



**STEEP HILL INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

## MANAGEMENT'S DISCUSSION & ANALYSIS

*This Management's Discussion and Analysis ("MD&A") is intended to provide a review of the financial position and results of operations of Steep Hill Inc. ("STPH," the "Company", "we," "our," "us") for the for the year ended December 31, 2024. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the for the year ended December 31, 2024. Those financial statements are presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise indicated, all dollar amounts refer to Canadian funds. Information herein includes any significant developments up to March 3, 2025, the date on which this MD&A was approved by the Company's board of directors.*

*For the purposes of preparing this MD&A, management, in conjunction with the board of directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.*

*This MD&A contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information is typically, but not always, identified by the use of words such as "will", "intends", "scheduled", "to be" and "may be" and similar words, including negatives thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking information in this MD&A includes, but is not limited to, statements regarding: the anticipated timeframe to complete the retreat build-out; the anticipated closing date of the acquisition; and statements regarding the Company's goals or future plans relating to the build-out of the retreat. Such forward-looking information is based on various assumptions and factors that may prove to be incorrect, including, but not limited to, factors and assumptions with respect to: the ability of the Company to complete the acquisition within the specified time frame; the receipt of all necessary regulatory and other approvals or consents; the ability of the Company to successfully implement its strategic plans and initiatives relating to the acquisition and the retreat build-out, and whether such strategic plans and initiatives will yield the expected benefits; approvals and authorizations from regulatory authorities, and the timing thereof; the ability of the Company to obtain the necessary approvals, permits and licenses within the specified time frame to complete the build out; there being no material delay in the build out; the availability of materials; the availability of labour, contractors, employees and/or personnel necessary to undertake the retreat build-out; and the ability of the Company to close the acquisition within the anticipated time frame. Although the Company believes that the assumptions and factors on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that it will prove to be correct or that any of the events anticipated by such forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Actual results could differ materially from those currently anticipated due to a number of factors and risks including, but not limited to fluctuations in market conditions, including in securities markets; economic factors; and the ability of management to execute its business strategy, objectives and plans. Additional information regarding risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's management discussion and analysis filed on SEDAR. The forward-looking information included in this MD&A is made as of the date of this MD&A and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise, except as required by applicable law.*

*This MD&A should be read in conjunction with the risk factors described in the "Risks and Risk Management" and the "Cautionary Statement on Forward-Looking Information" sections at the end of this MD&A.*

## THE COMPANY

### Corporate Overview

Steep Hill Inc. (the "Company" or "Steep Hill") (formerly Canbud Distribution Corporation) was incorporated under the *Canadian Business Corporations Act* on October 4, 2018 as Cannabis Clonal Corporation and later changed to Canbud Distribution Corporation. On October 9, 2020, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE"). The Company's registered office is located at 30 Commercial Road, Toronto, Ontario, Canada M4G 1Z3.

The Company changed its name from Canbud Distribution Corporation to Steep Hill Inc. effective February 28, 2022. The Company's stock ticker symbol on the CSE is "STPH". All dollar values are expressed in Canadian dollars unless otherwise indicated.

The Company was incorporated to provide hemp-based science-backed differentiated products and services, including analytical testing services. The company's focus was to ensure its products and services meet the highest standards of quality and safety and adhered to strict compliance standards. As a result of industry specific challenges, including significant pricing pressure, cost escalations post-COVID and downturn in capital markets for small-cap companies, the operations in Canada and USA were wound-down starting in the last quarter of 2022. During the first quarter of 2023, the Company agreed to mutual termination of all licensing agreements in the USA and subsequently, terminated all staff and consultants.

The Company has no operations in Canada and US. There was no significant transactions during the year ended December 31, 2024 as the Company was evaluating various strategic alternatives that will benefit its stakeholders.

