

**VALKEA RESOURCES CORP.  
(formerly Outback Goldfields Corp.)**

**Management's Discussion & Analysis**

**For the years ended June 30, 2025 and 2024**

(Expressed in Canadian dollars)

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Valkea Resources Corp. (formerly Outback Goldfields Corp.) (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended June 30, 2025 and 2024. This MD&A has been prepared in compliance with the requirements of National Instrument ("NI") 51-102 *Continuous Disclosure Obligations*. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended June 30, 2025 and 2024 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board.

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 years ended June 30, 2025 and 2024 are referred to as "Fiscal 2025" and "Fiscal 2024" respectively.

All monetary amounts in the MD&A are expressed in Canadian dollars ("C\$") the presentation currency of the Company, except number of shares, or as otherwise indicated. The functional currency of the Company and its subsidiary is disclosed in the notes to the Financial Statements. References to "AUD" are to Australian dollars, references to "EUR" are to Euros. This MD&A has been prepared effective as of September 19, 2025 (the "MD&A Date").

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present, in all material respects, the financial condition, financial performance and cash flows of the Company as of the date of, and for the periods presented.

Additional information regarding the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and the Company's website at [www.valkea.ca](http://www.valkea.ca).

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**BUSINESS OVERVIEW**

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The Company was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on March 6, 2018 (under the name Skarb Exploration Corp.). On September 17, 2024, the Company changed its name to Valkea Resources Corp. The Company's head office is located at Suite 600 - 1111 Hastings Street, Vancouver, British Columbia, V6E 2J3. The Company's principal business activities include the acquisition and exploration of mineral property assets.

On February 13, 2019, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "SKRB". In December 2020, the Company's trading symbol on the CSE was changed to "OZ". In the year ended June 30, 2021, the Company began trading on the Frankfurt Exchange under the trading symbol "S600". In January 2022, the Company began trading on the TSX Venture Exchange (the "TSXV") under the trading symbol "OZ". On November 14, 2024, the Company began trading on the OTCQB Venture Market under the ticker symbol "OZBKF".

The Company currently owns a package of gold projects located proximate and adjacent to the Fosterville Gold Mine in Victoria, Australia ("Victorian Gold Projects") and a gold project portfolio in Finland acquired from the transaction with S2 Resources Limited ("S2").

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**OVERVIEW AND HIGHLIGHTS OF THE CURRENT YEAR**

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**Share consolidation**

On September 17, 2024, the Company completed a consolidation of its common shares on a ten-to-one basis. All share and per share amounts in this MD&A have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

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**Acquisition of Sakumpu Exploration Oy ("Sakumpu")**

On September 18, 2024, the Company completed a transaction whereby the Company acquired all of the issued and outstanding shares of Sakumpu (the "Transaction") from Norse Exploration Pty Ltd. (the "S2 Subsidiary"), an indirect wholly owned subsidiary of S2 pursuant to a share purchase agreement between the Company, the S2 Subsidiary, and S2 dated May 9, 2024 (the "Share Purchase Agreement"). Pursuant to the Share Purchase Agreement, the Company paid S2 \$1,500,000 in cash and issued 13,750,000 common shares of the Company at a fair value of \$0.40 per share to S2. As a result of the common shares issued to S2 and its common share ownership resulting from participation in private placements, S2 became the largest single shareholder of Valkea with an approximate 44.6% ownership at the time of the Transaction.

The Company incurred transaction costs of \$1,128,268 comprised of legal fees and due diligence costs in connection with the Transaction, of which \$115,364 was incurred during the year ended June 30, 2024 and recorded in deferred transaction costs. Total transaction costs have been included as part of the total consideration in the Transaction.

Sakumpu did not qualify as a business under IFRS 3 *Business Combinations*, as it did not possess the significant inputs, processes, and outputs that together constitute a business at the time of acquisition. Therefore, the Transaction was accounted for as an asset acquisition. Accordingly, no goodwill was recorded and consideration measured at fair value was allocated to the assets and liabilities acquired.

