BLUE SKY GLOBAL ENERGY CORP.
(formerly ITOK CAPITAL CORP.)
(also referred to as "Blue Sky", the "Company")

Management's Discussion & Analysis

The following management discussion and analysis should be read in conjunction with the condensed interim financial statements for the three and nine months ended September 30, 2023 prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Additional information regarding the Company is available on SEDAR at www.sedar.com.

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

This management's discussion and analysis ("MD&A") is dated October 19, 2023 and is in respect of the three and nine months ended September 30, 2023. The discussion in this management's discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51- 102F1 and has been approved by the Board of Directors.

Forward-Looking Statements

This discussion contains "forward-looking statements" that involve risks and uncertainties. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements also relate to the ability of the Company to obtain all government approvals, permits and third party consents in connection with the Company's exploration and development activities; the Company's ongoing drilling program; the Company's future exploration and capital costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations; general business and economic conditions; analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. This MD&A may contain forward-looking statements that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A

or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Such statements reflect our management's current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and known or unknown risks and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements.

Company Overview

Blue Sky Global Energy Corp. (formerly ITOK Capital Corp.), (the "Company") was incorporated under the laws of the Province of Ontario on January 21, 2005 and its shares have been listed for trading on the TSV Venture Exchange (the "Exchange") on May 2, 2008. On May 25, 2023, the Company changed its name from ITOK Capital Corp. to Blue Sky Global Energy Corp.

On July 18, 2023, the Company completed the acquisition of all the issued and outstanding shares of a private company, 2413017 Alberta Ltd. ("241") through a reverse takeover transaction ("RTO"), constituting its Qualifying Transaction under the applicable policies of the TSX Venture Exchange. Upon completion of the RTO, the shareholders of 241 obtained control of the consolidated entity. As a result, 241 has been identified as the accounting acquirer, and accordingly, the entity is considered to be a continuation of 241 with the net assets of the Company at the date of the RTO deemed to have been acquired by 241. The condensed consolidated interim financial statements for the nine months ended September 30, 2023 include the results of operations of 241 from January 1, 2023 and of the Company from July 18, 2023, the date of the RTO. The comparative figures are those of 241.

241 has two wholly-owned subsidiaries, Fire Creek (Barbados) Ltd. ("FCBL") which was incorporated under the Companies Act of Barbados on May 6, 2022, and FCRL Belize ("FCRL") which was incorporated under the Companies Act of Belize on December 10, 2014. On January 28, 2020, FCRL entered into a production Sharing Agreement with the Government of Belize whereas FCRL has been granted the right to exploration and production of petroleum resources in and throughout the contract area.

In connection with the closing of the Qualifying Transaction, the newly amalgamated entity received approval by the TSX Venture Exchange and trading commenced on July 20, 2023 under the symbol "BGE".

The Company has not generated revenue from operations. The Company incurred operating expenditures of $125,365 (September 30, 2022 - $33,489) and incurred a net loss of $744,374 (September 30, 2022 - $35,228) for the nine months ended September 30, 2023 and as of that date, the Company's accumulated deficit was $1,213,818 (December 31, 2022 - $469,444). The Company's continuation as a going concern is contingent on the completion of financings to adequately cover the Company's working capital requirements and planned exploration activities. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financial resources to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. These conditions indicate a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise financing to explore and develop the contract areas.

Qualifying Transaction

On February 24, 2023, the Company and 241 entered into an amalgamation agreement whereby, the Company would acquire all issued and outstanding shares of 241, and shareholders of 241 would receive shares in the Company at a rate of approximately 2.8631 for each share held in 241. The transaction closed July 18, 2023 and constitutes a Qualifying Transaction under the applicable policies of the TSX Venture Exchange.

Upon completion of the Qualifying Transaction, former shareholders of 241 own 84% and the existing shareholders of Blue Sky own 15% of the issued and outstanding common shares of the Company. As part of the Qualifying Transaction, 650,000 common shares were issued to a finder (Note 10), which constitutes 1% of the Company's common shares issued and outstanding. As a result, former shareholders of 241 acquired control of the Company, thereby constituting a reverse takeover of the Company. The reverse takeover is considered a purchase of the Company's net assets by the shareholders of 241.

