055,805	\$1,052,763
Total Non-current financial liabilities	Nil	Nil
Cash dividends declared (per share)	Nil	Nil

(1) Audited financial information prepared in accordance with IFRS

Given its incorporation on January 24, 2022, the Company does not have a comparative period prior to December 31, 2022.

Summary of Business and Discussion of Operations

The Company was incorporated pursuant to the provisions on the *Business Corporations Act* (British Columbia) on January 24, 2022. The Company is a capital pool company (“**CPC**”) as defined in Policy 2.4 of the TSX Venture Exchange (the “**Exchange**”). The Company has no commercial operations, revenue or profit and its purpose is to identify and evaluate potential acquisitions of operating businesses, and once identified and evaluated, to negotiate an acquisition of such a business, subject to receipt of regulatory approval.

On July 20, 2023, Hopefield announced that it had entered into a non-binding letter of intent (the “**LOI**”) dated July 20, 2023 to complete a business combination (the “**Transaction**”) with Predictive Technologies LLC (“**Predictive**”). Predictive is a technology company which develops and implements state-of-the-art artificial intelligence (“**AI**”) capabilities which are delivered through a software-as-a-service (SaaS) business model. These technologies are built on seven years of dedicated research and development. Customers can utilize Predictive’s AI technologies in their own businesses without having to invest in the infrastructure and expertise to develop these capabilities themselves. Such technologies include, amongst others, services such as automated data analytics, natural language processing, predictive modelling, image and video analytics, and assistance and advisory function. Predictive markets its AI technologies under the name “**Qeleo**”. Predictive is a limited liability company existing under the laws of Colorado, United States, which was formed on September 16, 2016. To learn more, visit: <https://qeleo.com>.

Pursuant to the LOI, on February 5, 2024, the Company, Predictive, certain security holders of Predictive (the “**Contributors**”) and other relevant parties entered into a Unit Contribution and Exchange Agreement (the “**UCEA**”).

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Subject to certain conditions and approval of the Exchange, completion of the UCEA will result in a reverse takeover of the Company by Predictive and will constitute the Company's Qualifying Transaction, as defined in the Exchange's Policy 2.4.

The Transaction will be structured as a securities exchange (the "**Securities Exchange**") in accordance with the UCEA, pursuant to which the Company will acquire all of the issued and outstanding units in the capital of Predictive (the "**Predictive Units**") from the Contributors in exchange for the issuance to the Contributors of shares in the capital of the Company (the "**Contributor Consideration Shares**") on the basis of 37.9771542350983 Contributor Consideration Shares for each Predictive Unit issued and outstanding as at immediately prior to the closing of the Transaction resulting in the issuance of 71,428,574 Contributor Consideration Shares at a deemed price per Contributor Consideration Share of \$0.35 (the "**Closing**").

Upon Closing and after completion of a concurrent financing and other corporate reorganization steps by the parties to the UCEA immediately prior to Closing, the security holders of Predictive will hold approximately 71,428,571 shares (the "**Resulting Issuer Shares**") in the capital of the resulting issuer (the "**Resulting Issuer**"), representing approximately 83.3% of the Resulting Issuer Shares, whereas the current shareholders of the Company will hold 5,714,286 Resulting Issuer Shares, representing approximately 6.7% of the then outstanding Resulting Issuer Shares. Investors in the concurrent financing will hold 8,571,428 Resulting Issuer Shares, representing approximately 10.0% of the then outstanding Resulting issuer Shares.

Following Closing, the Resulting Issuer will carry on the business currently carried on by Predictive and the Company will be a Tier 2 Technology Issuer under the policies of the Exchange.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. Except as described in the Company's final prospectus dated December 22, 2022, the funds raised pursuant to the Company's initial public offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

On February 28, 2024, the Company entered into an agreement with Predictive to provide a bridge loan of \$150,000 to fund Predictive's operations prior to the completion of the Transaction as contemplated by the UCEA. The loan will bear interest at an annual rate of 7%, which will begin to accrue on August 30, 2024. The loan is repayable in six equal consecutive monthly installments commencing on August 30, 2024 and is secured by certain specified assets of Predictive.