A summary of the Company's consideration and the net assets acquired from Sakumpu as at the September 18, 2024 acquisition date is as follows:

	\$
<b>Consideration:</b>	
Cash payments	1,500,000
Fair value of common shares issued to S2	5,500,000
Transaction costs	1,128,268
	<b>8,128,268</b>
<b>Assets and liabilities acquired:</b>	
Cash	17,936
Amounts receivable	73,603
Exploration and evaluation assets	8,041,728
Equipment	1,316
Accounts payable and accrued liabilities	(6,315)
	<b>8,128,268</b>

The amount of \$8,041,728 allocated to the exploration and evaluation assets was allocated to the Finnish properties.

**Financings associated with the Transaction**

The Company was required to raise a minimum of \$5 million by way of private placement or subscription receipts as part of the Transaction, to facilitate the exploration of these properties, achieved as follows:

On June 21, 2024, the Company closed a private placement of subscription receipts for gross proceeds of \$2,414,000 by issuing 6,035,000 subscription receipts at a price of \$0.40 per subscription receipt. On September 18, 2024, the subscription receipts were converted into 6,035,000 units.

On September 16, 2024, the Company closed a private placement of subscription receipts for gross proceeds of \$2,589,979 by issuing 6,474,947 subscription receipts at a price of \$0.40 per subscription receipt. On September 18, 2024, the subscription receipts were converted into 6,474,947 units.

On September 5, 2024, the Company closed a private placement for gross proceeds of \$60,000 by issuing 150,000 units at a price of \$0.40 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.60 per common share until September 5, 2027. In connection with this private placement, the Company paid cash finders' fees of \$3,700 and issued 9,000 finders' warrants with an aggregate fair value of \$2,566. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 until September 5, 2027.

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On September 18, 2024, upon closing of the Transaction, 12,509,947 subscription receipts of the Company issued in the private placements that closed on June 21, 2024 and September 16, 2024 were converted into 12,509,947 units of the Company. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant is exercisable into one common share at a price of \$0.60 per common share until September 18, 2027.

In connection with the issuance of subscription receipts that subsequently converted to units, the Company incurred unit issuance costs of \$340,743, of which \$53,384 was incurred during the year ended June 30, 2024 and recorded in deferred transaction costs. Unit issuance costs were comprised of cash finders' fees of \$121,113, cash issuance costs of \$143,163 and the issuance of 268,800 finders' warrants with an aggregate fair value of \$76,467. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 per share until September 18, 2027.

In addition, on June 25, 2025, the Company closed a private placement for gross proceeds of \$4,100,000 by issuing 16,400,000 units at a price of \$0.25 per unit. Each unit consists of one common share of the Company and one-half of common share purchase warrant. Each two common share purchase warrant is exercisable into one additional common share at a price of \$0.35 per common share until December 24, 2026. In connection with this private placement, the Company incurred unit issuance costs of \$123,427. Unit issuance costs were comprised of cash finders' fees of \$70,500, cash issuance costs of \$8,057 and the issuance of 282,000 finders' warrants with an aggregate fair value of \$44,870. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.25 until December 24, 2026.

**Completion of option to earn-in of legacy Australian properties to S2**

On March 4, 2025, the Company completed the grant of an option on its Yuengroon, Ballarat West, and Silver Spoon projects ("YBWSS Option") located in Australia to S2 and contemplated as part of the Transaction (the "Disposition"). Pursuant to the YBWSS Option, S2 can earn an 80% interest in the Yuengroon, Ballarat West, and Silver Spoon projects by sole-funding total expenditures of AUD \$1.2 million within four years. The Company also announced that it has granted S2 an option on its Glenfine project (the "Glenfine Option" and, together with the YBWSS Option, the "Options") located in Australia. Pursuant to the Glenfine Option, S2 can earn a 51% interest in the Glenfine project by sole funding total expenditures of AUD 200,000 within four years. Upon exercise of the YBWSS Option, S2 will hold an 80% interest in the Yuengroon, Ballarat West, and Silver Spoon projects, and the Company will retain a 20% interest. Upon exercise of the Glenfine Option, S2 will hold a 51% interest in the Glenfine project, and the current Glenfine partners will retain a 49% interest. If a party's joint venture interest is diluted below 10%, it will automatically convert to a 2% net smelter return royalty.

