

**PAN AMERICAN ENERGY CORP.**  
*(FORMERLY GOLDEN SUN MINING CORP.)*

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED APRIL 30, 2022**

This Management's Discussion and Analysis ("MD&A") has been prepared by management in accordance with the requirements of National Instrument 51-102 and should be read in conjunction with the consolidated financial statements and notes thereto for the year ended April 30, 2022 and 2021 of Pan American Energy Corp. (formally "Golden Sun Mining Corp.") (the "Company"). Such consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

On November 19, 2020, the British Columbia Securities Commission and the Alberta Securities Commission (the "Commissions") revoked their respective cease trade orders against the Company.

The Company's common shares were initially cease traded by the British Columbia Securities Commission for failure to prepare and file an independent technical report supporting its disclosure of the mineral source estimate and results of the preliminary economic analysis for its Cherry Hill Mine property (the "Cherry Hill Property") in California pursuant to subsection 4.2(1)(j)(i) and 5.3(1)(c)(i) of National Instrument 43-101 – Standards of Disclosure for Mineral Projects (the "Technical Report"). The Company no longer has any direct or indirect ownership interest in the Cherry Hill Property, and as such, is no longer required to prepare and file the Technical Report.

Additionally, the Company's common shares were cease traded by the Commissions for failure to file annual financial statements, management's discussion and analysis, and certification of annual filings for the fiscal year ended April 30, 2014 and its interim unaudited financial statements, interim MD&A, and certification of interim filings for the interim periods ended October 31, 2013 and January 31, 2014. All continuous disclosure documents required by National Instrument 51-102 – Continuous Disclosure Requirements were filed by the Company effective November 9, 2020 and November 10, 2020, and are available on SEDAR at [www.sedar.com](http://www.sedar.com).

All dollar amounts are expressed in Canadian Dollars, the reporting and functional currency of the Company, unless otherwise indicated.

This MD&A is dated August 29, 2022 and is approved by the Board of Directors of the Company.

Readers should use the information contained in this report in conjunction with all other disclosure documents including those filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A contains certain statements that constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding acquisition of mineral properties, strategic plans, market price of commodities or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainty of estimates of capital and operating costs; the need to obtain additional financing to acquire a mining asset and uncertainty as to the availability and terms of future financing; uncertainties involved in disputes and litigation; and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company's policy that all forward-looking statements are based on the Company's beliefs and assumptions, which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of the date of this MD&A and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, because of numerous risks, uncertainties and other factors such as those described above and in “Risks and Uncertainties” below. The Company has no policy for updating forward-looking statements beyond the procedures required under applicable securities laws.

## **DESCRIPTION OF THE BUSINESS**

Golden Sun Mining Corp. is a public company incorporated under the Business Corporations Act (British Columbia) on March 14, 2007 as a Capital Pool Company as defined in TSX Venture Exchange Policy 2.4. The Company was listed on the TSX Venture Exchange (“TSX”) under the trading symbol “GSU”, on the Frankfurt Stock Exchange under the trading symbol “SS6”, and on the OTC Pink Current under the symbol “GSUXF”. The Company was also DTC eligible in the United States.

On May 5, 2022, the Company entered into a share purchase agreement with 1328012 B.C. Ltd. See “Corporate Transactions” below for further information.

The Company plans to acquire strategic mining assets and execute precious and base-metals mineral exploration activities. The corporate acumen of the Company’s management will facilitate the ongoing corporate and exploration growth. The management team will continue to evolve as the Company grows as a mining exploration company.

The Company’s corporate office and principal place of business is at 521 3<sup>rd</sup> Avenue SW, Suite 100, Calgary, Alberta T2P 3T3.

## **COVID-19**

The COVID-19 pandemic continues to impact the global economic recovery. The current situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgements made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during this volatile period.

## **CORPORATE TRANSACTIONS**

During the year ended April 30, 2021, the Company consolidated its shares on the basis of one common share for every 50 common shares held. All common shares in this MD&A are retroactively presented on a post-share consolidation basis.

On October 13, 2021, the Company completed a non-brokered private placement of common shares in the capital of the Company for gross proceeds of \$100,000 through the issuance of 2,000,000 common shares at a price of \$0.05 per common share. The Company intends to use the proceeds of the private placement for general working capital.