The Financial Statements have been prepared on a going concern basis, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The continuing operations of the Company are dependent upon its ability to identify, evaluate, negotiate and complete a Qualifying Transaction, which is not assured. 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.

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There is no assurance that the Company will complete its Transaction with Predictive, and if not, that the Company will identify an appropriate business or asset for acquisition or investment and even if so identified and warranted, it may not be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that a business or asset acquired will be profitable.

Summary of Quarterly Results

Selected financial information for the most recently completed quarters since the date of incorporation on January 24, 2022 is presented in the table below. The information has been derived from financial statements prepared in accordance with IFRS and all dollar amounts are reported in Canadian currency.

	Quarter Ended Dec 31, 2023	Quarter Ended Sep 30, 2023	Quarter Ended Jun 30, 2023	Quarter Ended Mar 31, 2023	Quarter Ended Dec 31, 2022	Quarter Ended Sep 30, 2022	Quarter Ended Jun 30, 2022	Period from Jan 24 to Mar 31, 2022
Revenue	Nil							
Net loss	\$43,478	\$45,208	\$22,500	\$31,724	\$16,738	\$14,137	\$17,726	\$92,881
Basic and diluted net loss per share	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01
Share-based compensation	Nil	Nil	Nil	\$14,750	Nil	Nil	Nil	\$84,995
Professional fees	\$39,358	\$42,585	\$6,521	\$6,538	\$2,270	\$13,779	\$17,399	\$6,479
Filing fees	\$1,553	\$788	\$8,888	\$10,287	\$14,124	Nil	Nil	Nil
Financing costs incurred ⁽¹⁾	\$990	Nil	Nil	\$68,319 ⁽²⁾	\$18,196	\$9,350	\$7,146	\$22,046

(1) Includes costs charged to deferred financing costs and costs charged directly to common shares during applicable periods.

(2) Includes \$8,600 fair value of Agent's options granted.

The Company has had no revenue-generating operations since its date of incorporation.

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Three Months Ended December 31, 2023

During the three-months ended December 31, 2023, the Company incurred a net loss of \$43,478, representing a 160% increase compared with a net loss of \$16,738 for the comparable period of the prior year. Compared to the previous quarter, ended September 30, 2023, the net loss of \$43,478 represented a 4% decrease from the prior quarter loss of \$45,208.

The increase in loss during the period versus the comparable period in 2022 was primarily due to professional fees of \$39,358, which represented an increase of \$37,088 versus the comparable period in 2022 and which were incurred in 2023 largely in connection with the Company's proposed Transaction with Predictive.

The decrease in loss of \$1,730 in the current period versus the previous quarter was due to a decrease of \$3,227 in professional fees, offset by an increase in filing fees of \$765 and by an increase in transfer agent fees of \$502 as well as an increase in office and administration expenses of \$230.

Year Ended December 31, 2023

During the year ended December 31, 2023, the Company incurred a net loss of \$142,910, representing a 1% increase compared with a net loss of \$141,482 for the comparable period from incorporation on January 24, 2022 until December 31, 2022.

The increase in net loss of \$1,428 during the year versus the comparable period from incorporation in 2022 was primarily due to increases of \$55,075 in professional fees, \$11,116 in transfer agent fees and \$7,392 in filing fees during 2023, offset by a decrease of \$70,254 in share-based compensation. The increase in transfer agent and filing fees were associated with maintenance as a public company during 2023, while the increase in professional fees was primarily associated with the Company's proposed Transaction with Predictive.

Share Capital

Authorized

Unlimited number of Common Shares (as defined below) and preferred shares without par value.