**Inaugural exploration program drill results**

On February 27, 2025, the Company announced drill results from its inaugural exploration drill program at its 100% owned Paana project in Lapland, Finland. The 1,997 meter, six-hole drill program targeted both high-grade (Kittila-style) and bulk-tonnage (Ikkari-style), disseminated gold mineralization at the Aarnivalkea West discovery. Highlights from this program on what is called the Koivu Zone can be found in the Company's press release dated February 27, 2025.

**OUTLOOK**

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The Company will be focused on work to continue exploration of its Finnish gold portfolio, including diamond drilling of the most advanced and prospective targets, as well as other earlier stage prospect generating exploration work. The Company has completed transition activities to operate and administer its wholly owned Finnish subsidiary.

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**SELECTED FINANCIAL INFORMATION**

A summary of selected annual information from the Company's Financial Statements is as follows:

	<b>Fiscal 2025</b>	Fiscal 2024	Fiscal 2023
	<b>\$</b>	\$	\$
Operating expenses	<b>3,352,595</b>	830,794	1,200,593
Net loss and comprehensive loss	<b>(17,191,856)</b>	(805,811)	(12,253,104)
Net loss per share basic and diluted	<b>(0.64)</b>	(0.14)	(0.21)

  

	<b>June 30, 2025</b>	June 30, 2024	June 30, 2023
	<b>\$</b>	\$	\$
Current assets	<b>4,080,567</b>	2,599,154	1,445,661
Exploration and evaluation assets	<b>9,488,042</b>	13,900,025	13,633,812
Total assets	<b>13,661,558</b>	16,702,174	15,113,869
Total liabilities	<b>782,772</b>	115,976	139,710

Total assets as at June 30, 2025 were \$13,661,558 compared to \$16,702,174 at June 30, 2024. The decrease of \$3,040,616 over the prior year is mainly due to a decrease of \$4,411,983 in exploration and evaluation assets offset by an increase of \$1,481,413 in current assets.

Total liabilities as at June 30, 2025 were \$782,772 compared to \$115,976 at June 30, 2024. The increase of \$666,796 over the prior year is mainly due to an increase of \$666,796 in accounts payable and accrued liabilities.

**OVERALL PERFORMANCE AND RESULTS OF OPERATIONS**

The following discussion addresses the operating results and financial condition of the Company for the years ended June 30, 2025 and 2024. The MD&A should be read in conjunction with the Company's Financial Statements.

A summary of the Company's results of operations is as follows:

	<b>Q4 2025</b>	Q4 2024	<b>Fiscal 2025</b>	Fiscal 2024
	<b>\$</b>	\$	\$	\$
<b>Operating expenses</b>				
Accounting and legal	<b>128,638</b>	5,359	<b>289,529</b>	55,628
Corporate development and marketing	<b>268,417</b>	32,334	<b>751,387</b>	62,117
Depreciation	<b>341</b>	-	<b>341</b>	-
Exploration expenses (recovery)	<b>2,350</b>	(2,385)	<b>3,755</b>	126,458
Management and professional fees	<b>96,735</b>	94,850	<b>423,559</b>	325,853
Office and administrative	<b>26,112</b>	39,453	<b>166,872</b>	216,776
Share-based compensation	<b>504,194</b>	-	<b>1,580,123</b>	3,850
Transfer agent, listing and filing fees	<b>30,405</b>	5,323	<b>137,029</b>	40,112
	<b>(1,057,192)</b>	(174,934)	<b>(3,352,595)</b>	(830,794)
<b>Other income (expenses)</b>				
Foreign exchange gain (loss)	-	10,672	-	(13,425)
Gain on sale of equipment	-	-	<b>4,885</b>	-
Impairment of exploration and evaluation assets	<b>(13,971,506)</b>	-	<b>(13,971,506)</b>	-
Interest income	<b>1,869</b>	7,396	<b>45,065</b>	38,408
<b>Net loss for the year</b>	<b>(15,026,829)</b>	(156,866)	<b>(17,274,151)</b>	(805,811)
Gain on translation to presentation currency	<b>17,618</b>	-	<b>82,295</b>	-
<b>Comprehensive loss for the year</b>	<b>(15,009,211)</b>	(156,866)	<b>(17,191,856)</b>	(805,811)

