

**AXCAP VENTURES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 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 November 26, 2024, provides analysis of the Company's financial results for the three and nine months ended September 30, 2024 compared to the three and nine months ended September 30, 2023. The following information should be read in conjunction with the condensed interim financial statements for the three and nine months ended September 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. Additional information relating to the Company can be found under the Company's profile on the System for Electronic Data Analysis and Retrieval Plus (SEDAR+) at [www.sedarplus.com](http://www.sedarplus.com).

## **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's principal business activity is focused on investing in various industries, including life sciences, mining and exploration, industrial, and technology which involves a high degree of risk and there can be no assurance that current investment programs will result in profitable operations.

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. Funds from the proceeds will primarily be used for investments and general administrative purposes. For additional information related to the use of proceeds, please refer to the offering document posted on SEDAR+ on June 4, 2024.

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 made an investment and purchased 100% of the issued and outstanding common shares in the capital of PGV. PGV is a privately held company incorporated under the Business Corporations Act (British Columbia). 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. 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 issued an aggregate of 4,583,333 common shares in the capital of the Company pro rata to the PGV shareholders. Closing of the transaction occurred on August 30, 2024 with the shareholders of PGV unanimously approving the sale to the Company. No shareholder approval was required. The Canadian Securities Exchange has approved the share issuance of the transaction. The acquisition of PGV has no immediate effect on the financial

conditions, financial performance and cash flows of the Company. Future exploration work on PGV's mineral properties is expected to be financed by issuance of shares of the Company.

On September 3, 2024, the Company closed the second and final tranche of its non-brokered private placement (the "Second Tranche") in the amount of 34,971,993 units for gross proceeds of \$2,098,319. The Company did not pay any finder's fees in connection with the closing of the Second Tranche.

On September 25, 2025, the Company's investee company, PGV, signed a definitive agreement dated Aug. 15, 2024, to acquire the Rattlesnake Hills gold project from GFG Resources Inc. Pursuant to the terms of the agreement, PGV will pay GFG aggregate consideration of approximately \$3.3-million to acquire the project in addition to certain milestone and resource bonus payments.

Pursuant to the terms of the agreement, PGV shall make the following payments to GFG to acquire the project:

- Cash payment of \$250,000 to GFG on signing of the LOI; the LOI deposit was paid on May 8, 2024;
- Cash payment of \$250,000 to GFG upon the execution and delivery of the agreement;

On closing of the transaction, PGV will:

- Make a cash payment of \$1.2-million to GFG;
- Issue to GFG the greater of three million common shares of PGV or \$600,000 in value of consideration shares based on the volume-weighted average trading price of the consideration shares for the 20 trading days immediately preceding the closing date; or, in the event that PGV is not listed, the value of the consideration shares shall be determined by the last financing price of common shares of PGV sold to arm's-length investors;
- On the date that is 12 months following the closing date of the transaction, PGV will pay GFG a cash payment of \$1-million. On closing of the transaction, PGV will replace the \$219,000 (U.S.) reclamation bond for the project. If a National Instrument 43-101, Standards for Disclosure for Mineral Projects, resource estimate in the project reveals a mineral resource of greater than three million ounces of gold in a measured and indicated or inferred category, PGV will pay to GFG a further \$1 per total mineral resource ounce in cash or consideration shares at the election of PGV.
- PGV shall reimburse GFG and cover all costs and expenses relating to the project incurred from the date of the signed LOI to the closing date, up to a maximum of \$228,000 (U.S.).

The closing of the transaction is expected to occur on or about 120 days from the effective date of the agreement. Closing of the transaction, as contemplated by the agreement, is subject to a number of customary conditions and approvals. There can be no assurance that the transaction will be completed as proposed or at all.

On September 27, 2024, the Company entered into a binding letter of intent (the LOI) to acquire from Carlyle Commodities Corp. a gold project located in the British Columbia (the Newton project). Pursuant to the terms of the LOI, the company will pay Carlyle aggregate consideration of approximately \$2.8-million in cash and common shares of the company to acquire the Newton project in addition to certain milestone payments (the proposed transaction). The investment in the Newton project is made in accordance with the company's investment policy, pursuant to which, the company is committed to providing investors with long-term capital growth by investing in a portfolio of early stage or undervalued companies or natural resource projects.