On February 12, 2025, the Company entered into a share purchase agreement (the "Purchase Agreement"), with a number of arm's length vendors (the "Vendors") to acquire (the "Acquisition") 100% of the issued and outstanding shares of Lir Life Sciences Inc. ("Lir") in consideration for an aggregate of 136,054,422 common shares of the Company (the "Consideration Shares") at a deemed price of \$0.147 per Consideration Share.

The Acquisition will represent a reverse take-over of the Company. Under the terms of the Purchase Agreement, the Vendors will acquire 100% of the issued and outstanding shares of Lir in consideration for an aggregate of 136,054,422 common shares of the Company. Under the terms of the Purchase Agreement, Lir will be required to complete an equity financing for proceeds of at least \$1,000,000 concurrently with the closing of the Acquisition (the "Concurrent Financing"), and the Company's shares will be consolidated on a 3-for-1 basis immediately following completion of the Acquisition and Concurrent Financing.

### Annual Information

Selected financial information for the previous three years is set out below.

	Year ended December 31, 2024 \$	Year ended December 31, 2023 \$	Year ended December 31, 2022 \$
Current assets	2,276,364	2,741,562	2,573,678
Total assets	2,276,364	2,756,932	3,015,934
Current liabilities	258,562	1,105,773	2,151,068
Total liabilities	258,562	1,105,773	2,173,595
Loss before other expenses from continuing operations	(218,492)	(529,398)	(4,462,328)
Other income	14,383	66,305	183,876
Net loss before income taxes from continuing operations	(204,109)	(463,093)	(4,278,452)
Net loss from continuing operations	(204,109)	(439,437)	(4,302,108)
Net income (loss) from discontinued operations	541,823	1,232,735	(2,812,012)

Net income (loss) for the year	337,714	793,298	(7,114,120)
Net income (loss) and comprehensive income (loss)	366,643	808,820	(7,182,156)
Basic and diluted net income (loss) per share			
- Continuing operations	(0.01)	(0.03)	(0.27)
- Discontinued operations	0.03	0.08	(0.18)

## SELECTED QUARTERLY FINANCIAL INFORMATION

Selected financial information for the previous eight quarters is set out below.

	Quarter ended December 31, 2024 \$	Quarter ended September 30, 2024 \$	Quarter ended June 30, 2024 \$	Quarter ended March 31, 2024 \$
Income (loss) before other income (expenses) from continuing operations	6,037	(40,436)	(72,693)	(111,400)
Other income (expenses)	1,970	19,908	(4,452)	(3,043)
Net loss from discontinued operations	(20,528)	(20,528)	(29,675)	(42,554)
Net income (loss)	576,090	25,441	(106,820)	(156,997)
Net income (loss) and comprehensive income (loss)	579,859	26,357	(107,576)	(161,997)
Net income (loss) per share*	0.03	0.00	(0.01)	(0.00)
	Quarter ended December 31, 2023 \$	Quarter ended December 31, 2023 \$	Quarter ended June 30, 2023 \$	Quarter ended March 31, 2023 \$
Loss from continuing operations before other income (expenses)	(47,440)	(32,358)	(279,928)	(169,672)
Other income (expenses)	31,761	(36,026)	43,980	26,590
Income (loss) from discontinued operations	22,548	(829,582)	(116,415)	2,156,184
Net income (loss)	29,857	(897,966)	(351,695)	2,013,102
Net income (loss) and comprehensive income (loss)	34,564	(860,511)	(378,335)	2,013,102
Net income (loss) per share*	(0.00)	(0.05)	(0.02)	0.12

Note: \* Fully diluted income (loss) per share is not presented since it would be anti-dilutive.

## SUMMARY OF FOURT QUARTER AND YEAR ENDED 2024 RESULTS

### Results of Operations

For the three months ended December 31, 2024

During the three months ended December 31, 2024, the Company generated no revenues from its continuing operations. All revenues generated from Steep Hill, Inc. until the date of closure of the operation have been presented within the income (loss) from discontinued operations – Steep Hill US.