Selected Financial Information

The following table sets out selected financial information for our Company, which has been prepared in accordance with IFRS:

		For the three months ended September 30, 2023		For the three months ended September 30, 2022
Total revenue	$	-	$	-
Net income (loss)	$	(690,986)	$	44,017
Weighted average number of shares		45,050,797		4,200,002
Basic and diluted loss per share	$	(0.02)	$	0.01

		For the nine months ended September 30, 2023		For the nine months ended September 30, 2022
Total revenue	$	-	$	-
Net income (loss)	$	(744,374)	$	(35,228)
Weighted average number of shares		23,436,283		3,215,386
Basic and diluted loss per share	$	(0.03)	$	(0.01)

		As at September 30, 2023		As at December 31, 2022
Total assets	$	1,226,017	$	500,327

The Company is in its early stages of operations and does not generate any revenue yet.

The composition of net loss and comprehensive loss for the three and nine months ended September 30, 2023 and September 30, 2022 is detailed below in "Results of Operations".

Total assets as at September 30, 2023 increased to $1,226,017 from $500,327 as at December 31, 2022.

The increase in total assets of $725,690 primarily relates to an increase in cash, as a result of the completion of a financing during the nine months ended September 30, 2023.

Overall Performance

The Company had a working capital surplus of $788,863 at September 30, 2023 compared to $72,374 for the year ended December 31, 2022. The increase in working capital is attributable to cash raised in the amount of $1,050,000 from the issuance of shares pursuant to the terms in the Amalgamation Agreement (see “Qualifying Transaction” for additional details).

The Company incurred a net loss of $744,374 for the nine months ended September 30, 2023 compared to a net loss of $35,228 for the nine months ended September 30, 2022. The increase is net loss of $709,146 is primarily a result of listing expenses incurred of $642,794, upon the closing of the Qualifying Transaction. In the nine months ended September 30, 2022, the Company realized a loss on the settlement of debt of $57,132. If the statement of net loss was normalized and this loss on debt settlement was removed, the Company would have incurred a net income of $21,904.

During the nine months ended September 30, 2023, the Company had a positive cash inflow from financing activities as $1,050,000 was raised via share issuance. The inflow from financing activities was offset by cash used in operating activities of $330,185.

Exploration and Evaluation Assets

On January 28, 2020, FCRL entered into a Production Sharing Agreement (“PSA”) with the Government of Belize whereas FCRL has been granted the right to exploration and production of petroleum resources in and throughout the contract area.

FCRL was granted an initial exploration period of two years and, subject to conditions, three successive renewal periods of two years each to the initial exploration period. On March 20, 2020, a Notice of Force Majeure was provided to the Government of Belize, in attempts to contain the spread of COVID-19, which restricted movement and closed borders. On November 22, 2021, FCRL sent a letter to end the Force Majeure Notice effective January 15, 2022, and to resume exploration efforts under the initial exploration period. The initial exploration period expires January 2024.

The following table represents the expenditures incurred on the property during the nine months ended September 30, 2023, and the year ended December 31, 2022:

Balance, December 31, 2021	$	219,966
Exploration expenditures		86,291
Currency translation adjustment		18,453
Balance, December 31, 2022	$	324,710
Currency translation adjustment		899
Balance, September 30, 2023	$	**325,609**

Chapman Petroleum Engineering Ltd. was engaged to prepare a Reserve and Economic Evaluation report ("REE") in compliance with NI 51-101, effective April 1, 2022, dated October 11, 2022. This REE report has been prepared and supervised by Qualified Reserves Evaluators. The following information with respect to the property is derived from the REE report and full text of the report will be available on the Company's Sedar profile at www.sedar.com.

The scope of the report was limited to an analysis of the two existing wells on the property that have been tested. The full potential of the concession was not addressed in this report. Proved developed reserves of 51 thousand stock tank barrels ("MSTB") have been assigned for the Company's gross working interest share (46 MSTB net after royalty), based on the technical data available and under the fiscal regime described in the PSA. The value of proved developed reserves were established to be $405,000 at a discount rate of 10% per year.