In consideration for the acquisition of the Newton project, the Company shall make the following payments to Carlyle to acquire the Newton project:

- On the effective date of the LOI, the Company shall make a cash payment of \$100,000 to Carlyle;
- Upon the execution and delivery of a definitive agreement, the Company shall make a cash payment of \$150,000 to Carlyle;
- Upon closing of a financing of securities of the Company of not less than \$4-million (the Axcap financing), the Company shall make a cash payment of \$250,000 (the financing deposit) to Carlyle.

On closing of the proposed transaction, the Company will:

- Issue to Carlyle 500,000 common share purchase warrants entitling the holder thereof to acquire one additional common share at 20 cents per common share for a period of three years from the date of issuance;
- Issue to Carlyle 3.75 million common shares (the closing shares); and pay to Carlyle 50 per cent of the financing deposit with the balance to be paid within 90 days following closing of the proposed transaction in the event that the company does not complete the Axcap financing;

On the date that is 12 months following the closing date of the proposed transaction, the Company will issue to Carlyle \$1.25-million common shares at a deemed price equal to the volume-weighted average trading price of the common shares on the Canadian Securities Exchange (the CSE), or such other exchange the common shares are then listed, for the 20 trading days immediately prior to the issuance of the anniversary shares.

The consideration shares will be subject to any applicable statutory hold period along with contractual resale restrictions. Carlyle is entitled to receive additional cash payments of up to \$1-million and issuance of up to 22.5 million common shares upon achieving certain milestones.

On October 18, 2024, the Company entered into a share purchase agreement dated Oct. 7, 2024, among the Company, Converse Acquisition Company Ltd. and the sole shareholder of Converse, pursuant to which the Company will purchase all the issued and outstanding common shares in the capital of Converse from the shareholder. Converse indirectly owns a 100-per-cent interest in an advanced-stage gold project located in Nevada (the "Converse Project"). The acquisition of Converse is made in accordance with the Company's investment policy, pursuant to which the Company is committed to providing investors with long-term capital growth by investing in a portfolio of early-stage or undervalued companies or natural resource projects.

Pursuant to the terms of the definitive agreement, as consideration for 100 per cent of the issued and outstanding common shares of Converse, the Company shall make the following payments:

- On the effective date of the letter of intent, the Company shall make a cash payment of \$500,000 to the shareholder, which the company paid on July 11, 2024;
- On closing of the proposed transaction, the Company shall make a cash payment of \$1-million to the shareholder;
- On closing of the offering (as defined below), issue to the shareholder an aggregate of 20 million common shares of the Company, on a post-split basis.

The Company is at arm's length from Converse. Completion of the proposed transaction remains subject to a number of conditions, including the completion of the Company's offering of securities for gross proceeds of not less than \$4-million and the receipt of any required regulatory approvals, including the Canadian Securities Exchange. The proposed transaction cannot be completed until these conditions have been satisfied. There can be no guarantees that the proposed transaction will be completed as contemplated or at all.

Converse acquired the Converse property pursuant to membership purchase agreement. Converse is required to make the following milestone payments:

- On the closing of the proposed transaction, Converse shall make a cash payment of \$1.5-million.
- On or before July 15, 2025, Converse shall make a cash payment of \$2-million.
- On or before July 15, 2026, Converse shall make a cash payment of \$2-million.
- On or before July 15, 2027, Converse shall make a cash payment of \$2-million.
- On or before July 15, 2028, Converse shall make a cash payment of \$3.5-million.

Converse shall have a right to elect to pay each milestone payment, in whole or in part, in shares of the Company. The payment shares shall be subject to voluntary hold periods as outlined in the definitive agreement: 2.5 per cent of the payment shares will be released and become freely tradable six months after the closing of the offering, with an additional 2.5 per cent released seven months and eight months following the closing of the offering, another 5 per cent of the payment shares will be released every month for the next 11 months, and another 7.5 per cent of the payment shares will be released 20 months following the closing of the offering, with an additional 7.5 per cent of the payment shares becoming freely tradable every month thereafter.

The Converse project is a large, advanced-stage gold deposit located in Nevada, known for its significant gold and silver mineralization. It has been subject to extensive exploration and drilling. The project is strategically located in the Battle Mountain trend, near the Marigold and Lone Tree mines, placing it in a prime area within one of the world's most prolific gold mining regions.

On October 18, 2024, the Company announces that the board of directors have approved a share split of the Company's issued and outstanding common shares on the basis of 2.4 post-split shares for one presplit share, subject to regulatory approval. The board of directors is proceeding with the share split on the basis that it will provide the Company with increased flexibility to seek additional financing opportunities and strategic acquisitions.