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**Q4 2025 compared to Q4 2024**

The Company's net loss increased to \$15,026,829 compared to \$156,866 in the prior year comparable period. The primary drivers of the increase in net loss were as follows:

- Accounting and legal fees increased to \$128,638 from \$5,359 in the prior year comparable period primarily due to increased legal costs associated with corporate matters, private placement matters, and increased activity following the acquisition of Sakumpu.
- Corporate development and marketing increased to \$268,417 from \$32,334 in the prior year comparable period primarily due to increased investor relations activities associated with the private placements and conference attendance activities in the current period.
- Share-based compensation increased to \$504,194 from \$nil in the prior year comparable period attributable to the vesting of stock options and DSUs that were granted to certain directors and officers in the current period.
- Impairment of exploration and evaluation assets increased to \$13,971,506 from \$nil in the prior year comparable period due to management's decision during the current period to not continue exploration and evaluation activities on the Victorian Gold Projects.

**Fiscal 2025 compared to Fiscal 2024**

The Company's net loss increased to \$17,274,151 compared to \$805,811 in the prior year. The primary drivers of the increase in net loss were as follows:

- Accounting and legal fees increased to \$289,529 from \$55,628 in the prior year primarily due to increased legal costs associated with corporate matters, private placement matters, and increased activity following the acquisition of Sakumpu.
- Corporate development and marketing costs increased to \$751,387 from \$62,117 in the prior year primarily due to increased investor relations activities associated with the private placements and conference attendance activities in the current year.
- Management and professional fees increased to \$423,559 from \$325,853 in the prior year primarily due to increased services provided by management following the acquisition of Sakumpu.
- Share-based compensation increased to \$1,580,123 from \$3,850 in the prior year attributable to the vesting of stock options and DSUs that were granted to certain directors and officers in the current year.
- Transfer agent, listing and filing fees increased to \$137,029 from \$40,112 in the prior year primarily due to additional filing activities to support the Transaction and the private placement in the current year, and commence trading on the OTCQB Venture Market.
- Impairment of exploration and evaluation assets increased to \$13,971,506 from \$nil in the prior year comparable period due to management's decision during the current period to not continue exploration and evaluation activities on the Victorian Gold Projects.

Partially offsetting the increase in net loss was a decrease in exploration expenses to \$3,755 from \$126,458 in the prior year. The amount classified as exploration expenses in the prior year resulted from exploration activities conducted on impaired properties. The decrease in the current year is due to most efforts of the Company being focused on the completion of the Transaction with S2 and its minimization of activity on the impaired properties.

**SUMMARY QUARTERLY PERFORMANCE**

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The following information is derived from the Company's consolidated financial statements prepared in accordance with IFRS Accounting Standards. The information below should be read in conjunction with the Company's consolidated financial statements for the same periods. Consistent with the preparation and presentation of the Financial Statements, the unaudited quarterly results are presented in Canadian dollars.