Likewise, proved plus probable reserves of 239 MSTB have been assigned for the Company's gross working interest share (216 MSTB net after royalty), with a value of $5,357,000 at a discount rate of 10% per year.

Chapman Petroleum Engineering Ltd. is operating under a permit to practice with the Association of Professional Engineers and Geoscientists of Alberta ("APEGA") and the parties involved with the preparation of the Chapman Report are Qualified Reserves Evaluators and Auditors under the Canadian Oil & Gas Evaluation Handbook ("COGEH") and NI 51-101.

Results of Operations

Three months ended September 30, 2023

The following table summarizes the Company's financial results for the three months ended September 30, 2023 and 2022:

	2023	2022	Change	Change
	$	**$**	**$**	**%**
OPERATING EXPENSES				
Consulting fees	4,391	166	4,225	2,545
Filing fees	930	-	930	100
Interest and bank charges	1,413	150	1,263	842
Office and administrative	508	-	508	100
Professional fees	68,781	7,900	60,881	771
Travel and entertainment	747	1	746	74,600
Total operating expenses	(76,770)	(8,217)	(68,553)	(834)
OTHER INCOME				
Foreign exchange gain	18,920	52,234	(33,314)	(64)
Listing expense	(642,794)	-	(642,794)	(100)
Interest income	9,658	-	9,658	100
Net income (loss)	(690,986)	44,017	(735,003)	(1,670)
Cumulative translation adjustment	(11,888)	(37,387)	25,499	68
Net income (loss) and other comprehensive income (loss)	**(702,874)**	6,630	(709,504)	(10,701)

The Company's operating expenditures for the three months ended September 30, 2023 increased by $68,553 as compared with operating expenditures for the three months ended September 30, 2022. The increase is primarily attributable to professional fees for the preparation of financial records for the Company in anticipation and closing of the Qualifying Transaction.

Consulting fees incurred during the three months ended September 30, 2023 were $4,391, as opposed to $166 in the same period of the prior year. The increase of $4,225 is due to the necessity of consulting support in relation to the Qualifying Transaction.

Professional fees incurred during the three months ended September 30, 2023 were $68,781, as opposed to $7,900 in the same period of the prior year. The increase of $60,881 is a result of legal and accounting expenses incurred relating to the Qualifying Transaction for the preparation of documents and financial records in the anticipation and closing of the Qualifying Transaction.

During the three months ended September 30, 2023, the Company accrued interest income on a one-year cashable guaranteed investment certificates of $875,000, that bears interest at a rate of 4.95% and matures on August 1, 2024. No guaranteed investment certificates were held during the three months ended September 30, 2022.

Due to fluctuations in the CAD and USD currency, the Company recognized a foreign exchange gain of $18,920 in the three months ended September 30, 2023, as opposed to a foreign exchange gain of $52,234 in the three months ended September 30, 2022.

Nine months ended September 30, 2023

The following table summarizes the Company's financial results for the nine months ended September 30, 2023 and 2022:

	2023	2022	Change	Change
	$	$	$	%
OPERATING EXPENSES				
Consulting fees	14,320	166	14,154	8,527
Filing fees	930	-	930	100
Interest and bank charges	3,701	188	3,513	1,869
Office and administrative	1,167	8,619	(7,452)	(86)
Professional fees	104,500	12,136	92,364	761
Travel and entertainment	747	12,380	(11,633)	(94)
Total operating expenses	(125,365)	(33,489)	(91,876)	274
OTHER INCOME				
Foreign exchange gain	1,647	55,393	(53,746)	(97)
Interest income	22,138	-	22,138	100
Listing expense	(642,794)	-	(642,794)	(100)
Loss on debt settlement	-	(57,132)	57,132	100
Net income (loss)	(744,374)	(35,228)	(709,146)	2,013
Cumulative translation adjustment	(1,355)	(39,135)	37,780	(97)
Net loss and other comprehensive loss	**(745,729)**	(74,363)	(671,366)	903

The Company's operating expenditures for the nine months ended September 30, 2023 increased by $91,876 as compared with operating expenditures for the nine months ended September 30, 2022. The increase is primarily attributable to professional fees for the preparation of financial records for the Company in anticipation and closing of the Qualifying Transaction.