Issued and Outstanding

As at December 31, 2023 and as at April 19, 2024, the Company has 17,887,500 common shares (the "Common Shares") and 1,988,750 stock options ("Options") issued and outstanding, of which 1,788,750 Options were granted to directors and officers of the Company pursuant to the Stock Option Plan (as defined below), and of which 200,000 Options were granted to the Company's Agent as compensation pursuant to the IPO (as defined below).

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Security	Number of Securities	Date of Issuance	Gross Proceeds \$ Amount
Common Shares	2,500,000	January 9, 2023	\$250,000
Stock Options	200,000	January 9, 2023	N/A ⁽¹⁾
Common Shares	700,000	March 24, 2022	\$35,000
Common Shares	5,987,500	February 24, 2022	\$598,750
Common Shares	1,000,000	February 16, 2022	\$50,000
Common Shares	7,700,000	February 9, 2022	\$385,000

(1) 200,000 Options were issued to the Agent (as defined below) pursuant to the January 9, 2023, IPO.

Stock Options

On January 27, 2022, the Company adopted a stock option plan (the “**Stock Option Plan**”) whereby it can grant incentive stock options to directors, officers, employees, and technical consultants of the Company. The maximum number of Common Shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding Common Shares of the Company at any time. The vesting period for all Options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price (if any) of the Company’s Common Shares.

The Stock Option Plan provides that the number of Common Shares that may be reserved for the issuance to any one individual upon exercise of all Options held by such an individual may not exceed 5% of the issued and outstanding Common Shares, if the individual is a director or officer, or 2% of the issued and outstanding Common Shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All Options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such Options are granted.

On January 9, 2023, the Company granted a total of 250,000 Options to directors and officers of the Company, which vested immediately, having an exercise price of \$0.10 per Common Share. The fair value of the Options granted was determined to be \$14,750 using the Black-Scholes option pricing model under the following assumptions:

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Common Share price	\$0.10
Exercise price	\$0.10
Expected dividend yield	Nil
Expected volatility	44%
Risk-free interest rate	3.08%
Expected option life	10 years
Fair value (per share) of options granted	\$0.059

A summary of the Company's outstanding options issued pursuant to the Stock Option Plan as at the date of this MD&A is as follows:

Grant Date	Number of Options Outstanding	Exercise Price	Expiry Date	Remaining Contractual Life
January 9, 2023	250,000	\$0.10	January 9, 2033	8.7 years
February 28, 2022	598,750	\$0.10	February 28, 2032	7.9 years
February 10, 2022	940,000	\$0.05	February 10, 2032	7.8 years

Liquidity and Capital Resources

The Company manages its capital structure to maximize its financial flexibility. It may make adjustments to the capital structure in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at December 31, 2023, the Company is not subject to any externally imposed capital requirements or debt covenants. There were no changes to management's approach to capital management during the year.

On January 9, 2023, the Company completed its initial public offering ("**IPO**"), raising gross proceeds of \$250,000 pursuant to a prospectus dated December 22, 2022. An aggregate of 2,500,000 Common Shares in the authorized share structure of Hopefield were subscribed for at a price of \$0.10 per Common Share. Canaccord Genuity Corp. acted as the agent ("**Agent**") for the offering. The Company paid the Agent \$20,000 in Agent's commission, \$37,890 in fees and expenses and issued 200,000 Options exercisable at a price of \$0.10 per option until January 11, 2028.

As at December 31, 2023, the Company had a working capital balance of \$1,016,656 (December 31, 2022 - \$1,006,208), including cash of \$1,030,805 (December 31, 2022 - \$979,428), which amount is considered adequate to meet its requirements for the ensuing 12 months based on current

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budgeted expenditures for operations. A significant portion of working capital is held in cash, significantly reducing any liquidity risk of financial instruments held by the Company.

During the year ended December 31, 2023, the Company had a net cash inflow of \$51,377, compared with a net cash inflow of \$979,428 for the period from incorporation on January 24, 2022 to December 31, 2022. Financing activities in 2023 (completion of the Company's IPO) provided cash of \$189,291 (2022 - \$1,012,012) and operating activities used cash of \$112,914 (2022 - cash usage of \$32,584). Investing activities (issuance of note receivable) in 2023 used cash of \$25,000 (2022 - nil).