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A summary of the Company's financial results over the last eight most recently completed quarters is as follows:

	Q4 2025	Q3 2025	Q2 2025	Q1 2025
	\$	\$	\$	\$
Net loss and comprehensive loss	(15,009,211)	(741,254)	(951,190)	(490,201)
Basic and diluted loss per share	(0.45)	(0.02)	(0.03)	(0.06)
	Q4 2024	Q3 2024	Q2 2024	Q1 2024
	\$	\$	\$	\$
Net loss and comprehensive loss	(156,866)	(204,544)	(200,497)	(243,904)
Basic and diluted loss per share	(0.03)	(0.04)	(0.03)	(0.04)

All the Company's exploration and evaluation assets are in the exploration stage. The Company does not derive any revenue from its operations. Its primary focus is the acquisition, exploration and evaluation of mineral properties. As a result, the loss per period has fluctuated depending on the Company's activity level and cash availability. Therefore, quarterly periods are not comparable. The significant increase in net loss in Q4 2025 resulted from impairment of two of the Company's properties, the Yeungroon property and Silver Spoon property. The net loss and comprehensive loss from Q1 2025 to Q4 2025 was higher than the prior year comparable periods. This was primarily because of the expansion of the Company's operation in Finland, which led to higher accounting and legal fees, corporate development and marketing costs as well as management fees.

**EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES**

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

	Yeungroon project	Silver Spoon project	Finnish properties	Total
	\$	\$	\$	\$
Balance, June 30, 2023	10,508,759	3,125,053	-	13,633,812
Chemical analysis	17,843	-	-	17,843
Geological services	59,031	28,994	-	88,025
Geophysical surveys	11,310	-	-	11,310
Materials and supplies	7,029	-	-	7,029
Project management	77,617	40,409	-	118,026
Recording and filing	15,294	4,315	-	19,609
Travel	3,961	410	-	4,371
Balance, June 30, 2024	10,700,844	3,199,181	-	13,900,025
Acquisition costs	-	-	8,041,728	8,041,728
Depreciation	3,011	769	-	3,780
Drilling and trenching	-	-	328,007	328,007
Geological services	32,386	3,006	728,756	764,148
Project management	14,485	9,635	-	24,120
Recording and filing	-	191	238,838	239,029
Travel	-	-	64,802	64,802
Impairment of exploration and evaluation assets	(10,758,949)	(3,212,557)	-	(13,971,506)
Currency translation	8,223	(225)	85,911	93,909
<b>Balance, June 30, 2025</b>	-	-	<b>9,488,042</b>	<b>9,488,042</b>

The Company does not capitalize expenditures on projects that were previously impaired. Expenditures on previously impaired projects are expensed.

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A summary of the Company's exploration expenses for the year ended June 30, 2025 on impaired projects is as follows:

	<b>Ballarat West project</b>	<b>Glenfine project</b>	<b>Total</b>
	\$	\$	\$
Geological services	528	2,553	3,081
Project management	101	573	674
	<b>629</b>	<b>3,126</b>	<b>3,755</b>

A summary of the Company's exploration expenses for the year ended June 30, 2024 on impaired projects is as follows:

	<b>Ballarat West project</b>	<b>Glenfine project</b>	<b>Total</b>
	\$	\$	\$
Geological services	19,647	89,764	109,411
Project management	1,791	4,614	6,405
Recording and filing	4,122	6,394	10,516
Travel	126	-	126
	<b>25,686</b>	<b>100,772</b>	<b>126,458</b>

**Finnish Properties**

On September 18, 2024, the Company completed the Transaction with S2 whereby the Company acquired all the issued and outstanding shares of Sakumpu. The acquisition of Sakumpu includes several exploration licenses (collectively, the "Finnish Properties"), with the initial primary focus being on the Paana licenses, which include the Aarnivalkea prospect. These licenses are wholly owned by Sakumpu with the exception of two licenses which are subject to an earn-in agreement with Rupert Resources. The Company will continue to be focused on work to initiate exploration of its Finnish gold portfolio, including diamond drilling of the most advanced and prospective targets. During the year ended June 30, 2025, all exploration and evaluation expenditures of the Company were related to the Paana project.