Consulting fees incurred during the nine months ended September 30, 2023 were $14,320, as opposed to $166 in the same period of the prior year. The increase of $14,154 is due to the necessity of consulting support in relation to the Qualifying Transaction.

Professional fees incurred during the nine months ended September 30, 2023 were $104,500, as opposed to $12,136 in the same period of the prior year. The increase of $92,364 is a result of legal and accounting expenses incurred relating to the Qualifying Transaction for the preparation of documents and financial records in the anticipation and closing of the Qualifying Transaction.

During the nine months ended September 30, 2023, the Company accrued interest income on a one-year cashable guaranteed investment certificates of $875,000, that bears interest at a rate of 4.95% and matures on August 1, 2024. No guaranteed investment certificates were held during the nine months ended September 30, 2022.

During the nine months ended September 30, 2022, the Company recognized a loss on debt settlement of $57,132. The Company settled debt of $250,619 through the issuance of shares of the Company as opposed to $nil in the nine months ended September 30, 2023. In addition, due to fluctuations in the CAD and USD currency, the Company recognized a foreign exchange gain of $1,647 and a net loss of $744,374 as opposed to a foreign exchange gain of $55,393 and a net loss of $35,228 in the prior period.

Summary of Quarterly Results

The following financial data, which has been prepared in accordance with International Financial Reporting Standards, is derived from unaudited consolidated condensed interim financial statements for the quarters that were prepared.

Three months ended,	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**
		$	$
Total assets	1,226,017	1,450,304	1,455,139
Total revenue	-	-	-
Non-current financial liabilities	-	-	-
Net income (loss)	(690,986)	(36,280)	(17,108)
Basic and diluted net income (loss) per share	(0.02)	(0.00)	(0.00)

Three months ended,	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**
	$	$	$	$
Total assets	500,327	524,746	458,100	223,908
Total revenue	-	-	-	-
Non-current financial liabilities	-	-	-	-
Net income (loss)	67,873	44,017	(17,208)	(61,624)
Basic and diluted net income (loss) per share	0.01	0.01	(0.00)	(0.05)

The Company’s total assets have consistently grown quarter over quarter, with the exception of a couple of minor drops. A slight drop at December 31, 2022 compared to the prior quarter resulted due to a decrease in cash by about $20,000 and fluctuation in exchange rates affecting the mineral properties on translation. This is mainly attributed to the Company raising cash proceeds of $275,000 through share issuance, and exploration expenditures on the Company’s asset.

During the three months ended March 31, 2023, the company raised cash of $1,050,000 from the issuance of shares resulting in a large increase in total assets as compared to prior quarters. During the three months ended June 30, 2023, the Company's total assets experienced a slight decrease as a result of fluctuations in exchange rates affecting the mineral properties on translation. During the three months ended September 30, 2023, the Company's total assets decreased further as a result of increased professional fees and listing expenses in relation to the closing of the Qualifying Transaction.

During the three months ended September 30, 2023, the Company experienced an large increase in net loss of $654,706, as compared to the prior quarter. This increase was a direct result of the closing of the Qualifying Transaction, as listing expenses incurred were $642,794, and professional fees incurred were $68,781.

The Company experienced a net loss position for the three months ended June 30, 2023 and March 31, 2023 due to operating expenses as compared to a net income position for the three months ended December 31, 2022. In the three months ended December 31, 2022, a gain on debt settlement was recognized of $186,194 in which $484,694 of accounts payable was settled through share issuance.

The Company incurred operating expenditures of $30,632 for the three months ended June 30, 2023, and $17,963 for the three months ended March 31, 2023, of which can be mainly attributed to accounting fees in preparing financial records for the Company in anticipation of the Qualifying Transaction. In the quarter ended December 31, 2022, operating expenditures were offset by a foreign exchange gain recognized on payables due to a fluctuation in foreign exchange rates.