On December 4, 2021, the Company entered into the Amended and Restated Asset Purchase Agreement dated December 4, 2021 with Beta Energy Corp. and Voltaic Minerals (USA), Inc. for the purchase of the mineral property referred to as the Green Energy Project located in the State of Utah. Pursuant to the terms of the agreement, the Company will issue to Beta Energy Corp. 1,000,000 common shares, the Initial Consideration Shares, and at any time within twenty-four months following the closing date, the Company has the option to complete the acquisition by issuing to Beta Energy Corp. \$950,000 worth of common shares at the market price, either in a single or multiple tranches, the Additional Consideration Shares. The total value of the acquisition was \$50,000 (1,000,000 common shares, issued at \$0.05/share) and has been recorded as “Evaluation and Exploration Assets” on the statement of financial position.

On May 5, 2022, the Company entered into a share purchase agreement (the “Agreement”) with 1328012 B.C. Ltd. (“Numberco”). Pursuant to the terms of the Agreement, the Company acquired all of the outstanding securities of the Numberco in exchange for securities of the Company. The shareholders of the Numberco received securities of the Company such that they collectively control the Company subsequent to the completion of the transaction. Consequently, the transaction constitutes a reverse acquisition of the Company by Numberco for accounting purposes. See “Disclosure of Outstanding Share Data” for additional information regarding the Agreement.

On June 15, 2022, the Company changed its name from “Golden Sun Mining Corp.” to “Pan American Energy Corp.”, and its ticker symbol on the CSE from “GSU” to “PNRG”.

On June 24, 2022, the Company entered into debt settlement agreements with certain creditors of the Company, pursuant to which it discharged aggregate indebtedness of \$228,708 in consideration of the issuance of a total of 1,270,600 common shares of the Company at a fair value of \$0.42 per common share. The Company recognized a loss on debt settlement of \$304,944.

On August 23, 2022, the Company announced that it has entered into a property option agreement (the “Option Agreement”) with Magabra Resources Corporation (the “Vendor”) dated August 22, 2022 (the “Effective Date”), pursuant to which the Company has been granted the right to acquire up to a 90% interest in and to the Big Mack Property, which consists of a single mining lease (LEA-107832) in the Paterson Lake Area located approximately 80 kilometres north of Kenora, Ontario, Canada (the “Property”). The Property occurs within the Separation Lake Greenstone Belt (SLGB) and has been studied by the Ontario Geological Survey and Ontario government for the rare-metal pegmatite potential of the area. Exploration work to date has identified a series of petalite and rare earth pegmatites on the Property.

## OVERALL PERFORMANCE

The Company has not generated revenues to date from operations and continues to focus on plans to acquire strategic mining assets.

At April 30, 2022, the Company was in a net asset position of \$1,013,130. The assets consisted of the following:

<b>As at</b>	<b>April 30, 2022</b>	<b>April 30, 2021</b>
	\$	\$
Cash	77,613	53,824
Accounts receivable	24,158	9,746
Prepaid expenses	10,103	-
Evaluation and exploration assets	167,422	-
<b>TOTAL ASSETS</b>	<b>279,296</b>	<b>63,570</b>

The liabilities consisted of the following:

<b>As at</b>	<b>April 30, 2022</b>	<b>April 30, 2021</b>
Accounts payable and accrued liabilities	979,205	663,772
Loan payable	160,591	154,766
Promissory note payable	152,630	-
<b>TOTAL LIABILITIES</b>	<b>1,292,426</b>	<b>818,538</b>

## RESULTS OF OPERATIONS

The following highlights the key operating expenditures for the year ended April 30, 2022 compared to the year ended April 30, 2021:

<b>For the year ended April 30,</b>	<b>2022</b>	<b>2021</b>
Advertising and promotion	-	20,000
Consulting fees	42,348	34,000
Filing fees	13,668	35,709
Management fees	144,000	12,000
Office and miscellaneous	23,911	1,491
Professional fees	135,780	128,496
Rent	40,000	15,000
Share-based compensation	48,791	145,414
<b>OPERATING EXPENSES</b>	<b>(448,498)</b>	<b>(392,110)</b>

