

# **ARYA RESOURCES LTD. (formerly Rebel Capital 2.0 Corp.)**

## **Management's Discussion & Analysis**

**For the three and six months ended October 31, 2023 and 2022**

(Unaudited - Expressed in Canadian dollars)

## **1. EFFECTIVE DATE AND FORWARD-LOOKING STATEMENTS**

### **a) Reporting period and effective date**

This Management's Discussion & Analysis ("MD&A") of the financial position and results of operations provides an analysis of the operations and financial results of Arya Resources Ltd. (formerly Rebel Capital 2.0 Corp) (the "Company" or "Arya") for the three and six months ended October 31, 2023 and 2022. This MD&A should be read in conjunction with the audited financial statements of the Company for the years ended April 30, 2023 and 2022 and related notes thereto (collectively referred to hereafter as the "Annual Financial Statements") and the unaudited condensed interim financial statements for the three and six months ended October 31, 2023 and 2022 and the related notes thereto (collectively referred to hereafter as the "Financial Statements"). The Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations by the International Financial Reporting Interpretations Committee, applicable to the preparation of the Financial Statements including, International Accounting Standard 34 *Interim Financial Reporting*. All financial information has been prepared in accordance with IFRS and all amounts in the MD&A are in Canadian dollars, except number of shares, or as otherwise indicated.

The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The six months ended October 31, 2023 and 2022 are referred to as "YTD 2024" and "YTD 2023", respectively.

Additional information regarding the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The effective date of this MD&A is December 27, 2023 (the "MD&A Date").

### **b) Forward-looking statements**

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate", "believe", "estimate", "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

These uncertainties are factors that include but are not limited to risks related to general economic conditions; actual results of current exploration activities and unanticipated reclamation expenses; fluctuations in prices of gold ("Au") and other commodities; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates; as well as other factors.

The Company's management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The operations of the Company are speculative due to the high-risk nature of its business which is the exploration of mining properties. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

## 2. DESCRIPTION OF THE BUSINESS

The Company was incorporated under the laws of the Province of British Columbia on October 19, 2017. The Company is an exploration stage company focused on the acquisition, exploration and development of mineral property interests in Saskatchewan, Canada. The Company's registered and records office is 301 - 850 West Georgia Street, Vancouver, British Columbia, V6C 3J1. The Company's common shares are traded on the TSX Venture Exchange under the symbol RBZ-P.

## 3. OUTLOOK

The Company's primary business is the acquisition and exploration of mineral properties. The Company's mineral property consists of the Wedge Lake Gold Property (the "Property"), Dunlop Copper Nickel Deposit, and Lithium claims all located in Saskatchewan, Canada. Some of the Company's exploration and evaluation assets host historical mineral deposits (non-43-101 compliant), given the high degree of risk involved, there can be no assurance that such deposits make, a profitable mining operation in the future.

The Company continues to look for other early-stage profitable business opportunities including but not limited to metal and industrial-minerals mining.

## 4. REVERSE TAKEOVER ACQUISITION

On December 16, 2022, Arya and the carve-out entity of Wedge Lake (the "Carve-out Entity") finalized a reverse takeover transaction ("RTO") whereby the former owners of the Carve-out Entity received 15,100,000 common shares of Arya for their 100% interest in the Carve-out Entity (the "Arrangement"). The Carve-out Entity represents the operational efforts towards the Property in accordance with an existing option agreement with North-Sask Ventures Ltd. The 15,100,000 common shares received by the former owners of the Carve-out Entity comprised 79% of the issued and outstanding common shares of Arya on the date of the Arrangement, and the management of the Carve-out Entity continued as management of Arya. The Arrangement constitutes a "qualifying transaction" under securities law. Pursuant to the Arrangement, Arya became the owner of the Carve-out Entity, but the change in control of Arya by the former owners of the Carve-out Entity (and related reverse takeover accounting guidance under IFRS) resulted in the Carve-out Entity continuing as the ongoing reporting entity (combining Arya results into the Carve-out Entity from the Arrangement date), with comparative financial information only of the Carve-out Entity.

