

Brigadier Gold Limited

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
DECEMBER 31, 2023**

Introduction

This discussion and analysis of financial position and results of operation of Brigadier Gold Limited ("Brigadier") or the "Company"), is prepared as at February 28, 2024, and should be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2023 and 2022 and accompanying notes. The following disclosure and associated financial statements are presented in accordance with IFRS. Except as otherwise disclosed, all dollar figures included therein and in the following Management's Discussion and Analysis ("MD&A") are quoted in Canadian Dollars. Unless indicated otherwise, information in this MD&A is current as of February 28, 2024.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings 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, with respect to the period covered by these filings, and these consolidated financial statements together with the other financial information included in these filings. The Board of Directors approve the consolidated financial statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Further information about the Company and its operations can be obtained from the offices of the Company or from www.sedar.com.

Cautionary Statement Regarding Forward Looking Statements

This MD&A may contain statements which constitute "forward-looking information", including statements regarding the plans, intentions, beliefs and current expectations of the Company, its directors, or its officers with respect to the future business activities and operating performance of the Company. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future business activities or performance and involve risks and uncertainties, and that the Company's future business activities may differ materially from those in the forward-looking statements as a result of various factors. Such risks, uncertainties and factors are described in the periodic filings with the Canadian securities regulatory authorities, including the Company's quarterly and annual Management's Discussion & Analysis, which may be viewed on SEDAR at www.sedar.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated, or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements other than as may be required by applicable law.

Description of Business and Overall Objective

Brigadier was incorporated on February 13, 1996, under the Business Corporations Act (Ontario) and was continued into British Columbia under the Business Corporations Act (British Columbia) on June 19, 2020. The Company is listed on the TSX Venture Exchange under the symbol BRG. The Company's head and registered office is located at 300 Bellevue Centre, 235 – 15th Street, West Vancouver, BC, V7T 2X1.

The Company is engaged in the acquisition, exploration, and development of mineral properties with a primary focus on exploration of the Nemaska2 Lithium property, Quebec.

The Company has one active wholly-owned subsidiary; 1000196193 Ontario Ltd. which holds the Nemaska2 lithium property and two inactive wholly-owned subsidiaries; 1848246 Ontario Inc. and Incahusai Exploraciones S.A., (Argentina).

Qualified Person

Mr. Garry Clark, P. Geo., a director of the Company and Qualified Person under NI 43-101 has reviewed and approved the technical disclosure in this management discussion and analysis.

Exploration and Evaluation Properties

Nemaska2 Lithium Property, Quebec, Canada

The Nemaska2 Lithium Property was assembled through two separate agreements for mining claims known as Nemaska2 and Nemaska2 Extension and are now collectively referred to as Nemaska2.

Nemaska2 consists of 162 map-designated mining titles covering a total area of 8,300 hectares and is located in northern Québec, approximately 160kms east of James Bay, near the community of Nemaska.

Nemaska2 benefits from easily accessible on-site infrastructure including a powerline, aerodrome, railway and an accommodations camp. The Property is bisected by the region's primary east-west road and is ~5km by road from additional accommodations, fuel and supplies. A large portion of the property is also accessible by all season logging roads eliminating the need for any use of helicopters in reconnaissance, mapping, sampling or drilling.

Acquisition Terms

On March 13, 2023 the Company closed the acquisition of 1000196193 Ontario Ltd. (the "Vendor"), a privately held corporation holding the right to acquire a 100% interest in the Nemaska2 Lithium Property ("Nemaska2 Option"). The Company acquired all of the issued and outstanding common shares of Vendor from its shareholders in exchange for 35,000,000 common shares in the capital of the Company (issued during Q1/23), and a cash payment of \$20,000 (paid during Q1/23). The Company will also pay to the optionor \$20,000 on behalf of the Vendor within seven days of closing of the acquisition (paid during Q1/23).

The Nemaska2 Option, as amended, provides the Vendor the right to acquire a 100% undivided interest in the Nemaska2 Property, subject to a 2% NSR and Bonus, by making aggregate cash payments to the Optionor of \$190,000, including \$20,000 within seven days of the effective date of the agreement (paid); \$20,000 within seven days following approval of the Acquisition by the TSXV (paid), and \$50,000 on each of the first, second and third anniversaries of the date of the Option Agreement. Under the terms of the option agreement, the Vendor has agreed to make a one-time payment in the amount of \$1,000,000, in cash or shares of the Vendor, in the event a report compliant with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") establishes mineral resources valued over \$100,000,000 with respect to the Nemaska2 Property. The Company is currently non-compliant with the terms of the option agreement as it has not made the first anniversary payment of \$50,000.