**Victorian Gold Projects**

On March 4, 2025, the Company completed the grant of an option on its Yuengroon, Ballarat West, and Silver Spoon projects ("YBWSS Option") located in Australia to S2 and contemplated as part of the Transaction. Pursuant to the YBWSS Option, S2 can earn an 80% interest in the Yuengroon, Ballarat West, and Silver Spoon projects by sole-funding total expenditures of AUD \$1.2 million within four years. The Company also announced that it has granted S2 an option on its Glenfine project (the "Glenfine Option" and, together with the YBWSS Option, the "Options") located in Australia. Pursuant to the Glenfine Option, S2 can earn a 51% interest in the Glenfine project by sole funding total expenditures of AUD 200,000 within four years. Upon exercise of the YBWSS Option, S2 will hold an 80% interest in the Yuengroon, Ballarat West, and Silver Spoon projects, and the Company will retain a 20% interest. Upon exercise of the Glenfine Option, S2 will hold a 51% interest in the Glenfine project, and the current Glenfine partners will retain a 49% interest. If a party's joint venture interest is diluted below 10%, it will automatically convert to a 2% net smelter return royalty.

Following a strategic evaluation of the Company's four projects in the year ended June 30, 2023, it was determined that given existing plans and finances available for exploration, the priority of the Company was the Yeungroon and Silver Spoon projects. As a result, the Glenfine and Ballarat West projects were impaired in the year ended June 30, 2023 and any future expenditures are expensed.

During the year ended June 30, 2025, the Company decided not to continue with the Yeungroon and Silver Spoon projects. As a result, the Yeungroon and Silver Spoon projects were impaired and an impairment of exploration and evaluation assets of \$13,971,506 (2024 - \$nil) was recognized. Any future expenditures will be expensed.

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**LIQUIDITY**

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**Working capital**

As at June 30, 2025, the Company had working capital (defined as current assets less current liabilities) of \$3,297,795 (June 30, 2024 - \$2,483,178), including cash of \$3,948,127 (June 30, 2024 - \$83,684). While the Company has sufficient resources to pay its current liabilities to achieve its stated business objectives to carry out its limited exploration programs and to cover anticipated administrative costs for the next 12-month period, it will need to raise additional funds in the future to continue its exploration operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

**Cash flows**

A summary of the Company's cash flows is as follows:

	<b>Fiscal 2025</b>	<b>Fiscal 2024</b>
	<b>\$</b>	<b>\$</b>
Cash used in operating activities	<b>(1,395,830)</b>	(951,031)
Cash used in investing activities	<b>(3,600,500)</b>	(277,646)
Cash provided by financing activities	<b>8,871,705</b>	-
Change in cash	<b>3,875,375</b>	(1,228,677)

Cash used in operating activities was \$1,395,830 compared to \$951,031 of cash used in the prior year. The increase in cash used is mainly due to higher cash spent on legal fees for corporate matters, and increased marketing and investor services fees associated with the private placements and the expansion of the Company's operation in Finland in the current year.

Cash used in investing activities increased to \$3,600,500 from \$277,646 of cash used in the prior year. The increase was primarily due to cash consideration of \$1,500,000 paid to S2 and \$1,012,904 of transaction costs paid in connection with the Transaction, and investments in exploration and evaluation assets in the current year.

Cash provided by financing activities was \$8,871,705 compared to \$nil of cash provided during the prior year. The increase in cash provided is due to \$6,749,979 proceeds received from private placements offset by \$293,149 cash paid for unit issuance costs, \$875 proceeds received from warrants exercised, and \$2,414,000 proceed receive from restricted cash release.

**Sources and uses of funds**

On June 21, 2024, the Company closed a private placement for gross proceeds of \$2,414,000 by issuing 6,035,000 subscription receipts at a price of \$0.40 per subscription receipt which converted to units on September 18, 2024.