During the three months ended June 30, 2022, the Company incurred roughly $9,700 for travel expenditures relating to trips to Belize, and roughly $7,000 incurred to incorporate FCBL.

During the three months ended March 31, 2022, the Company incurred a net loss of $61,624, as a loss on debt settlement of $57,132 was recognized. The Company settled accounts payable of $250,619 for shares issued.

Share Capital

Authorized share capital consists of the following:

- An unlimited number of common shares without par value

Disclosure of Outstanding Share Data

As of September 30, 2023 and as of the MD&A report date, the Company has 52,270,271 common shares issued and outstanding.

The Company has no stock options or warrants outstanding, as of September 30, 2023 and as of the MD&A report date.

For the nine months ended September 30, 2023:

On March 15, 2023, the Company issued 7,342,657 shares at a price of $0.143 per share for gross proceeds of $1,050,000 as part of a private placement that was required to close the Qualifying Transaction.

On July 18, 2023, the Company issued 28,637,197 common shares in conjunction with the Qualifying Transaction. As part of the Qualifying Transaction, the issued and outstanding shares of 241 were exchanged for the Company's shares at an approximate rate of 1:2.8631 basis, resulting in the issuance of 28,637,197 common shares.

On July 18, 2023, as a result of the closing of the Qualifying Transaction, 8,262,338 shares were retained by former Blue Sky shareholders, the fair value was deemed to be $413,117.

For the year ended December 31, 2022

On March 5, 2022, the Company issued 4,200,002 common shares to settle accounts payable and accrued liabilities, and related party payables of $250,619. Of these shares issued, 2,666,666 were issued at a deemed price of $0.057907 per share, 1,433,336 were issued at a deemed price of $0.06014 per share, and 100,000 issued at a deemed price of $0.10 per share. The loss on the settlement of accounts payable and accrued liabilities, and related party payables amounted to $57,132.

On September 9, 2022, 10,000 issued and outstanding shares in FCRL Belize were transferred from a company owned by the directors of the Company to 241. The comparative figures for the nine months ended September 30, 2022 reflect the Company's operations as if the common control transaction took place on January 1, 2022.

On October 11, 2022, the Company issued 1,905,000 common shares to settle accounts payable and accrued liabilities, and related party payables of $484,694. Of these shares issued, 1,610,000 were issued at a deemed price of $0.25 per share, 75,000 issued at a deemed price of $0.25333 per share and 220,000 issued at a deemed price of $0.28725 per share. The gain on the settlement of accounts payable and accrued liabilities, and related party payables amounted to $186,194.

On November 17, 2022, the Company issued 1,923,077 common shares at a price of $0.143 per share, for proceeds of $275,000.

Liquidity and Capital Resources

The Company had a working capital surplus of $788,863 at September 30, 2023, compared to $72,374 at December 31, 2022. The increase in working capital is mainly attributed to the cash raised of $1,050,000 through share issuance.

The Company manages its capital structure and makes adjustments to it effectively support the exploration of exploration and evaluation assets. In the definition of capital, the Company includes as disclosed on its statement of financial position: share capital and deficit.

The Company is dependent on external financing to funds its activities. In order to carry out exploration and development of its exploration and evaluation assets, and to pay for general operating costs, the Company will be using its existing working capital and will raise additional amounts as needed.

The Company used $330,185 in cash for operating activities for the nine months ended September 30, 2023 as opposed to $23,929 for the nine months ended September 30, 2022. The Company continues to generate net losses and negative cash flows from operating activities due to not having revenues to cover its operating expenses.

Net cash provided by investing activities was $967 during the nine months ended September 30, 2023, as opposed to cash used by investing activities of $55,781 during the nine months ended September 30, 2022. During the nine months ended September 30, 2023, the Company closed the Qualifying Transaction, as a result cash of $967 was assumed. During the nine months ended September 30, 2022, the Company used cash of $55,781 on the acquisition of exploration and evaluation assets.

Net cash provided by financing activities was $1,050,000 during the nine months ended September 30, 2023. The Company raised $1,050,000 from the issuance of 7,342,657 shares as part of a private placement that was required to close the Qualifying Transaction. These funds will also be used to sustain future operating expenditures. During the nine months ended September 30, 2022, net cash provided by financing activities was $275,000, for cash received in advance of the issuance of 1,923,077 common shares, relating to the Company's obligations for closing the Qualifying Transaction.