On the Arrangement date, Arya was not considered a business under IFRS 3 *Business Combinations*, as Arya did not have inputs and substantive processes that could collectively contribute to the creation of outputs. As a result, the Arrangement was considered to be within the scope of IFRS 2 *Share-Based Payments* and for accounting purposes, the Arrangement was accounted for as a RTO, with the Carve-out Entity identified as the accounting acquirer, and Arya identified as the accounting acquiree. These financial statements are issued under the legal parent, Arya Resources Ltd., but are considered to be a continuation of the financial results of the Carve-out Entity.

At the date of the Arrangement, the RTO was recorded as follows:

	\$
<b>Fair value of consideration shares issued</b>	375,360
<b>Net identifiable liabilities assumed</b>	
Cash	1,901
Accounts payable and accrued liabilities	(131,373)
Promissory notes payable	(35,600)
	<u>(165,072)</u>
Fair value of consideration and net liabilities assumed	540,432
Other transactions costs	144,223
<b>Listing expense</b>	<b>684,655</b>

The consideration shares comprise of 4,079,999 common shares (the "Consideration Shares") maintained by the original shareholders of the Company as consideration for its public listing with a fair value of \$375,360.

**Arya Resources Ltd. (formerly Rebel Capital 2.0 Corp)**  
**Management's Discussion and Analysis**  
For the three and six months ended October 31, 2023 and 2022

As part of the Arrangement, \$400,000 was transferred to Arya net of the promissory notes of \$35,600 previously outstanding. Of the remaining amount, \$112,000 was retained by the former shareholders of the Carve-out Entity to cover transaction costs, in addition to \$32,223 legal, accounting, and filing fees incurred by the Company related to the RTO. These amounts comprise the other transaction costs noted above and have been included in the listing expense in the statements of loss and comprehensive loss in the Annual Financial Statements.

## 5. SUMMARY OF QUARTERLY RESULTS

As at October 31, 2023, the Company is non revenue generating. The following information is derived from the Company's Financial Statements which have been prepared in accordance with IFRS. A summary of the Company's financial results for the eight most recently completed quarters ended October 31, 2023 is as follows:

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$
Net loss and comprehensive loss	93,531	60,534	494,541	759,383
Basic and diluted loss per share	0.00	0.00	0.02	0.06

	Q2 2023	Q1 2023	Q4 2022	Q3 2022
	\$	\$	\$	\$
Net loss and comprehensive loss	-	13,093	1,169	39,203
Basic and diluted loss per share	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>

(1) The comparative periods relate to the Carve-out Entity which was not an incorporated entity and therefore the loss per share information for the periods prior to the RTO on December 16, 2022 (see section 4 above) is not applicable as the carve-out business of Wedge Lake Gold Property had no outstanding shares.

During the last eight quarters, the Company's net loss and comprehensive loss has ranged between \$nil (Q2 2023) and \$759,383 (Q3 2023). The range in net loss and comprehensive loss is a result of the Company halting activity in Q2 2023 in anticipation of the Arrangement which closed in Q3 2023 resulting in a listing expense of \$684,655. The decrease in net loss in Q1 2024 compared to Q4 2023 is due to the \$235,549 in share-based payment, resulting from the granting of stock options which vested immediately, and audit and legal fees in connection the year-end audit which were incurred in Q4 2023. The increase in net loss in Q2 2024 compared to Q1 2024 is due to an increase in exploration expenditures related to the Dunlop Copper Nickel Deposit.

## 6. RESULTS OF OPERATIONS

### Three months ended October 31, 2023 and 2022

	Q2 2024	Q2 2023
	\$	\$
<b>Operating expenses</b>		
Director fees	1,500	-
Exploration costs	15,050	-
Filing fees	250	-
General and administrative	7,484	-
Management fees	38,286	-
Professional fees	35,179	-
	97,749	-
<b>Other income</b>		
Amortization of flow-through liability	4,218	-
<b>Net loss and comprehensive loss</b>	<b>93,531</b>	<b>-</b>

The Company incurred a net loss and comprehensive loss of \$93,531 compared to \$nil in prior year comparable period. The reason for this increase in net loss and comprehensive loss is that the Company halted activity during the prior year comparable period in anticipation of the Arrangement which closed on December 16, 2022.