On September 5, 2024, the Company closed a private placement for gross proceeds of \$60,000 by issuing 150,000 units at a price of \$0.40 per unit.

On September 16, 2024, the Company closed a private placement for gross proceeds of \$2,589,979 by issuing 6,474,947 subscription receipts at a price of \$0.40 per subscription receipt which converted to units on September 18, 2024.

On June 25, 2024, the Company closed a private placement for gross proceeds of \$4,100,000 by issuing 16,400,000 units at a price of \$0.25 per unit.

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A summary of the Company's gross proceeds and allocation of proceeds is as follows:

	Private placement on June 25, 2025	Private placement on September 5, 2024	Subscription receipts converted to units on September 18, 2024
Total gross proceeds	\$ 4,100,000	\$ 60,000	\$ 5,003,979
<b>Allocation of proceeds:</b>			
Cash payment to S2	-	-	(1,500,000)
Exploration of the Finnish Properties and landholder payments	(3,500,000)	-	(1,500,000)
Transaction costs <sup>(1)</sup>	-	-	(1,128,268)
Unit issuance costs	(78,557)	(3,700)	(264,276) <sup>(2)</sup>
Working capital and general corporate expenses	(521,443)	(56,300)	(611,435)
	-	-	-

(1) Of total transaction costs, \$115,364 was paid during the year ended June 30, 2024 and was recorded as deferred transaction costs.

(2) Of total unit issuance costs, \$53,384 was paid during the year ended June 30, 2024 and was recorded as deferred transaction costs.

**CAPITAL RESOURCES**

The Company continues to evaluate raising capital through the issuance of common shares and is dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company will need to raise additional funds in the future to continue its exploration operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

**RELATED PARTY DISCLOSURES**

Key management personnel include those having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions is as follows:

	Fiscal 2025	Fiscal 2024
	\$	\$
Corporate development and marketing	134,903	-
Management and professional fees	423,418	332,862
Office and administrative	12,500	112,500
Share-based compensation	1,251,315	3,276
	1,822,136	448,638

The Company sub-leased its office space and received shared services from an entity controlled by its former Chairman of the Board of Directors. This contract ended on September 30, 2024. During the year ended June 30, 2025, sub-lease costs, office expenses, human resource support, and related fees of \$12,500 were paid to this entity (2024 - \$112,500). All transactions with this entity are at fair market value for services received by the Company. As of October 1, 2024, these services are no longer provided by a related party.

**VALKEA RESOURCES CORP. (formerly Outback Goldfields Corp.)**

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(Expressed in Canadian dollars, except where noted)

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On March 4, 2025, the Company completed the grant of the YBWSS Option to S2 and contemplated as part of the Transaction.

As at June 30, 2025, included in accounts payable and accrued liabilities are due to related parties of \$229,816 (June 30, 2024 - \$32,541). The amounts due are unsecured, due on demand and are non-interest bearing.

As at June 30, 2025, the other receivable balance of \$22,092 included in amounts receivable, was receivable from a related company under common control and was subsequently repaid on July 4, 2025.

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**PROPOSED TRANSACTIONS**

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As at June 30, 2025 and the MD&A Date, there are no proposed transactions.

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**CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING JUDGMENTS**

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The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in a material adjustment to the carrying amount of the asset or liability affected in future periods.

A detailed summary of all of the Company's accounting estimates and assumptions is included in the Financial Statements filed on SEDAR+.

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**CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

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The International Accounting Standards Board continually issues new and amended standards and interpretations which may need to be adopted by the Company. The Company continually assesses the impact that the new and amended standards and interpretations may have on its financial statements or whether to early adopt any of the new requirements. On July 1, 2024, the Company adopted the following new accounting pronouncement:

*Classification of liabilities as current or non-current - amendments to IAS 1*

Additionally, the Company assessed the impacts of the amendments to IAS 1 *Presentation of Financial Statements*, effective for periods beginning on or after January 1, 2024, which clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments had no impact on the Company's financial statements.