In connection with the transaction the Company paid a finder's fee consisting of 2,450,000 Common Shares of the Company.

A payment of \$30,000 made by the Company during December 2022, in connection with the Nemaska2 Option prior to its amendment was refunded to the Company during Q1/23.

On March 20, 2023 and subsequently amended, the Company entered into a property option agreement to acquire a 100% undivided interest in the Nemaska2 Lithium Extension Property ("Nemaska2 Extension"), James Bay Quebec. Under the terms of the option agreement, the Company, subject to a 2% NSR in favor of the optionor, must pay an aggregate of \$250,000, including a cash payment of \$10,000 within fourteen days of the effective date of the option agreement (paid); a cash payment of \$20,000 within ninety days of the effective date of the option agreement (paid); a cash payment of \$20,000 within 180 days of the effective date of the option agreement and cash payments of \$100,000 on each of the first, and second anniversaries of the effective date of the option agreement. Under the terms of the option agreement, the Company agrees to make a one-time cash payment to the optionor of \$1,000,000, in the event a 43-101 compliant mineral resource valued over \$100,000,000 or more is established with respect to the Property. The Company is currently non-compliant with the terms of the option agreement as it has not made the 180-day payment of \$20,000.

2023 Exploration:

During July and early August 2023 field crews completed a first phase of surface reconnaissance mapping, prospecting and sampling on the Nemaska2 Property. The program confirmed pegmatite occurrences mapped in historical government exploration and discovered new zones of previously undocumented shallow pegmatite mineralization.

Assay results to date have yet to yield economic lithium concentrations. Approximately 50% of the Nemaska2 property which to date is unexplored, may be the focus of future programs.

Cost expensed for the Nemaska2 Property were as follows:

	Years Ended	
	December 31 2023	December 31 2022
	\$	\$
Acquisition costs		
Acquisition of 1000196193 Ontario Ltd.	3,221,882	-
Option payments	50,000	-
	<u>3,271,882</u>	<u>-</u>
Exploration expenditures		
Assays	12,956	-
Geological	64,526	-
Geals and accommodation	27,879	-
Transportation	11,592	-
Consulting, reports and mapping	53,567	-
	<u>170,520</u>	<u>-</u>
	<u>3,442,402</u>	

Killala Lake South Diamond Property, Ontario, Canada

On May 11, 2020, the Company entered into an option agreement with Rudolf Wahl and Mike Dorval, together doing business as the "Wahl Group" to purchase a 100% interest in forty-six (46) cell claims units located in Killala Lake, Foxtrap Lake Area Townships, Thunder Bay Mining District, Ontario. The agreement received regulatory approval on June 24, 2020.

On August 29, 2023 the Company terminated the Killala Lake South Diamond Property option agreement.

Costs expensed on the property were as follows:

	Years Ended	
	December 31 2023	December 31 2022
	\$	\$
Acquisition costs		
Option Payments	24,500	20,000
Exploration expenditures		
Geological consulting	1,200	-
Reports and mapping	-	7,085
Recovery	-	(15,000)
	<u>25,700</u>	<u>12,085</u>

Results of Operations

Selected Annual Information

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
	\$	\$	\$
Total Revenue	-	-	-
Loss for the year	(4,327,740)	(557,855)	(3,714,077)
Basic and diluted loss per share	(0.04)	(0.01)	(0.05)
Total Assets	153,698	576,175	1,019,208
Total Liabilities	326,576	338,397	228,575

For the year ended December 31, 2023, the Company recorded a loss from continuing operations of \$4,327,740 (2022; loss of \$557,855) or \$0.04 loss per share (2022; \$0.01 loss per share). The significant increase in loss in the current year

is due primarily to an increase of \$3,420,514 in exploration and evaluation expenses which was almost entirely the result of the acquisition of 1000196193 Ontario Ltd. (Nemaska2). Consulting costs, management fees and marketing expenses were also materially higher in fiscal 2023 compared with 2022 due to increased corporate activity connected to the acquisition and exploration of the Nemaska2 property.