**Arya Resources Ltd. (formerly Rebel Capital 2.0 Corp)**  
**Management's Discussion and Analysis**  
For the three and six months ended October 31, 2023 and 2022

**Six months ended October 31, 2023 and 2022**

	YTD 2024	YTD 2023
	\$	\$
<b>Operating expenses</b>		
Director fees	4,800	-
Exploration costs	15,979	-
Filing fees	250	-
General and administrative	13,858	3
Management fees	75,429	3,000
Professional fees	47,967	10,090
	<b>158,283</b>	<b>13,093</b>
<b>Other income</b>		
Amortization of flow-through liability	4,218	-
<b>Net loss and comprehensive loss</b>	<b>154,065</b>	<b>13,093</b>

The Company incurred a net loss and comprehensive loss of \$154,065 compared to \$13,093 in prior year comparable period. The primary drivers of this increase in net loss and comprehensive loss were as follows:

- Director fees increased to \$4,800 compared to \$nil in the prior year comparable period due to the of hiring a director as a result of the Company's public listing on December 16, 2022.
- Exploration costs increased to \$15,979 compared to \$nil in the prior year comparable period due to drilling that occurred during the current period related to the Dunlop Copper Nickel Deposit. No drilling occurred during the prior year comparable period.
- General and administrative increased to \$13,858 compared to \$3 in the prior year comparable period as a result of higher administrative costs to support the Company's public listing on December 16, 2022.
- Management fees increased to \$75,429 compared to \$3,000 in the prior year comparable period to support exploration activity for the Haultain Lake Property, Dunlop Copper Nickel Deposit, as well as the administrative obligations associated with a publicly listed company.
- Professional fees increased to \$47,967 compared to \$10,090 in the prior year comparable period due to accounting, audit, and other professional fees to support the administrative obligations associated with a publicly listed company.

**7. SUMMARY OF EXPLORATION AND EVALUATION ASSETS**

A summary of the Company's exploration and evaluation assets is as follows:

	\$
Balance, April 30, 2022	15,000
Cash option payments	20,000
Option payment in shares	13,800
Balance, April 30, 2023	48,800
Option payment in shares	15,500
<b>Balance, October 31, 2023</b>	<b>64,300</b>

A summary of the Company's cumulative exploration costs is as follows:

	Wedge Lake Gold Property	Dunlop Deposit	Other Exploration Properties	Total
	\$	\$	\$	\$
Cumulative exploration costs, April 30, 2022 and October 31, 2022 <sup>(1)</sup>	153,489	-	-	153,489
Permitting	3,608	-	-	3,608
Claims staking	-	5,000	34,625	39,625
Haultain Lake payment	-	-	40,000	40,000
Cumulative exploration costs, April 30, 2023	157,097	5,000	74,625	236,722
Claims staking	-	929	-	929
Drilling	-	15,050	-	15,050
<b>Cumulative exploration costs, October 31, 2023</b>	<b>157,097</b>	<b>20,979</b>	<b>74,625</b>	<b>252,701</b>

(1) During the three months ended October 31, 2022, the Company did not incur any exploration costs.

**a) Wedge Lake Gold Property**

The Company has the option (the "Option") to acquire a 100% interest in the Property from the optionor (the "Optionor"). Under the terms of the Option the Company is committed to the following:

Cash payments to the Optionor

- \$5,000 on November 10, 2020 (paid);
- \$10,000 within 10 business days of December 15, 2022 (paid);
- \$10,000 on or before December 15, 2023 (paid);
- \$10,000 on or before December 15, 2024 (paid);
- \$20,000 on or before December 15, 2025;
- \$20,000 on or before December 15, 2026; and
- \$30,000 on or before December 15, 2027