There were no other recent pronouncements applicable to the Company's financial statements.

Pronouncements issued but not yet effective (do not adopt yet but disclose as below)

On April 9, 2024, the International Accounting Standards Board issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

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In May 2024, the International Accounting Standards Board ("IASB") issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. These amendments updated classification and measurement requirements in IFRS 9 *Financial Instruments* and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the 'solely payments of principal and interest' criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is currently assessing the effect of these amendments on the financial statements.

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**FINANCIAL INSTRUMENTS**

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As at June 30, 2025, financial instruments comprised of cash, amounts receivable except for goods and services taxes receivable, reclamation bond, and accounts payable and accrued liabilities that are classified as and measured at amortized cost. The carrying value of cash, amounts receivable, reclamation bond, and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these financial instruments.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash.

The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk to be minimal.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's primary exposure to liquidity risk is through accounts payable and accrued liabilities. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. As of June 30, 2025, the Company had cash of \$3,948,127 (June 30, 2024 - \$83,684) and working capital of \$3,297,795 (June 30, 2024 - \$2,483,178). As at June 30, 2025, liquidity risk is assessed as low. The Company had sufficient cash on hand to discharge its financial liabilities as they become due but will require additional funding to continue operations.

**Foreign exchange risk**

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to foreign exchange risk from fluctuations in the Canadian dollar to the Australian dollar and the euro. A 1% change in the Canadian dollar exchange rate relative to the Australian dollar would change the Company's loss by approximately \$342; and a 1% change in the Canadian dollar exchange rate relative to the euro would change the Company's loss by approximately \$1,143.

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A summary of the Company's financial assets and liabilities as at June 30, 2025 that are denominated in the Australian dollar and the Euro is as follows:

	<b>AUD</b>	<b>EUR</b>
	\$	\$
<b>Financial assets</b>		
Cash	12,269	277,355
Amounts receivable	1,205	3,069
Reclamation bond	20,745	-
	<b>34,219</b>	<b>280,424</b>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	-	166,162
	-	166,162
<b>Net financial assets</b>	<b>34,219</b>	<b>114,262</b>

**OUTSTANDING SECURITY DATA**

A summary of the Company's issued and outstanding securities is as follows:

	June 30, 2025	MD&A Date
	#	#
Common shares issued and outstanding	48,649,184	48,649,184
Warrants	21,417,560	21,417,560
Options	4,940,167	4,940,167
DSUs	2,208,750	2,208,750

**RISKS AND UNCERTAINTIES**

Investment in securities of the Company should be considered speculative due to the high-risk nature of the Company's business and the present stage of the Company's development. The risk factors, as well as risks currently unknown to the Company, could materially adversely affect the future business, operations and financial condition of the Company and could cause them to differ materially from the estimates described in forward-looking statements herein relating to the Company or the Company's business, property or financial results, each of which could cause investors to lose part or all of their investment in the Company's securities. The risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also materially and adversely affect the Company's business, financial condition, results of operations and prospects. Investors should carefully consider the risk factors prior to making an investment in the Company. While the Company engages in certain risk management practices, there can be no assurance that such measures will limit the occurrence of events that may negatively impact the Company as many factors are beyond the control of the Company. For a detailed listing of the risks and uncertainties faced by the Company, refer to the Company's management information circular dated July 31, 2024 available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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**FORWARD-LOOKING STATEMENTS**

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This MD&A includes forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with the Company's business and the environment in which the business operates. Any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements, including those identified by the expressions "considers", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved", or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may," "future", "expected", "will", "intends", and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Refer to the risks and uncertainties section for material risk factors that may cause actual results to differ materially from forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash and prepaid expenses; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits; ability to physically access and work the Company's property assets due to poor weather; a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans; and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions; and investor appetite for early stage exploration companies.