Commitments

Under the terms of the PSA, FCRL is obligated to incur minim work expenditures of US$ 250,000 during the initial exploration period, US$ 100,000 during the first renewal period, US$ 2,100,000 during the second renewal period and US$ 2,100,000 during the third renewal period.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

During the nine months ended September 30, 2023, management fees of $27,000 (September 31, 2022 - $Nil) were incurred to Lion Park Capital Corp., a related company controlled by Mohammad Fazil, CEO and Director of the Company.

During the nine months ended September 30, 2023, management fees of $3,677 (September 31, 2022 - $Nil) were incurred to Tas Mann, CFO.

During the nine months ended September 30, 2023, 650,000 common shares were issued as finders fees to Mohammad Fazil, CEO and Director of the Company, in connection with the organization of the Qualifying Transaction.

Related party balances:

As at September 30, 2023, due to related parties balance consists of $6,311 (December 31, 2022 - $6,311) for the transfer of FCRL Belize's shares from Fire Creek Capital Incorporated, a company controlled by Dean Casorso, to 2413017.

As at September 30, 2023, accounts payable and accrued liabilities includes $872 (December 31, 2022 - $Nil) related to filing fees and travel and entertainment expenses due Mohammad Fazil, CEO and Director of the Company.

As at September 30, 2023, accounts payable and accrued liabilities includes $11,250 (December 31, 2022 - $Nil) relating to management fees due to Lion Park Capital Corp., a related company controlled by Mohammad Fazil, CEO and Director of the Company.

As at September 30, 2023, accounts payable and accrued liabilities includes $1,500 (December 31, 2022 - $Nil) relating to management fees due to Tas Mann, CFO.

As at September 30, 2023, accounts payable and accrued liabilities includes $19,128 (December 31, 2022 - $Nil) relating to professional fees due to Tingle Merrett LLP., a related company controlled by Scott Reeves, Director.

On March 5, 2022, 1,333,333 shares were issued to Dean Casorso to settle debt of $77,209 at a deemed price of $0.057907 per share.

Transactions with related parties are incurred in the normal course of operations and are initially recorded at fair value.

Financial Instruments and Financial Risk Management

The Company, as part of its operations, carries financial instruments consisting of cash and term deposits, prepaid expenses, accounts receivable and other receivables, accounts payable and accrued liabilities, and due to related parties. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair Value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash and term deposits, prepaid expenses, sales tax receivable, accounts payable and accruals, and due to related parties approximates its fair value due to the short-term maturities of these items.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company’s financial assets consist of cash. The Company’s maximum exposure to credit risk, as at the period-end, is the carrying value of its financial assets. The Company mitigates credit risk by holding financial instruments within financial institutions of high creditworthiness.

Interest rate risk

The Company has no debt which would expose itself to fluctuations in interest rates. As a result, interest rate risk is deemed insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by receiving funds from share capital and cash of the Company in order to meet obligations as they become due. The Company's ability to meet its short-term liquidity requirements is dependent upon its ability to raise financing.

Other risks

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's financial instruments will be affected by foreign exchange risk, price risk or other risk.

Accounting Standards Issued But Not Yet Effective

There are no new accounting standards which will come into effect for annual periods beginning on or after January 1, 2023, that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Critical Accounting Estimates and Judgments

This MD&A is based on the condensed interim consolidated financial statements which have been prepared in accordance with IFRS. The preparation of condensed interim consolidated financial statements in compliance with IFRS requires management to exercise judgment in applying the Company's accounting policies and make certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The Company's significant estimates and judgments are set out in Note 5 to the unaudited condensed interim consolidated financial statements for the three and nine month period ended September 30, 2023.

Significant Accounting Policies

The accounting policies followed by the Company are set out in Note 4 to the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023.

Additional Information

Additional information about the Company is available on SEDAR at www.sedar.com.

Approval

The Board of Directors of the Company have approved the disclosures contained in this MD&A.