For the year ended December 31, 2022, the Company recorded operating expenses of \$622,427 (2021; \$3,725,633). The significant decrease in operating expenses from fiscal year 2021 was primarily due to; a \$1,371,986 decrease in exploration and evaluation expenses as a result of termination of the Picachos option agreement and cessation of expenditures on that property; a decrease of \$581,638 in marketing costs; and a decrease of \$1,066,555 in share-based compensation as a result of no options or warrants vesting during the most recent fiscal year.

The Company is considered to be in the acquisition and exploration stage and has no income producing assets. The Company is focused on the exploration of mineral properties with a primary focus on the Nemaska2 Lithium Property.

Summary of Quarterly Results

	Quarter Ended			
	December 31	September 30	June 30	March 31
	2023	2023	2023	2023
	\$	\$	\$	\$
Total revenue	-	-	-	-
Loss before other items	(136,228)	(374,329)	(375,888)	(3,441,295)
Loss for the period	(136,228)	(374,329)	(375,888)	(3,441,295)
Basic loss per share	(0.001)	(0.003)	(0.003)	(0.04)
Total assets	153,698	231,806	593,337	356,724

	Quarter Ended			
	December 31	September 30	June 30	March 31
	2022	2022	2022	2022
	\$	\$	\$	\$
Total revenue	-	-	-	-
Loss before other items	(134,043)	(146,877)	(184,610)	(156,897)
Loss for the period	(57,438)	(146,877)	(196,643)	(156,897)
Basic loss per share	(0.001)	(0.002)	(0.002)	(0.002)
Total assets	576,175	696,248	803,523	934,814

Quarterly losses over 7 of the last 8 quarters has exhibited slight variation with some dependency on exploration activity. The quarter ending March 31, 2023 included a significantly higher loss which was as described above due to the costs associated with the acquisition of 1000196193 Ontario Ltd. Total assets has varied primarily due to cash on hand which is the result of overall cash expenditures and the timing of private placements.

Liquidity and Financial Position

The activities of the Company are financed predominantly through the completion of equity offerings and the exercise of stock options and warrants. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all.

As at December 31, 2023, the Company had negative working capital of \$172,878 (December 31, 2022; surplus of \$209,028). There were no changes in the Company's approach to capital management during the year.

The Company's continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to identify future investment opportunities.

During May and June 2023, the Company completed a private placement for gross proceeds of \$778,715.

Contractual Obligations

On October 30, 2020, the Company appointed a new Chief Operating Officer (“COO”) (now COO, CFO and Corporate Secretary). The Company also entered into a Management Services Agreement with 677185 BC Ltd, (the “Consultant”), an entity controlled by the COO. The agreement provides for annual compensation of CAD\$120,000, discretionary bonuses, and participation in the equity-based compensation plans adopted by the Company. Remuneration is to be reviewed annually. The agreement also provides for an incentive signing bonus to be paid in common shares of the equivalent to 1% of the outstanding share capital of the company at the effective date of the agreement to be paid to the Consultant or the COO at the discretion of the Consultant.

On October 30, 2020, the Company issued 600,000 common shares with a fair value of \$171,000 in full settlement of the signing bonus.

The agreement may be terminated without cause at any time by the Company, by delivering to the Consultant written notice stipulating the date of termination, and by paying a lump sum settlement in an amount equal to 200% of the effective compensation at the time of termination.

Outstanding Share Data

Class of Security	Number outstanding at December 31, 2022	Net issued (equity offering, grants, cancellation, exercises or forfeitures)	Number outstanding at December 31, 2023	Net issued (grants, cancellations, exercises)	Number outstanding at February 28, 2024
Shares ¹	77,789,693	49,974,513	127,764,206	-	127,764,206
Options	750,000	-	-	-	750,000
Warrants ²	-	11,735,428	11,735,428	-	11,735,428

¹ The Company's authorized share capital is an unlimited number of common shares without par value. All issued common shares are fully paid.

² Includes broker warrants.

Common shares

During the year ended December 31, 2023, the Company issued: 37,450,000 shares in connection with the acquisition of 1000196193 Ontario Ltd; 11,124,513 shares in a private placement; 200,000 shares for property option; and 1,200,000 shares on exercise of RSUs. Subsequent to December 31, and up to February 28, 2024, no shares were issued.

Incentive stock options

During the year ended December 31, 2023 or subsequent period up to February 28, 2024, there were no changes to options outstanding.