**INVESTMENTS**

The Company is an investment company that currently holds investments in shares and warrants of both public and private companies. For the nine months ended September 30, 2024, the Company had to sell some of its investments at a loss in order to generate cash flows for operations. Due to the poor performance of the stock markets in general, the investments of the Company are not doing well and had decreased in their fair values over the nine-month period ended September 30, 2024.

Holdings of the Company's equity investments as at September 30, 2024 were as follows:

	Shares (#)	Warrants (#)	Cost (\$)	Principal Business	Factors affecting Valuation
1342300 BC Ltd.	100,000	-	100,000	Holding Company	General market conditions Commodity Prices and
Alaska Energy Metals Corp	-	125,000	-	Mineral Resource	Capital Market Conditions Commodity Prices and
Coppernico Metals Inc	20,000	20,000	10,000	Mineral Resource	Capital Market Conditions Commodity Prices and
GH Power Inc	83,333	-	20,000	Mineral Resource	Capital Market Conditions Commodity Prices and
Lannister Mining	100,000	-	125,100	Mineral Resource	Capital Market Conditions Commodity Prices and
MCF Energy Ltd	400,000	-	80,000	Mineral Resource	Capital Market Conditions Technological innovations
Newt Corporation	575,000	-	115,000	Technology	Commodity Prices and
PGV Patriot Gold Vault Ltd.	4,583,333	-	595,833	Mineral Resource	Capital Market Conditions Commodity Prices and
Purpose ESG	300,000	-	75,000	Commodities	Capital Market Conditions Commodity Prices and
RUA Gold	283,335	-	19,324	Mineral Resource	Capital Market Conditions Commodity Prices and
Recharge Resources Ltd.	-	1,000,000	-	Mineral Resource	Capital Market Conditions Commodity Prices and
Total Helium	-	200,000	-	Mineral Resource	Capital Market Conditions
			1,140,257		

The Company completed two tranches of private placement in August and September of 2024. Proceeds from these two tranches will be used for working capital and general corporate purposes, including investments in technology, industrial and natural resource projects.

On August 16, 2023, the Company entered into an agreement with an unrelated party (“Issuer”) for convertible debentures of \$400,000 in principal with interest bearing at 6% per annum. The Issuer is expected to become a public company through a reverse takeover transaction (the “Transaction”). The convertible debentures are to automatically convert to common shares of the Issuer at \$0.90 per share upon the closing of the Transaction. The maturity date of the convertible debentures is the earlier of (i) October 30, 2023 or such other date as may be agreed to by the Company and the Issuer provided that no maturity shall occur on such date if the Transaction occurs at such time; (ii) the date of the Transaction closing; and (iii) the date of termination of the Transaction.

The Company is to receive \$200,000 from the Issuer if on the maturity date these debentures have not automatically converted into common shares of the Resulting Issuer, and the remaining balance of the principal amount plus all accrued and unpaid interest shall automatically convert into common shares of the Issuer at \$2.14 per share. As at September 30, 2024, these convertible debentures did not automatically convert into common shares of the Resulting Issuer, and the Company did not receive any cash nor common shares of the Issuer. The balance of the convertible debentures is \$429,793 with \$29,793 being the accrued interest.

During the nine months ended September 30, 2024, the Company agreed to extend the maturity date of the convertible debentures to the date of the Issuer’s Transaction. The extension removes the partial conversion requirements noted in the original convertible debt agreement. The Issuer is targeting its Transaction completion date in or around December 2024.

**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)

During fiscal 2023, the Company incurred \$74,280 on consulting fees compared to \$nil in fiscal 2022 and \$243,269 in fiscal 2021. The Company was transitioning to an investment issuer in fiscal 2021 and hired consultants and advisors on this transition; as a result, incurred higher consulting fees. In fiscal 2023, the Company identified a potential investment opportunity and hired consultants and advisors regarding this.

In fiscal 2023, the Company incurred \$94,293 in professional fees compared to \$106,857 in fiscal 2022 and \$122,248 in fiscal 2021. Professional fees include legal fees, audit fees and accounting fees. Higher legal fees incurred in 2021 and 2022 as the Company transitioned to an investment issuer.

In fiscal 2023, the Company incurred \$269,597 in office and administrative expenses compared to \$105,757 in fiscal 2022 and \$486,437 in fiscal 2021. Office and administrative expenses mainly include management fees, telecommunication expenses and office supplies. In 2021, higher management fees were paid to directors and officers, including severance pay for the former CFO. In 2023, management fees were paid to a Mario Vetro, a director of the Company, who assisted with the potential investment of the Company.