During the three-month period ended December 31, 2023, the Company's cash balance decreased by \$82,292, compared with a net cash outflow of \$16,731 for the comparable period in 2022. Cash outflows during the period in 2023 included \$56,302 in outflows for operating activities and \$25,000 for the issuance of the note receivable, while outflows for the comparable period in 2022 consisted solely of \$16,731 toward operating activities.

Capital Resources

The Company does not have any commitments for capital expenditures.

The Company is dependent on external financing, including equity issuances and debt financing, to fund its activities. Management of the Company will determine whether to accept any offer to finance weighing such things as the financing terms, share price at the time and current market conditions, among others. Circumstances that could impair the Company's ability to raise additional funds include general economic and capital market conditions.

On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned and administrative costs, to maintain adequate levels of working capital.

Off-Balance Sheet Arrangements

Hopefield has not participated in any off-balance sheet arrangements.

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. Other than as further described below, the Company has not entered into any related-party transactions.

On January 9, 2023, the Company granted 250,000 Options to directors and officers of the Company with an estimated fair value of \$14,750.

During the period ended December 31, 2022, the Company granted 1,757,500 Options to directors and officers of the Company with an estimated fair value of \$84,995 as described in Note 5 of the Financial Statements. In addition, 218,750 of these Options were later cancelled during the period.

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Fourth Quarter

During the three-months ended December 31, 2023, the Company incurred a net loss of \$43,478, primarily consisting of professional fees of \$39,358. The professional fees included accrued audit fees for 2023 and legal fees incurred largely in connection with the Company's proposed Transaction with Predictive.

On December 29, 2023, the Company advanced \$25,000 to Predictive under the terms of a demand promissory note from Predictive. The note receivable is non-interest-bearing and is unsecured.

Proposed Transaction

On July 20, 2023, Hopefield announced that it had entered the LOI to complete a business combination with Predictive. On February 5, 2024, the Company, Predictive, the Contributors and other relevant parties entered into the UCEA. Subject to certain conditions and approval of the Exchange, completion of the UCEA will result in a reverse takeover of the Company by Predictive and will constitute the Company's Qualifying Transaction. For more information, please see the heading titled "Summary of Business and Discussion of Operations" above.

Changes in Accounting Policies

Hopefield has adopted accounting policies stated in the audited Financial Statements for the year ended December 31, 2023 and no changes in accounting policies were made in 2023.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

The Company will adopt these pronouncements as of their effective date.

Financial Instruments

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:

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- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

As at December 31, 2023, Hopefield's financial instruments consisted of cash, a note receivable and accounts payable. The fair values of Hopefield's financial instruments approximate their carrying value, due to their short-term maturities or liquidity. As at December 31, 2023, Hopefield's risk exposure and the impact on Hopefield's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes its cash. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy. Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The company is also exposed to credit risk on its note receivable.

The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Foreign Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at December 31, 2023, the Company holds no financial instruments that are denominated in a currency other than Canadian dollars, and Hopefield had no financial assets and liabilities that were subject to currency translation risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. All of the Company's financial liabilities are due within the next operating period. As at December 31, 2023, Hopefield had a working capital balance of \$1,016,656, including cash of \$1,030,805.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity price risk, of which the Company is exposed to interest rate risk, as follows:

Interest Rate Risk

Some of the Company's accounts payable and accrued liabilities trade payables may be subject to interest on unpaid balances.

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Price Risk

Price risk refers to risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on earnings due to movements in individual equity prices or general movements in the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. Future declines in commodity prices may impact the valuation of long-lived assets. The Company does not currently hold equities or long-lived assets and as such, its earnings are not currently subject to price risk.

Critical Accounting Estimates

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 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:

Stock Options

Determining the fair value of stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

Income, value added, withholding and other taxes

The Company is subject to income, value added and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.