Share consideration to the Optionor

- 150,000 common shares within 10 business days of December 15, 2022 (issued);
- 100,000 common shares on or before December 15, 2023 (issued on December 16, 2023);
- 100,000 common shares on or before December 15, 2024
- 150,000 common shares on or before December 15, 2025;
- 200,000 common shares on or before December 15, 2026; and
- 300,000 common shares on or before December 15, 2027

Expenditures on the Property

- \$100,000 on or before November 10, 2021 (met);
- an additional \$100,000 on or before December 15, 2024;
- an additional \$200,000 on or before December 15, 2025;
- an additional \$300,000 on or before December 15, 2026; and
- an additional \$300,000 on or before December 15, 2027

The Optionor will retain a 2.5% net smelter returns royalty ("NSR"), which can be purchased by the Company at any time up until certain milestones are met for \$1,000,000. Additionally, the Company will prepare a report (the "Report") under National Instruments 43-101 *Standard of Disclosure for Mineral Projects* (the "Wedge Lake Report") whereby the Company is subject to the following contingent issuances of common shares:

- if the Wedge Lake Report confirms the existence of inferred mineral resource estimate grading at least 4 grams/ton of Au for at least 80,000 contained ounces ("oz") of Au on the Property, the Company will issue the Optionor 250,000 common shares.
- if the Wedge Lake Report confirms the existence of indicated mineral resource estimate grading at least 4 grams/ton Au, aggregating at least 80,000 oz of Au on the Property, the Company will issue the Optionor an additional 250,000 common shares.
- if the Wedge Lake Report confirms the existence of combined inferred mineral resources, indicated mineral resources and measured mineral resources estimate grading at least 4 grams/ton Au aggregating an initial 500,000 oz of Au on the Property, the Company will issue the Optionor an additional 200,000 common shares.

Furthermore, should the Company commission a pre-feasibility study with respect to the Property, the Company will issue the Optionor an additional 200,000 common shares.

Previous work on the Property identified several zones of significant gold mineralization. Follow up work is planned to drill test some of these gold zones.

**b) Haultain Lake**

On February 15, 2023, the Company entered into a definitive agreement to acquire the Haultain Lake Property option with 1271332 B.C. Ltd., a related party to the Company. Pursuant to the agreement, the Company can acquire 100% interest in the Haultain Lake property by payment of cash consideration to the vendor for \$40,000. On February 27, 2023, the Company paid 1271332 B.C. Ltd. \$40,000 in accordance with the agreement. However, the Company no longer planned to further explore the Haultain Lake property. The \$40,000 payment has been included in exploration costs in the statements of loss and comprehensive loss of the Annual Financial Statements.

### **c) Dunlop Deposit**

On February 28, 2023, the Company entered into a definitive agreement to acquire the previously drilled Dunlop Copper Nickel Deposit (the "Dunlop Deposit"), located 25 kilometers north of La Ronge, Saskatchewan Canada, road-accessible year around via a provincial highway.

Pursuant to the agreement, the Company can earn a 100% interest in the Dunlop Deposit claims by:

#### Cash payments to the optionor

- \$25,000 upon completion of a report under National Instruments 43-101, *Standard of Disclosure for Mineral Projects* (the "Dunlop Deposit Report"); and
- \$25,000 upon completion of the Dunlop Deposit Report indicating a mineral resource on the Dunlop Deposit.

#### Share consideration to the optionor

- 100,000 common shares upon TSX-V approval (Met - See Section 9(b));
- 500,000 common shares upon completion of the Dunlop Deposit Report; and
- 1,000,000 common shares upon completion of the Dunlop Deposit Report indicating a mineral resource on the Dunlop Deposit.

#### Expenditures on the property

- \$75,000 on or before August 28, 2023;
- \$50,000 on or before April 25, 2024; and
- \$125,000 on or before April 25, 2025.

The optionor will retain a 3.0% NSR on the Dunlop Deposit claims of which 2.5% of the NSR may be purchased for a cash payment of \$2,000,000 by the Company. On August 28, 2023, the Company amended the agreement to acquire the Dunlop Deposit to extend the required date for expenditures on the property of \$75,000 from August 28, 2023 to December 19, 2023.