Overall, higher expenses incurred in 2021 compared to 2022 and 2023 due to the transition of the Company to an investment issuer. Higher net loss in 2023 was due to higher losses on sale of equity investments, losses on change in fair value of equity investments and loan receivable, compared to 2022 and 2021.

**SUMMARY OF QUARTERLY RESULTS**

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

	F2023-Q4 December 31, 2023 (\$)	F2024-Q1 March 31, 2024 (\$)	F2024-Q2 June 30, 2024 (\$)	F2024-Q3 September 30, 2024 (\$)
Total operating expenses	(314,300)	(114,213)	(408,066)	(831,750)
Other gains (losses)	113,013	139,751	(112,349)	(33,951)
Net income (loss)	201,287	25,538	(520,415)	(865,701)
Earnings (loss) per share	0.01	0.00	(0.22)	(0.03)

  

	F2022-Q4 December 31, 2022 (\$)	F2023-Q1 March 31, 2023 (\$)	F2023-Q2 June 30, 2023 (\$)	F2023-Q3 September 30, 2023 (\$)
Total operating expenses	(70,408)	(19,646)	(122,440)	(34,217)
Other gains (losses)	(26,293)	324,457	(99,627)	(1,167,607)
Net income (loss)	(96,901)	304,811	(222,067)	(1,207,607)
Earnings (loss) per share	(0.00)	0.01	(0.10)	(0.06)

As an investment issuer, the Company has seen the financial market volatility affecting its investment portfolio, investee companies, financial position and operations over the past eight quarters. The underlying general trends affecting the Company include rising interest rates, downward pressures on the capital markets, and in turn, liquidity positions of many of the Company's investee companies. As such, the Company has experienced realized losses on disposals and unrealized fair value losses.

	September 30, 2024 (\$)	December 31, 2023 (\$)
Current assets	3,310,702	521,081
Current liabilities	848,909	479,648
Total assets	5,188,976	1,234,460
Total Liabilities	848,909	479,648

**RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024**

During the three months ended September 30, 2024, the Company completed a non-brokered private placement of 69,999,999 units at a price of \$0.06 per unit for aggregate gross proceeds of \$4,200,000. Each unit consists of one common share and one warrant with an exercise price of \$0.72 for a period of 5 years. Funds from the proceeds will primarily be used for investments and general administrative purposes.

Purpose	Amount (\$)
Investments	\$3,200,000
General and administrative	\$1,000,000
	\$4,200,000

**Operating expenses**

Expenses for the three months ended September 30, 2024 were \$831,750, compared to \$34,217 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Consulting fees: \$207,683 compared to \$7,875 during the same period in 2023; the Company engaged consultants and advisors in 2024 to assist with financial advisory as well as consulting on investment opportunities in PGV and Converse;
- Office and administrative fees: \$317,859 compared to \$9,303 during the same period in 2023. Office and administrative fees include bank service charges, office expenses and management fees. The Company incurred higher fees in 2024 due to a one-time special compensation to certain officers and directors;



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- Professional fees: \$82,924 compared to \$7,600 during the same period in the prior year. Professional fees consist of legal fees, audit fees and accounting fees. The Company incurred higher legal fees in 2024 due to the financings.

**RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

**Operating expenses**

Expenses for the nine months ended September 30, 2024 were \$1,354,635, compared to \$173,215 incurred the same period in prior year. The significant differences in expenditures were as follows:

- Consulting fees: \$486,616 compared to \$40,405 during the same period in 2023; the Company engaged consultants and advisors in 2024 to assist with financial advisory as well as consulting on investment opportunities in PGV and Converse;
- Office and administrative fees: \$424,475 compared to \$19,603 during the same period in 2023. Office and administrative fees include bank service charges, office expenses and management fees. The Company incurred higher fees in 2024 due to payments to a director for his assistance with the PGV investment and a one-time special compensation to certain officers and directors;
- Professional fees: \$193,508 compared to \$74,590 during the same period in the prior year. Professional fees consist of legal fees, audit fees and accounting fees. 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 189,034,474 common shares issued and outstanding after the 1:2.4 stock split. In addition, there are outstanding warrants for a further 172,473,156 common shares, 11,525,184 stock options, and 5,234,692 Restricted Share Units (“RSUs”).

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	4,132,898
March 31, 2022	March 31, 2027	\$0.115	340,317
August 19, 2024	August 19, 2029	\$0.72	84,067,214
September 3, 2024	September 3, 2029	\$0.72	83,932,727
			172,473,156

\* On post-split basis as announced on October 24, 2024.