Share purchase warrants

During the year ended December 31, 2023, the company issued 11,124,513 warrants to subscribers of a private placement and 610,915 warrants were issued as finder's fees in connection with the same private placement.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Risks and Uncertainties

The following factors are those which are the most applicable to the Company. The discussion which follows is not inclusive of all potential risks. Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all of the risks inherent in the mineral exploration and mining business, the Company strives to manage these risks, to the greatest extent possible, to ensure that its assets are protected.

Global Conflict

Risks Uncertainties resulting from the war in Ukraine, and the accompanying international response including economic sanctions levied against Russia, which has disrupted the global economy, created increased volatility in commodity markets (including oil and gas prices), and disrupted international trade and financial markets, all of which have an ongoing and uncertain effect on global economics, supply chains, availability of materials and equipment and execution timelines for project development.

The Company has a history of losses and may not be able to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis.

The Company has no history of revenue or earnings from operations. The Company is an exploration stage company and no cash flow or operating revenues are anticipated until one of the Company's projects comes into production, which may or may not occur. As such, the Company has had negative cash flow since the date of its incorporation and is subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues.

If the Company cannot eventually earn revenue at a rate that exceeds the costs associated with its business, it will not be able to achieve or sustain profitability or generate positive cash flow on a sustained basis and its revenue growth rate may decline. There is no assurance that an investor will be successful in achieving a return on an investment in the Common Shares of the Company and the likelihood of success must be considered in light of its early stage of development. If the Company fails to eventually earn revenue, its business, results of operations, financial condition and prospects could be materially adversely affected.

The Company may be unable to raise the capital necessary for it to execute its strategy on favourable terms or at all.

The Company will require additional financing to fund exploration programs at the Nemaska2 Lithium and Killala Lake properties. Additional funds may not be available when the Company needs them, on terms that are acceptable, or at all. If adequate funds are not available to the Company on a timely basis, it may be unable to proceed with future exploration and development of the Nemaska2 Lithium or Killala Lake properties or with other exploration, development or acquisition of property interests to carry out its business plan, as desired, which could materially affect the Company's business, results of operations, financial condition and prospects.

There is no assurance that the Company's exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body or develop new resources.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At this time, the Company does not have any properties with mineral resources. The economics of developing lithium, diamond and other mineral properties are affected by many factors including capital and operating costs, variations of the tonnage and grade of ore mined, fluctuating mineral markets, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the prices of lithium, diamonds or other minerals produced, the Company may determine that it is impractical to commence or continue exploration and development. Substantial expenditures are required to discover an ore-body, to establish reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, conditions for lithium and diamonds, the proximity and capacity of milling and processing facilities, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals, and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

The Company may be involved in disputes related to its contractual interests in certain properties.

The Company is a party to agreements pursuant to which it may earn interests in certain properties. Title to such properties may be held in the names of parties other than the Company. Any of such properties may become the subject of an agreement which conflicts with the agreement pursuant to which the Company may earn its interest, in which case the Company may incur expenses in resolving any dispute relating to its interest in such property and such a dispute could result in the delay, indefinite postponement of further exploration and development of properties or the possible loss of such properties.

The Company's operations are subject to extensive environmental, health and safety regulations.

The Company's operations are subject to extensive laws and regulations governing environmental protection and employee health and safety promulgated by governments and government agencies. Environmental regulation provides for restrictions on, and the prohibition of, spills and the release and emission of various substances related to mining industry operations which could result in environmental pollution.

Environmental laws and regulations are complex and have become more stringent over time. The Company is required to obtain governmental permits and in some instances air, water quality, waste disposal, hazardous substances and mine reclamation permits. Although the Company makes provisions for reclamation costs, it cannot be assured that these provisions will be adequate to discharge the Company's future obligations for these costs. Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of permits and imposition of penalties. Environmental regulation is evolving in a manner resulting in stricter standards and the enforcement of, and fines and penalties for, non-compliance are becoming more stringent. In addition, certain types of operations require environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company's operations.

The Company intends to, and attempts to, fully comply with all applicable environmental regulations. While the health and safety of its people and responsible environmental stewardship are top priorities for the Company, there can be no assurance that the Company has been or will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not materially and adversely affect the Company's business, results of operations or financial condition.

The Company's future success depends on its relationships with the communities in which it operates.

The Company's relationships with the communities in which the Company operates are critical to ensuring the future success of existing operations and the construction and development of future projects. There is an increasing level of public interest worldwide relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("NGOs"), some of which oppose globalization and resource development, are often vocal critics and attempt to interfere with the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or their operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact the Company's relationship with the communities in which it operates. While the Company believes that it operates in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

The Company may not be able to complete acquisitions it pursues and any completed acquisitions or business arrangements may ultimately not benefit its business.