The Deposit remains open to depth. Previous work identified Copper ("Cu") and Nickel ("Ni") zones outside the Deposit that can potentially increase the size of the Deposit. Cobalt ("Co") and some precious metals (Platinum ("PGM"), Palladium, etc.) are present in some parts of the Deposit.

The Company has all the necessary permits in place to drill this year (2023) and the following year (2024) to expand the Deposit, analyze for Co and PGM metals as well as conduct metallurgical tests to establish metal recoveries.

The tonnage and grade are historical (non-National Instrument 43-101 compliant) based on prior data and reports prepared by the previous operators. The historical estimates are not current and do not meet the standards prescribed by NI 43-101. They provide an indication of the potential of the Deposit and are relevant to continuing exploration and evaluation.

### **d) Early-Stage lithium claims**

The Company identified early-stage Lithium ("Li") claims from previous mapping work in Saskatchewan, Canada. The claims were explored for other metals in the past but not Li. Some areas mapped significant pegmatites outcrops. Other areas have shown some of the highest Li, Cesium, and Tantalum anomalies in till Geochem work done by the Geological Survey of Canada. The Company is planning to sample some of the pegmatites outcrops for Li; positive results will lead to further exploration work including drilling.

### **e) Other potential projects / investments**

The Company continues to evaluate other projects submittals in industrial minerals and projects/investments outside of the mining industry.

## **8. COMMITMENTS**

On December 16, 2022, the Company issued 2,000,000 flow-through shares pursuant to closing its \$0.125 flow-through share financing for gross proceeds of \$250,000. In connection with the raise the Company recorded a flow-through liability of \$66,000 representing the difference between fair value of the common shares and the price the flow-through share price at the date of issuance. As a result, the Company must complete flow-through spending of \$250,000 by December 31, 2023.

**Arya Resources Ltd. (formerly Rebel Capital 2.0 Corp)**  
**Management's Discussion and Analysis**  
For the three and six months ended October 31, 2023 and 2022

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During the three and six months ended October 31, 2023, the Company had spent \$15,050 and \$15,979, respectively (2022 - \$nil and \$nil, respectively) in qualifying expenditures related to the flow-through liability. As a result, during the three and six months ended October 31, 2023, the Company recognized amortization expense in connection with the flow-through liability of \$4,218 and \$4,218, respectively (2022 - \$nil and \$nil, respectively).

## **9. LIQUIDITY AND CAPITAL RESOURCES**

### **a) Liquidity**

The net working capital of the Company at October 31, 2023 was \$281,919 (April 30, 2023 - \$435,984).

The Company's current assets are not sufficient to support the Company's general administrative and corporate operating requirements on an ongoing basis for the foreseeable future. Accordingly, further financing will be required, and the Company will need to raise additional funds to continue its operations.

Total liabilities as at October 31, 2023 were \$156,956 (April 30, 2023 - \$213,333), representing a decrease of \$56,377. This decrease is a result of a decrease in accounts payable and accrued liabilities.

During the six months ended October 31, 2023, the Company used \$222,970 in operating activities (2022 - \$43,871). The increase in cash used compared to the comparative period is due to cash spent on professional fees, management fees, general and administrative expenses relating to public company administration.

During the six months ended October 31, 2023, the Company received \$nil from financing activities (2022 - \$37,985). The cash received in the comparative period is advances the Carve-out Entity received from its parent prior to the Arrangement.

### **b) Capital resources**

As at October 31, 2023, the Company's share capital was \$1,670,839 (April 30, 2023 - \$1,655,339), representing 25,509,999 common shares issued and outstanding (April 30, 2023 - 25,409,999).

During the six months ended October 31, 2023, the Company had the following share transaction:

- On May 1, 2023, the Company received TSX-V approval on the Dunlop Deposit (see Section 7(c)) and issued 100,000 common shares with a fair value of \$0.155 for gross proceeds of \$15,500 to the Dunlop Deposit optionor.