The Company recorded an income before other income (expense) of \$6,037 for the three months ended December 31, 2024, an increase of \$53,477, compared to loss before other income (expense) of \$47,440 in the comparative period. The increase in income before other income (expense) was primarily derived from a reduction in consulting fees compared to prior period.

The Company recorded a net income from continuing operations of \$8,007 for the for the three months ended December 31, 2024, an increase of \$23,686 compared to net loss of \$15,679 for the for the three months ended December 31, 2023. The decrease was primarily due the increase of foreign exchange gain of \$44,978 in the three months ended December 31, 2024 in connection with the foreign exchange on the intercompany loan.

#### *For the year ended December 31, 2024*

During the for the year ended December 31, 2024, the Company generated no revenues from its continuing operations. All revenues generated from Steep Hill, Inc. until the date of closure of the operation have been presented within the income (loss) from discontinued operations – Steep Hill US.

The Company recorded net loss before other income (expense) of \$218,492 for the for the year ended December 31, 2024, a decrease of \$310,906, compared to \$529,398 in the comparative period. The decrease in net loss before other income (expense) was primarily derived from:

- Decrease of \$154,369 in consulting fees and \$65,097 in salaries and wages due to fewer consultants and employee with reduced fees compared to the comparative period as well as a recovery of \$57,202 in consulting fees incurred 2022. The Company has minimal operations subsequent to shutting down its operation in US in the first quarter of 2023.
- Decrease of \$50,619 in professional fees compared to comparative period due to fewer transactions requiring external counsels compared to the year ended December 31, 2023.
- Decrease of \$30,000 in directors' fees primarily due the cessation of compensation to directors in the current fiscal year.

The Company recorded a net loss from continuing operations of \$204,109 for the for the year ended December 31, 2024, a decrease of \$157,806 compared to net loss of \$439,437 for the for the year ended December 31, 2023. The decrease was primarily due the decrease of the operating expenses and gain on extinguishment of accounts payable and accrued liabilities of \$39,258, offset by the increase of foreign exchange loss of \$78,743 in the year ended December 31, 2024 in connection with the foreign exchange on the intercompany loan.

## **DISCONTINUED OPERATIONS**

### Steep Hill US

In March 2023, the Company, through Steep Hill, Inc., entered into settlement and release agreements with various licensees to terminate the license agreements (the “settlement agreements”) in effect and settled for a combined termination fees of \$2,724,748 (US\$2,014,452). Following the settlement agreements, the Company determined that Steep Hill, Inc.’s operation was no longer commercially sustainable and decided to cease its US operation.

Accordingly, the operating results and operating cash flows for the previously reported subsidiary are presented as discontinued operations separate from the Company’s continuing operations.

As the operation has been discontinued through abandonment, the assets and liabilities of the discontinued operations have not been reclassified on the consolidated statements of financial position as at December 31, 2024 and 2023.

The assets and liabilities of the discontinued operations are as follows:

<b>As at December 31,</b>	<b>2024</b>		<b>2023</b>	
<b>Assets</b>				
Cash	\$	48,522	\$	58,741
Accounts receivable and other		-		281
<b>Total assets of discontinued operations</b>	<b>\$</b>	<b>48,522</b>	<b>\$</b>	<b>59,022</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$	169,079	\$	867,819
Income tax payable		3,949		19,254
<b>Total liabilities of discontinued operations</b>	<b>\$</b>	<b>173,028</b>	<b>\$</b>	<b>887,073</b>

Net income of the discontinued operations is as follows:

<b>For the years ended December 31,</b>	<b>2024</b>		<b>2023</b>	
<b>Revenue</b>	\$	-	\$	99,216
<b>Expenses</b>				
Allowance for expected credit recovery		-		(235)
Consulting, salaries and wages		7,678		842,824
Office and general (recovery) expenses		(65,446)		103,372
Professional fees		16,890		203,776
Impairment of intangible assets and goodwill		-		408,142
Loss before other income		40,878		(1,458,663)
<b>Other income (expense)</b>				
Other income <sup>(i)</sup>		-		2,724,748
Gain on extinguishment of accounts payable and accrued liabilities <sup>(ii)</sup>		504,723		432,064
Litigation settlement <sup>(iii)</sup>		-		(446,160)
<b>Net income before income tax from discontinued operations</b>		<b>545,601</b>		<b>1,251,989</b>
Current income tax expense		(3,778)		(19,254)
Net income from discontinued operations		541,823		1,232,735
<b>Other comprehensive (income)</b>				
Foreign currency translation adjustment		28,929		15,522
<b>Net income and comprehensive income from discontinued operations</b>	<b>\$</b>	<b>570,752</b>	<b>\$</b>	<b>1,248,257</b>

(i) In March 2023, the Company received total proceeds of \$2,724,748 (US\$2,014,452) in connection with the settlement agreements from the licensees, which has been included in other income within net income (loss) from discontinued operations for the three months ended December 31, 2023. Of this balance \$256,614 was previously recognized as a contract liability prior to termination and subsequently recognized in other income within net income (loss) from discontinued operations for the period, on termination of the licenses. An impairment loss of \$408,142 corresponding with the carrying value of the intangible assets (brand and customer relationships) associated with the licenses terminated has been recognized in impairment of intangible assets and goodwill within net income (loss) from discontinued operations for the year ended December 31, 2023.

(ii) During the year ended December 31, 2024, the Company recognized a gain on extinguishment of accounts payable and accrued liabilities in the amount of \$602,561 (2023 - \$432,064), which has been included in other income within net income from discontinued operations.

- (iii) In January 2022, a Steep Hill US's former officer (the "former officer") filed a complaint seeking indemnification of legal fees and costs incurred of approximately US\$900,000 in connection with a previously filed complaint ("initial complaint") brought by the former officer. The stipulation and order of dismissal of the initial complaint was granted by the Court of Chancery of the State of Delaware in April 2022. In September 2023, the Company and the former officer reached a settlement in the amount of \$446,160 (US\$330,000) which resolves the initial complaint and releases all claims between the parties, which has been included in litigation settlement within net income (loss) from discontinued operations for the year ended December 31, 2023.

Net cashflows from discontinued operations:

<b>For the years ended December 31,</b>	<b>2024</b>	<b>2023</b>
Cash (used in) generated from operating activities - discontinued operations	\$ (216,042)	\$ 1,640,642

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company has not yet achieved profitable operations and incurred a net loss from continuing operations of \$204,109 (2023 - \$439,437) during the year ended December 31, 2024, and the Company has an accumulated deficit of \$10,076,046 (2023 - \$10,668,424). As at December 31, 2024, the Company has a working capital of \$2,017,802 (2023 - \$1,635,789) and for the year ended December 31, 2024, the cash flows used in operating activities from continuing operations was \$165,418 (2023 - \$898,305). The Company's ability to continue as a going concern is dependent upon its existing working capital and obtaining the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due. The Company's working capital may not meet corporate, development, administrative and property obligations for the coming year. As a result, the Company may require additional financing and, while the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. As such, there remains significant doubt as to the Company's ability to continue as a going concern.

### For the year ended December 31, 2024 (continuing operations)

Cash used in operating activities was \$165,418 during the for the year ended December 31, 2024, a decrease of \$732,887 from the comparative period. The increase is primarily related to reduction in the operating expenses during the period as discussed above.

Cash used in investing activities was \$Nil during the year ended December 31, 2024, a decrease of \$2,000,000 from the comparative period. The decrease is primarily due to purchase of one-year term deposits of \$2,000,000 with a financial institution in the comparative period.

Cash used in financing activities was \$19,062, a decrease of \$34,154 from comparative period. The increase is primarily due to decreased payments related to office lease as well as \$30,000 repayment of CEBA loan in the last quarter of 2023.