As part of the Company's business strategy, it has sought and will continue to seek new mining and development opportunities in the mining industry. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

The mining industry is very competitive.

The Company competes with other exploration and production companies, many of which are better capitalized, have greater financial resources, operational experience and technical capabilities, or are further advanced in their development or are significantly larger and have access to greater mineral resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If the Company is unsuccessful in acquiring additional mineral properties or qualified personnel, it may not be able to grow at the rate it desires, or at all.

The Company's competitors may be able to devote greater resources to the expansion and efficiency of their operations or respond more quickly to new laws and regulations or emerging technologies than the Company. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company is subject to government regulation and failure to comply could have an adverse effect on the Company's operations.

The Company's operations, exploration and development activities are subject to extensive federal, provincial and local laws and regulations governing such matters as environmental protection, management and use of toxic substances and explosives, management of natural resources, health, exploration and development of mines, production and post-closure reclamation, safety and labour, taxation, maintenance of claims, tenure, and government royalties. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. The activities of the Company require licenses and permits from various governmental authorities.

The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its mines or properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company retains competent and well-trained individuals and consultants in jurisdictions in which it does business; however, even with the application of considerable skill, the Company may inadvertently fail to comply with certain laws. Such events can lead to financial restatements, fines, penalties, and other material negative impacts on the Company.

The Company may not be successful in obtaining and renewing government permits.

In the ordinary course of business, the Company is required to obtain and renew government permits for the exploration and development of its properties. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the permitting authority. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

Loss of key personnel could materially affect the Company's operations and financial condition.

The Company depends on the business and technical expertise of a number of key personnel, including its directors and executive officers and key personnel working full-time in management and administrative capacities or as consultants. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's exploration and development activities expand, it will require additional key personnel. The Company does not maintain life insurance for such personnel. The loss of any key personnel, or the failure to retain such personnel, could have a material adverse effect on the Company's future operations and financial condition.

The Company may be subject to potential conflicts of interest with its directors and/or officers.

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict-of-interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

Security breaches of the Company's information systems could adversely affect the Company.

The Company's operations depend, in part, upon information technology systems. The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, hacking, computer viruses, security breaches, natural disasters, power loss, vandalism, theft and defects in design. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of our data,

systems and networks, any of which could have adverse effects on our reputation, business, results of operations, financial condition and share price.

The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect our systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on any forward-looking statement.

Related Party Transactions

Related party transactions for the years ended December 31 are as follows:

Key management personnel include directors and officers of the Company.

	2023	2022
	\$	\$
Director fees (included in Consulting)	126,000	101,000
Management fees	120,000	85,812
Consulting fees	120,000	125,000
Administration fees (included in General and administration)	-	58,250
Total compensation to related parties for the year	366,000	370,062

As at December 31, 2023, there was \$242,093 (December 31, 2022; \$266,099) payable to related parties included in accounts payable and accrued liabilities.

Financial Instruments and Risk Management

The carrying values of cash, restricted cash, receivables, and accounts payable and accrued liabilities are considered representative of their respective fair values due to their short-term period to maturity.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk is the carrying value of cash, restricted cash, and receivables. Substantially all of the Company's cash and restricted cash is held with major financial institutions in Canada and receivables consist of GST refunds from the Canadian government. Management believes the exposure to credit risk with such institutions is not significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of the business of the Company.

The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 10, in normal circumstances. Further information regarding liquidity risk is set out in note 1. The Company is exposed to liquidity risk.

Interest rate risk

The Company had no significant exposure as at December 31, 2023, to interest rate risk through its financial instruments.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk

The Company operates only in Canada and has limited exposure to foreign exchange risk arising from transactions denominated in foreign currencies. The operating results and the financial position of the Company are reported in Canadian dollars. The functional currency of the Company and its subsidiaries is the Canadian dollar. Foreign currency risk is related to the exposure of financial instruments denominated in currencies other than Canadian dollars. As of December 31, 2023, a 10% appreciation (depreciation) in the United States dollar against the Canadian dollar, with all other variables held constant, would not result in any significant impact on the Company's profit or loss for the year.

Additional Information

Additional information relating to the Company is available on the SEDAR website www.sedar.com.