During the year ended April 30, 2023, the Company had the following share transactions:

On December 16, 2022, the Company had the following share transactions:

- Pursuant to the Arrangement the Company maintained 4,079,999 Consideration shares. The fair value of the Consideration shares was determined to be \$0.092 per share based on the non flow-through unit financing completed concurrently with the Arrangement (see below). Additionally, the Company issued 15,100,000 common shares, recognized at the historical cost base of the net parent investment in the Carve-out Entity, adjusted for any assets or liabilities assumed by the former owner of Wedge Lake at the date of the Arrangement resulting in \$705,007 and \$285,008 being allocated to share capital and deficit, respectively.
- The Company issued 4,080,000 non flow-through units pursuant to closing its \$0.125 non flow-through unit financing for gross proceeds of \$510,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.20 at any time until December 15, 2024. The fair value attributed to the warrants was \$132,828.
- The Company issued 2,000,000 flow-through shares pursuant to closing its \$0.125 flow-through share financing for gross proceeds of \$250,000. In connection with the raise the Company recorded a flow-through liability of \$66,000 representing the difference between fair value of the common shares and the price the flow-through share price at the date of issuance. The fair value per common share was determined to be \$0.092 based on the non flow-through unit financing closed concurrently.
- The Company issued 150,000 common shares with a fair value of \$0.092 per share for gross proceeds of \$13,800. The fair value was determined based on the non flow-through unit financing completed concurrently on the date of issuance to the Wedge Lake optionor.

During the three months ended October 31, 2022, the Company had an investment by parent of \$37,985 (the Company had no shares issued and outstanding prior to the Arrangement).

## 10. RELATED PARTY TRANSACTIONS

Key management personnel, are those having the authority and responsibility for planning, directing, and controlling the Company.

A summary of the Company's related party transactions with its key management personnel is as follows:

	Q2 2024	Q2 2023	YTD 2024	YTD 2023
	\$	\$	\$	\$
Director fees	1,500	-	4,800	-
General and administrative	300	-	300	-
Management fees	38,286	-	75,429	3,000
Professional fees	12,679	-	17,967	-
	<b>52,765</b>	-	<b>98,496</b>	3,000

As at October 31, 2023, the Company had \$39,542 (April 30, 2023 - \$66,470) due to related parties included in accounts payable and accrued liabilities balance. Interest is not charged on outstanding balances and there are no specific terms of payment.

## 11. OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as of October 31, 2023 to the MD&A Date.

## 12. CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates are described in Note 4 of the Annual Financial Statements as found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## 13. CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies and the accounting policies followed in preparing the Financial Statements are consistent with the accounting policies followed in preparing the Annual Financial Statements.

## 14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at October 31, 2023, the Company's financial instruments consist of cash and accounts payable and accrued liabilities, all of which are measured at amortized cost.

The carrying value of cash and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes:

### a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash. The risk exposure for cash is limited because the Company places its deposits in institutions of high credit worthiness within Canada.

### b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required. As at October 31, 2023, the Company had sufficient cash on hand to discharge its financial liabilities as they become due.

## 15. SUBSEQUENT EVENTS

On December 16, 2023, the Company issued 100,000 common shares in connection with the Option. The fair value was determined to be \$0.155 based on the common share issuance on May 1, 2023 to the Dunlop Deposit optionor.

On December 13, 2023, the Company completed expenditures on the Dunlop Deposit of \$75,000.

During December 2023, the Company completed cumulative flow-through spending of \$250,000 and the flow-through liability was amortized to \$nil.

## 16. RISKS AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended April 30, 2023 and 2022.

## 17. OUTSTANDING SHARE DATA

A summary of the number of the Company's issued and outstanding equity instruments is as follows:

<b>Type</b>	<b>October 31, 2023</b>	<b>Date of this MD&amp;A</b>
	<b>#</b>	<b>#</b>
Common shares	25,509,999	25,609,999
Warrants	4,080,000	4,080,000
Options	1,500,000	1,500,000

## 18. ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).