- Advertising and marketing decreased from the prior year comparable period as the Company's common shares were not trading on a public exchange during the year ended April 30, 2022.
- Consulting and salary costs decreased from the prior year comparable periods, as the prior year included costs related to the revocation of the cease trade order.
- Filing fees decreased from the prior year comparable periods, as the prior year included costs related to the revocation of the cease trade order.
- Management fees increased from the prior year comparable periods, pursuant to a change in management and the employment of a full time CEO.
- Office and miscellaneous increased from the prior year comparable periods, as a result of the Company incurring higher costs as a result of the revocation of the cease trade order and its pursuit of listing on the Canadian Securities Exchange.
- Professional fees decreased from the prior year comparable periods. The current period included legal and accounting costs related to the acquisition of the Property and the Company's pursuit of listing on the Canadian Securities Exchange. The prior year professional fees primarily related to costs incurred to revoke the cease trade order.
- Rent increased from the prior year comparable periods, as a result of the Company occupying new office space during the year ended April 30, 2022.
- Stock-based compensation decreased from the prior year comparable periods, as a result of the prior year including non-cash fair value of stock options previously issued and vested in the prior period. No stock options were granted during the year ended April 30, 2022; however, the current year included the vesting of stock options issued in the prior year.

## SELECTED ANNUAL INFORMATION

The following is a summary of the Company's financial results for the three most recently completed years:

In Canadian dollars	April 30, 2022	April 30, 2021	April 30, 2020
Revenue	-	-	-
Net and comprehensive loss	(456,953)	(394,358)	(7,500)
Loss per share, basic and diluted	(0.18)	(0.36)	(0.01)

## SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the three most recently completed interim quarters:

In Canadian dollars	April 30, 2022	January 31, 2022	October 31, 2021	July 31, 2021
Revenue	-	-	-	-
Net and comprehensive loss	(149,957)	(117,533)	(96,296)	(93,167)
Loss per share, basic and diluted	(0.12)	(0.03)	(0.03)	(0.08)

In Canadian dollars	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020
Revenue	-	-	-	-
Net and comprehensive loss	(291,569)	(85,571)	(17,218)	Nil
Loss per share, basic and diluted	(0.26)	(0.08)	(0.02)	Nil

## LIQUIDITY

The Company does not have any cash flow from operations or any revenues; accordingly, it must rely on equity and/or debt financing to fund operations. The Company's access to financing when the financing is not transaction specific is always uncertain. There can be no assurance of continued access to any equity and/or debt funding.

The Company's cash on hand was \$77,613 at April 30, 2022 (April 30, 2021 - \$53,824).

The Company had a working capital deficiency of \$1,180,552 at April 30, 2022 and \$754,968 at April 30, 2021. The Company's current asset balance was \$111,874 as at April 30, 2022 and \$63,570 at April 30, 2021.

The Company's current liabilities at April 30, 2022 totaled \$1,292,426 (April 30, 2021 - \$818,538) and are made up primarily of outstanding accounts payable and accrued liabilities relating to administrative and pre-exploration costs and loans payable with two non-arm's length parties and a promissory note payable with 1328012 B.C. Ltd.

The Company plans to raise necessary capital through equity and/or debt financings to fund day-to-day operations and complete an exploration asset acquisition.

As of the date of this MD&A, the Company has insufficient working capital to meet its ongoing financial obligations for the coming year. There can be no assurance that future financings will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs. If the Company is unable to obtain the financing necessary to support its operations, it may be unable to continue as a going concern. The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional working capital, and substantial doubt exists regarding the Company's ability to continue as a going concern. The Company has no long-term debt, capital lease obligations, operating leases, or any other long-term obligations.

## RELATED PARTY TRANSACTIONS

Key management personnel are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

The aggregate value of transactions relating to key management personnel during the year ended April 30, 2022 and 2021 were as follows:

	<b>April 30, 2022</b>	<b>April 30, 2021</b>
	\$	\$
Management fees (CEO)	144,000	145,414
Share-based compensation	48,791	12,000
<b>Total</b>	<b>192,791</b>	<b>157,414</b>

### Notes:

- 1) For the year ended April 30, 2022, the Company incurred \$144,000 of management fees in provision of CEO services from a company controlled by Jason Latkowcer, the CEO and director of the Company.
- 2) For the year ended April 30, 2022, the Company incurred \$48,791 of share-based payments in provision of director services from companies controlled by the Brian Thurston (former CEO and director of the Company), Jamie Lewen (former director of the Company) and Dave McMillan (former director of the Company).