## **CAPITAL MANAGEMENT**

The Company actively manages its capital structure and adjust accordingly. There is no return on capital measure imposed on the management rather board provides the opportunity to the management to use their expertise and business acumen to generate value for the Company and its stakeholders.

Management with the board reviews its capital management policies regularly. There were no changes to The Company's approach to capital management in the current period.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

## RELATED PARTY TRANSACTIONS

### Compensation awarded to key management personnel

The Company has defined key management personnel as senior executive officers, as well as the Board of Directors. The total remuneration of key management personnel and the Board of Directors in the continued and discontinued operations are as follows:

For the years ended December 31,		2024	2023
Salaries, benefits and consulting fees	\$	161,208	\$ 521,381
Director fees		-	30,000
	\$	<b>161,208</b>	<b>\$ 551,381</b>

As of December 31, 2024, the Company had \$44,805 (2023 - \$136,930) of unpaid consulting fees to key management personnel included in accounts payable and accrued liabilities.

During the year ended December 31, 2024, the Company incurred document storage fees of \$12,000 (2023 - \$30,000) and consulting fees of \$42,750 (2023 - \$174,713) from Summerhill Group Inc ("SGI"). SGI is a company in which the Company's Chairman and director, Ian Morton, is the majority shareholder.

During the year ended December 31, 2024, the Company incurred consulting fees of \$Nil (2023 - \$16,087) from Eco Generation Home Services Inc. ("EGHS"). EGHS is a company in which Ian Morton has a 100% ownership interest.

## SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

The estimates and underlying assumptions are based on current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described as follows:

### *Expected credit losses*

The Company applies the simplified approach as permitted by IFRS 9 for the expected credit loss ("ECL") associated with financial assets. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable. The estimate of expected credit losses is based on historical information, adjusted for forecasts of future economic conditions and may differ from actual results.

### *Estimated useful lives and amortization of long-lived assets*

Depreciation of property, plant and equipment and intangible assets are dependent upon estimates of useful lives which are determined through the exercise of judgments. The assessment of any impairment of these assets is dependent upon estimates recoverable amounts that take into account factors such as economic and market conditions and the useful lives of the assets.



### *Impairment of long-lived assets*

Long-lived assets, including property, plant and equipment, and intangible assets are reviewed for indicators of impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously. The Company applies judgment when determining the CGU in which the non-financial asset(s) belong and in estimating the recoverable amount of the asset or CGU.

### *Share-based compensation*

In calculating share-based compensation expense, key estimates such as the rate of forfeiture of awards granted, the expected life of options, the volatility and the risk-free interest rate used.

### *Deferred tax*

The determination of deferred tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax loss carry forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore, do not necessarily provide certainty as to their recorded values.

### *Going concern*

The Company's ability to execute its strategy by funding future working capital requirements requires significant judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

### *Discontinued operations*

The Company applies judgment in assessing whether the criterion for discontinued operations is met, specifically whether the operations represent a separate major line of business or geographic area of operations and is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

### *Changes in accounting policies and disclosures*

There was no new standards effective January 1, 2024 that impacted these consolidated financial statements.

### *Recent accounting pronouncements and changes in accounting policies*

The following new standards and amendments are not yet effective and have not been applied in preparing these consolidated financial statements.

### *IFRS 18 Presentation and Disclosure in Financial Statements*

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the consolidated statements of income and comprehensive income, and require all companies to provide new defined subtotals, including operating profit;
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the consolidated statements of income and comprehensive income; and
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company is currently evaluating the impact of the above amendments on its consolidated financial statements.

## SHARE CAPITAL

As at December 31, 2024, share capital consisted of:

- 16,178,653 issued and outstanding common shares; and
- 183,667 options outstanding with exercise price ranges from \$1.20 to \$1.88 and weighted average remaining contractual life of 0.75 years.