On November 12, 2024, the Company granted a total of 11,525,184 stock options and 5,234,692 RSUs to certain directors, officers and consultants of the Company. Each stock option vests 50% in 12 months and 50% in 24 months and is exercisable for one common share of the Company at an exercise price of \$0.21 per share for a period of 5 years from the grant date. Each RSU vests 50% in 12 months and 50% in 24 months and expires on November 12, 2029.

**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 September 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 nine months ended September 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 September 30, 2024, the Company had cash of \$1,773,011 (December 31, 2023 - \$110,063) and working capital of \$2,461,793 (December 31, 2023 – \$41,433). The change in working capital at September 30, 2024 and December 31, 2023 was significant as the Company closed 2 financings during the nine months ended September 30, 2024, raising total gross proceeds of \$4.35 million.

Cash used in operating activities was \$2,869,892 during the nine months ended September 30, 2024, compared to \$525,067 provided by operating activities during same period in the prior year. The change in operating cash flows in 2024 is mainly attributed to amounts due from related parties 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 \$182,840 during the nine months ended September 30, 2024, compared to \$491,963 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 in 2024 and the purchase of marketable securities which used up cash of the Company in 2023.

Cash from financing activities was \$4,350,000 during the nine months ended September 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 financings held in June 2024 whereby the Company issued 2 million shares at a price of \$0.075 per share, and in August and September 2024 whereby the Company issued 69,999,999 units at a price of \$0.06 per unit.

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.

**INVESTMENTS**

As at September 30, 2024, the Company's investments consisted of:

Description	Number of Securities		Cost	Fair Value
	Shares	Warrants		
<b>Investments in private companies</b>				
1342300 BC Ltd.	100,000	-	\$ 100,000	\$ -
Lannister Mining Corp.	100,000	-	125,100	-
Newt Corporation	575,000	-	115,000	-
PGV Patriot Gold Vault	4,583,333	-	595,833	595,833
Purpose ESG Holdings Ltd.	300,000	-	75,000	54,844
GH Power Inc.	83,333	-	20,000	20,000
Copperinico Metals Inc.	20,000	10,000	10,000	10,067
<b>Investments in public companies</b>				
RUA Gold Inc.	283,335	-	19,324	45,334
MCF Energy Ltd.	400,000	-	80,000	56,000
Alaska Energy Metals Corp.	-	125,000	-	1,990
Recharge Resources Ltd.	-	1,000,000	-	-
Total Helium Ltd.	-	200,000	-	1,000
	1,536,668	1,355,000	\$ 1,140,257	\$ 785,068

**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 Mario Vetro, 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.
- c. PGV Patriot Gold Vault – an investee wholly owned by the Company.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Robert Dubeau (CEO & Director)	\$ 27,500	-	\$ 42,500	\$ -
Kevin Ma (CFO)	93,500	-	104,000	-
Jonathan Yan (former CFO)	-	7,500	15,000	17,371
Mario Vetro (Director)	157,500	-	280,000	-
Desmond Balakrishnan (Director) *	-	-	-	-
Kenneth Cotiamco (Director)	32,000	-	32,000	-
Tyron Breytenbach (Director)	75,417	-	75,417	-
Luis Zapata (President & Director)	10,000	-	10,000	-
	\$ 395,917	\$ 7,500	\$ 558,917	\$ 17,371

During the nine months ended September 30, 2024, Mario Vetro, a director of the company, received a management fee totaling \$280,000 for the advisory and structuring of investments for gold exploration projects.

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 nine months ended September 30, 2024, the Company also incurred legal expenses of \$66,711 and \$68,451 (September 30, 2023 - \$nil and \$nil) to a law firm, a partner of which is a director of the Company.

During the nine months ended September 30, 2024, the Company paid some expenses on behalf of one of its investment entities, PGV Patriot Gold Vault ("PGV"). As at September 30, 2024, the Company is owed \$1,093,206 from PGV.

**Due to Related Parties**

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

	September 30, 2024	December 31, 2023
Accounts payable and accrued liabilities	\$ 299,838	\$ 203,206

As at September 30, 2024, the increase in accounts payables and accrued liabilities to related parties are due to accrued legal fees and director fees. As at September 30, 2024, the Company accrued legal fees of \$12,203 to McMillan LLP, in which Desmond Balakrishnan, a director of the Company, is employed.

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 nine months ended September 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 nine months ended September 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.