As at April 30, 2022, a \$65,438 balance (April 30, 2021 – \$28,385) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

## COMMITMENTS

The Company has a contract with a company controlled by the CEO of the Company for monthly payments of \$12,000 for a period of two years beginning in May 2021. The CEO shall receive and be granted an aggregate of 1,000,000 restricted shares (“RSRs”) under the Company’s equity incentive plan, with vesting subject to the following performance-based milestones:

500,000 of the RSRs will vest in three equal tranches based on the successful completion of the following:

- a) Successful launch of a pilot project;
- b) Successful fundraise of \$5,000,000 in a single financing or in a series of financings; and
- c) Complete an acquisition or series of acquisitions with a total value over \$2,000,000.

The RSRs have not yet been issued and management has applied vesting probability of 0% to the vesting of these RSRs.

The remaining 500,000 RSRs will be released quarterly in four equal tranches beginning four months after the date of final acceptance of the Company’s listing. As the Company was successfully listed on the CSE subsequent to year-end, the RSRs were granted and released on May 19, 2022. As a result, no expense has been recorded as of April 30, 2022. As at April 30, 2022, the Company had no other contractual obligations or off-balance sheet transactions.

## SUBSEQUENT EVENTS

Subsequent events not already disclosed elsewhere in these MD&A are as follows:

On June 15, 2022, the Company changed its name from “Golden Sun Mining Corp.” to “Pan American Energy Corp.”, and its ticker symbol on the CSE from “GSU” to “PNRG”.

On June 24, 2022, the Company entered into debt settlement agreements with certain creditors of the Company, pursuant to which it discharged aggregate indebtedness of \$228,708 in consideration of the issuance of a total of 1,270,600 common shares of the Company at a deemed price of \$0.18 per common share.

Subsequent to April 30, 2022, the Company entered into a property option agreement with Magabra Resources Corporation (the “Vendor”) pursuant to which the Company has been granted the right to acquire up to a 90% interest in the Big Mack Property (the “Property”), which consists of a single mining lease in the Paterson Lake Area. The Company has the right to acquire up to 90% in the following three phases of cash and share considerations:

### 1. Phase One

- In phase one, the Company shall be entitled to acquire a 51% interest in and to the Property by:
- \$80,000 in cash payable to the Vendor within thirty days following the date of the agreement;
- Issuing, within sixty days following the date of the agreement, such number of common shares of the Company to the Vendor having a value equal to \$200,000, calculated on the date of issuance using the market price of the Shares on the Canadian Securities Exchange (the “CSE”) on such date, such common shares being subject to voluntary resale restrictions whereby, subject to applicable securities laws and stock exchange rules, 50% of such common shares shall be released to the Vendor immediately upon the date of issuance, and the remaining 50% shall be released four (4) months after the date of issuance; and
- Incurring, within twelve months following the date of the agreement, \$1,000,000 worth of exploration expenditures on the Property.

### 2. Phase Two

- Conditional upon completion of phase one, the Company shall be entitled to acquire an additional 24% interest in and to the Property, for a total interest of 75%, by:
- An additional \$90,000 in cash payable to the Vendor on or before the date that is twelve months following the date of the agreement;
- Issuing, on or before the date that is twenty-four months following the date of the agreement, such additional number of common shares to the Vendor having a value equal to \$400,000, calculated on the date of issuance using the market price of the common shares on the CSE on such date, such shares being subject to voluntary resale restrictions whereby, subject to applicable securities laws and stock exchange rules, 50% of such common

shares shall be released to the Vendor immediately upon the date of issuance, and the remaining 50% shall be released four (4) months after the date of issuance; and

- Incurring, within twenty-four months following the Effective Date, an additional \$1,000,000 worth of exploration expenditures on the Property.

### 3. Phase Three

- Conditional upon completion of phase one and phase two, the Company shall be entitled to acquire an additional 15% interest in and to the Property, for a total interest of 90%, by:
- An additional \$30,000 in cash payable to the Vendor on or before the date that is thirty-six months following the date of the agreement;
- Issuing, on or before the date that is thirty-six months following the date of the agreement, such additional number of common shares to the Vendor having a value equal to \$100,000, calculated on the date of issuance using the market price of the Shares on the CSE on such date, such common shares being subject to voluntary resale restrictions whereby, subject to applicable securities laws and stock exchange rules, 50% of such common shares shall be released to the Vendor immediately upon the date of issuance, and the remaining 50% shall be released four (4) months after the date of issuance; and
- Incurring, within thirty-six months following the date of the agreement, an additional \$1,000,000 worth of exploration expenditures on the Property.
- Upon satisfaction of phase three, the Company will grant the Vendor a 2% net smelter returns royalty (the “NSR Royalty”), with the Company retaining the right to buy back from the Vendor the NSR Royalty for \$2,000,000.