As at March 3, 2025, share capital consisted of:

- 16,178,653 issued and outstanding common shares; and
- 183,667 options outstanding with exercise price ranges from \$1.20 to \$1.88.

## RISKS AND RISK MANAGEMENT

### Business Risks

The Company has very little history upon which to evaluate its performance and prospects. Currently the Company has no revenue from continuing operations and currently reevaluating our strategic options. The Company's continuing operations are subject to all the business risks associated with new enterprises. The Company will only be able to pay dividends on any shares once its directors determine that it is financially able to do so. The Company cannot make any assurances that it will be profitable in the next three years or generate sufficient revenues to pay dividends to the holders of the Common Shares.

### Risks associated with acquisitions

As part of their Growth Strategy, the Company is planning to pursue strategic acquisitions in the future. These acquisitions may expose the company to several potential risks, including due diligence risks; operational integration risks; potential lawsuits from existing employees, suppliers and contractors of the acquired company; hidden liabilities; over extension of the management; relationship issues with existing partners, employees and others.

### Access to Capital Market Risk

The capital market may not be conducive to raising additional capital in the near future. The Company may require additional financing to fund activities to grow the business in the future. There can be no assurance that appropriate financing will be available on terms acceptable to the Company, if at all.

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset.

The Company manages the liquidity risk resulting from accounts payable and accrued liabilities by ensuring that it documents when authorized payments are due and maintaining adequate cash reserves to meet its obligations as they come due.

The Company has the following undiscounted contractual obligations as at December 31, 2024 and 2023, which are expected to be payable in the following respective periods:

December 31, 2024	Within 1 year	Over 1 year	Total
Accounts payable and accrued liabilities	\$ 254,613	\$ -	\$ 254,613

December 31, 2023	Within 1 year	Over 1 year	Total
Accounts payable and accrued liabilities	\$ 1,067,964	\$ -	\$ 1,067,964
Lease liability	19,070	-	19,070
<b>Total</b>	<b>\$ 1,087,034</b>	<b>\$ -</b>	<b>\$ 1,087,034</b>

As of December 31, 2024, the Company had cash of \$213,927 (2023 - \$613,412), term deposits of \$2,000,000 (2023 - \$2,000,000) and total equity attributable to the equity holders of the Company of \$2,017,802 (2023 - \$1,651,159). The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting, and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. There are no externally imposed capital requirements to which the Company has not complied.

#### Foreign Exchange Risk

As the Company operated in the United States during the year, some of the company's assets, liabilities, and transactions are denominated in United States funds. Fluctuation in the exchange rates between the U.S. dollar and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations.

As at December 31, 2024, the Company had net monetary liability denominated in U.S. funds of approximately \$124,506 (US\$86,528). Based upon the balance as at December 31, 2024, an increase of 15% in the U.S. to Canadian dollar exchange would result in an increase in the net loss and comprehensive loss of \$12,450, and a reduction of 15% would result in a decrease in the net loss and comprehensive loss of \$12,450. Management believes that it is not likely, but it is possible that the exchange rate could fluctuate by more than 15% within the next 12 months.

#### Interest Rate Risk

The Company does not have any debts or borrowings from any banks or institutional lenders as at December 31, 2024.

### CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

*This Management Discussion and Analysis ("MD&A") includes forward-looking statements concerning the Company's future performance, operations, and financial performance and financial condition. These forward-looking statements may include, among others, statements with respect to our objectives and strategies to achieve those objectives, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates, and intentions. When used herein, the words "plan", "believe", "anticipate", "may", "should", "intend", "estimate", "expect", "project", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements are based on management's current expectations. We caution that all forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates, or expectations reflected or contained in the forward-looking information, and that actual future performance will be affected by a number of factors including economic conditions, technological change, regulatory change, and competitive factors, many of which are beyond our control.*

*Future events and results may vary significantly from what is expected. We are under no obligation (and we expressly disclaim any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise.*