AXCAP VENTURES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

GENERAL

This Management's Discussion and Analysis of Axcap Ventures Inc. ("Axcap" or the "Company") ("MD&A") is dated August 29, 2024, provides analysis of the Company's financial results for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023. The following information should be read in conjunction with the condensed interim financial statements for the three and six months ended June 30, 2024 and 2023 with accompanying notes and the audited financial statements and related notes for the year ended December 31, 2023 and 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures are expressed in Canadian dollars unless otherwise stated.

COMPANY OVERVIEW

Axcap Ventures Inc. was incorporated on February 20, 1987 under the Business Corporation Act (Ontario). On August 31, 2018, the Company filed a Certificate of Continuance in the Province of British Columbia and adopted Articles of Continuance as a BC company under the Business Corporations Act of British Columbia (the "BCBCA"). These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

Axcap Ventures is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "AXCP". The Company's head office is 1030 West Georgia Street, Suite 1507, Vancouver, BC, V6E 2Y3, and registered and records office is located 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

On August 17, 2020, the Company announced that it will be pursuing a change of business from an industrial issuer to an investment company under the rules and policies of the Canadian Securities Exchange ("CSE"). The Company has adopted an investment policy to outline the nature, scope and character of the investments that the Company will undertake. On April 20, 2022, the Company officially changed its name to Axcap Ventures Inc. The Company will focus on investing in various industries, including life sciences, mining and exploration, industrial, and technology.

The change of business disclosed herein is subject to the approval of the CSE and the requirements of Policy 8 (Fundamental Changes) of the CSE policies.

On May 21, 2024, the Company completed a consolidation of its common shares with a ratio of ten pre-consolidation common shares for each one post-consolidation common share, which resulted in 2,181,124 shares outstanding post consolidation. All references to common shares, stock options and warrants in this MD&A have been adjusted to reflect this change.

In June 2024, the Company completed a non-brokered private placement of 2,000,000 common shares of the Company at a price of $0.075 per common share for aggregate gross proceeds of $150,000.

On August 19, 2024, the Company announced it has closed the first tranche of its non-brokered private placement (the "First Tranche") in the amount of 35,028,006 units for gross proceeds of $2,101,680. The Company did not pay any finder's fees in connection with the closing of the First Tranche.

In August 2024, the Company announced that it has entered into a share exchange agreement with PGV Patriot Gold Vault Ltd. ("PGV") and the shareholders of PGV, pursuant to which the Company will make an investment and purchase 100% of the issued and outstanding common shares in the capital of PGV.

Pursuant to the terms of the definitive agreement, as consideration for the investment in 100% of the issued and outstanding common shares of PGV, the Company will issue an aggregate of 4,583,333 common shares int eh capital of the Company pro rata to the PGV shareholders. Closing of the transaction is expected to occur on or around August 30, 2024.

PGV is a North American gold consolidator whose core focus is to continually drill its properties to add value. PGV has signed letters of intent to acquire the Cracker Creek project located in Oregon and the Rattlesnake Hills project in central Wyoming.

SELECTED ANNUAL INFORMATION

The following sets out selected financial information from the Company's most recently completed financial period and are derived from, and should be read together with the Company's annual financial statements.

	Year Ended		
	December 31, 2023 $	December 31, 2022 $	December 31, 2021 $
Current Assets	521,081	1,038,701	833,812
Current Liabilities	479,648	240,893	451,578
Total Assets	1,234,460	2,712,870	2,171,822
Total Liabilities	479,648	240,893	451,578
Expenses	484,406	327,194	894,219
Net Income (Loss)	(1,717,165)	(901,201)	(750,949)
Earnings (Loss) per Share	(0.08)	(0.05)	(0.15)

SUMMARY OF QUARTERLY RESULTS

Key financial information for the six months ended June 30, 2024 and 2023 is summarized as follows, reported in Canadian dollars except for per share amounts:

	Three Months Ended		Six Months Ended	
	June 30, 2024 ($)	June 30, 2023 ($)	June 30, 2024 ($)	June 30, 2023 ($)
Operating expenses	(427,240)	(122,440)	(542,059)	(138,998)
Other gains (losses)	(112,349)	(99,627)	28,008	221,742
Net income (loss)	(539,589)	(222,067)	(514,051)	82,744

	June 30, 2024 ($)	December 31, 2023 ($)
Current assets	964,045	521,081
Current liabilities	868,619	479,648
Total assets	1,259,380	1,234,460
Total Liabilities	868,619	479,648

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2024

Operating expenses

Expenses for the three months ended June 30, 2024 were $427,240, compared to $122,440 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Consulting fees: $221,018 compared to $23,375 during the same period in 2023; the Company engaged consultants to assist with financial advisory;
- Office and administrative fees: $61,465 compared to $10,071 during the same period in 2023; the Company incurred higher fees in 2024 due to higher management fees paid in 2024;
- Professional fees: $102,557 compared to $66,790 during the same period in the prior year; the Company incurred higher legal fees in 2024 due to the financings.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2024

Operating expenses
Expenses for the six months ended June 30, 2024 were $542,059, compared to $138,998 incurred the same period in prior year. The significant differences in expenditures were as follows:

- Consulting fees: $278,933 compared to $32,530 during the same period in 2023; the Company engaged consultants to assist with financial advisory;
- Office and administrative fees: $106,616 compared to $10,300 during the same period in 2023; the Company incurred higher fees in 2024 due to higher management fees paid in 2024;
- Professional fees: $110,584 compared to $66,990 during the same period in the prior year; the Company incurred higher legal fees in 2024 due to the financings.

CAPITAL STRUCTURE

As of the date of this MD&A, the Company has 39,209,130 common shares issued and outstanding. In addition, there are outstanding warrants for a further 36,891,846 common shares, respectively.

The details of warrants outstanding are as follows:

Date Issued	Expiry Date	Exercise Price	Number of Warrants Outstanding
February 7, 2022	February, 7, 2027	$0.115	1,722,041
March 31, 2022	March 31, 2027	$0.115	141,799
August 19, 2024	August 19, 2029	$0.72	35,028,006
			36,891,846

CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's equity and due to a related party. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at June 30, 2024 and December 31, 2023, the Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the six months ended June 30, 2024 and the year ended December 31, 2023.

LIQUIDITY

The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements. The Company has historically financed its operations primarily through the sale of share capital by way of private placements.

At June 30, 2024, the Company had cash of $174,925 (December 31, 2023 - $110,063) and working capital of $95,426 (December 31, 2023 – $41,433). The change in working capital at June 30, 2024 and December 31, 2023 was significant as the Company received $720,000 in other receivables and disposed some of its investments at a loss during the year ended December 31, 2023, while the Company acquired and disposed more equity investments in 2024.

Cash used in operating activities was $179,628 during the six months ended June 30, 2024, compared to $600,282 provided by operating activities during same period in the prior year. The change in operating cash flows in 2024 is attributed to the change in fair value of equity investments while the change in operating cash flows in 2023 was primarily due to a $720,000 receivable received during 2023.

Cash from investing activities was $94,490 during the six months ended June 30, 2024, compared to $160,037 used in investing activities during the same period in the prior year. The change in investing cash flows is attributed primarily to the sales of the Company's marketable securities which generated cash for the Company and the purchase of marketable securities which used up cash of the Company.

Cash from financing activities was $150,000 during the six months ended June 30, 2024, compared to $nil used in financing activities during the same period in the prior year. The change in financing cash flows is attributed to the financing held in June 2024 whereby the Company issued 2 million shares at a price of $0.075 per share.

The continued operation of the Company in the future may depend on the Company's ability to obtain additional financings. In the past years, the Company has relied on shareholder loans and cash generated from operations to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through equity financing, debt financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing; failure to obtain such additional financing could have a material adverse effect on the Company's operations.

RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

Key management personnel include the Company's Board of Directors and members of senior management. The Company's related parties include key management personnel, and companies related by way of management and directors in common, such as:

a. Lannister Mining – an investee of the Company whereby a director and former interim CEO of Lannister Mining is a director of the Company and he holds, directly and indirectly, a total of 6.44% of Lannister Mining.

b. Purpose ESG – an investee of the Company whereby the CFO of Purpose ESG was the former CFO of the Company.

During the three and six months ended June 30, 2024 and 2023, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

	Three Months Ended		Six Months Ended	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
Management (current and former)	$ 25,500	$ 9,871	$ 40,500	$ 9,871
Directors (current and former)	92,500	-	122,500	-
	$ 118,000	$ 9,871	$ 163,000	$ 9,871

During the year ended December 31, 2023, the Company purchased 1,000,000 shares of Rua Gold Inc. (formerly First Uranium Resources Ltd.) at a price of $0.10 per share, which was the trading price at the time of the purchase, from a director of the Company; the value of those shares was $100,000 at December 31, 2023. During the three and six months ended June 30, 2024, the Company also incurred legal expenses of $nil and $1,740 (June 30, 2023 - $nil and $nil) to a law firm, a partner of which is a director of the Company.

Due to Related Parties

As at June 30, 2024 and December 31, 2023, the Company has the following amounts due to related parties:

	June 30, 2024	**December 31, 2023**
Accounts payable and accrued liabilities	$ 475,991	$ 203,206

The amounts due to related parties are unsecured, non-interest bearing and due on demand.

OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The Company's cash and marketable securities are measured at fair value. The Company considers that the carrying amount of its trade and other payables recognized at amortized cost in the financial statements approximates their fair value due to the demand nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

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 contractual obligations. Credit risk arises from cash held with banks, cash on deposit with fiat to cryptocurrency exchanges and from outstanding trade receivables. The Company minimizes credit risk associated with its cash balance substantially by dealing with financial institutions deemed to be reliable due to their history of operations. The Company assessed its credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is exposed to liquidity risk, but has assessed liquidity risk to be low.

Foreign Currency Risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company previously was exposed to foreign currency risk through cash in banks and cash on deposit with fiat to cryptocurrency exchanges which are denominated in United States dollars (USD).

Price Risk

The Company's net income or loss, and financial condition were subject to price risk due to fluctuations of the following:

Equity Price Risk
The Company is exposed to equity price risk through its equity investments and unfavourable market conditions could result in dispositions of marketable securities at less than favourable prices, especially during periods of overall market instability. The Company manages its equity price risk by having a portfolio of equity investments not singularly exposed to any one issuer.

BUSINESS RISKS AND UNCERTAINTIES

Additional information on risks and uncertainties relating to the Company's business is provided in GAR's Listing Statement dated February 28, 2018, under the heading "Risk Factors".

CONTRACTUAL OBLIGATIONS

The Company presently has no contractual obligations pursuant to which the Company has any payments owing in the next five years.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS 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 reported amounts of income 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 under the circumstances. However, actual outcomes may differ significantly from these estimates.

The following discusses the most significant accounting judgements, estimates and assumptions that the Company has made in the preparation of its financial statements.

Areas of judgment:

- Going concern

  Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern.

- Deferred tax assets

  The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

- Determination of fair values

  Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company estimates the fair value based on the criteria described under Note 4(iii) in the financial statements for the three and six months ended June 30, 2024. Significant judgement is required for the Company's investment in non-public companies using Level 2 and Level 3 inputs.

- Tax assets and liabilities

  Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rate as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

- Share-based payments

  The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however, the most significant estimate is the volatility.

MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies are summarized in Note 4 of the three and six months ended June 30, 2024 and Note 4 of the audited financial statements for the December 31, 2023 and 2022.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed "forward-looking statements", including statements regarding developments in the Company's operations in future periods, adequacy of financial resources and future plans and objectives of the Company. All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future expenditures on research and development and operating expenses, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that Management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on this forward-looking information.