## CONFLICTS OF INTEREST

The Company’s directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) (“Corporations Act”) dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company’s directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s financial instruments are exposed to certain financial risks which are discussed in detail in Notes 4 and 9 of the Company’s consolidated financial statements for the year ended April 30, 2022.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company’s expenses is disclosed in the “Overall Performance” section above.

## DISCLOSURE OF OUTSTANDING SHARE DATA

### a) Authorized Share Capital

The authorized share capital consists of an unlimited number of common shares without par value.

### b) Issued Share Capital

Common shares issued and outstanding as at April 30, 2022 are 4,099,366 (April 30, 2021 – 1,099,366).

During the year ended April 30, 2022, the Company had the following common share transactions:

- i. During October 2021, the Company issued 2,000,000 common shares at \$0.05 per common share for total gross proceeds of \$100,000 pursuant to a private placement.



- ii. On December 4, 2021, the Company entered into the Amended and Restated Asset Purchase Agreement with Beta Energy Corp. and Voltaic Minerals (USA), Inc. for the purchase of the mineral property referred to as the Green Energy Project located in the State of Utah. Pursuant to the terms of the agreement, the Company will issue to Beta Energy Corp. 1,000,000 common shares. In addition, at any time within twenty-four months following the closing date, the Company has the option to complete the acquisition by issuing to Beta Energy Corp. \$950,000 worth of common shares at the market price, either in a single or multiple tranches. The total value of the acquisition was \$50,000 (1,000,000 common shares, issued at \$0.05/share) and has been recorded as “Evaluation and Exploration Assets” on the statement of financial position.

Subsequent to April 30, 2022, the following common share transactions occurred:

- i. On May 5, 2022, as a result of the Agreement, the Company acquired 100% of the outstanding securities of the Numberco through issuing 20,000,1000 common shares and 20,000,000 warrants to Numberco securityholders.

The shareholders of the Numberco received securities of the Company such that they collectively control the Company subsequent to the completion of the transaction. Share capital of the Company immediately following the share exchange was \$1,909,938, with 24,099,466 common shares outstanding. Concurrent with Company’s acceptance onto the CSE, 1,300,000 share purchase options were issued. Each share purchase option is exercisable at \$0.35 for a period of two years.

- ii. On June 24, 2022, the Company entered into debt settlement agreements with certain creditors of the Company, pursuant to which it discharged aggregate indebtedness of \$228,708 in consideration of the issuance of a total of 1,270,600 common shares of the Company at a deemed price of \$0.18 per common share.

As of the date of this MD&A, the Company had following securities outstanding:

	<b>Total</b>
Common shares	25,370,666
Share purchase warrants	20,000,000
Share purchase options	1,600,000
Restricted share rights	1,000,000
<b>Total</b>	<b>47,970,666</b>

### c) Share Purchase Options

A summary of the Company’s share purchase options (“options”) is as follows as at April 30, 2022:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
<b>Balance, April 30, 2021 &amp; April 30, 2022</b>	<b>300,000</b>	<b>\$ 0.50</b>

At April 30, 2022, the following options were outstanding:

<b>Grant Date</b>	<b>Number of Options</b>	<b>Exercisable</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Weighted Average Remaining Life</b>
April 22, 2021	300,000	300,000	\$0.50	April 22, 2026	3.98
	<b>300,000</b>	<b>300,000</b>	<b>\$0.50</b>		

Inputs used to calculate the fair value of the options issued were a stock price of \$0.81, expected life of 5 years, volatility of 100% and a discount rate of 0.93%.

During the year ended April 30, 2022, the Company recorded a fair value of \$48,791 pursuant to options vesting (year ended April 30, 2021 – \$145,414).

## **RISK FACTORS**

The Company is an mining exploration stage company. The ability of the Company to acquire additional strategic mining assets is dependent upon (but not limited to) market conditions, the ability of the Company's management team to obtain necessary financing to successfully complete an attractive acquisition on acceptable terms and funding necessary to execute development programs.

In conducting its business, the Company is subject to a number of other risks and uncertainties that could have a material adverse effect on the Company's business prospects or financial condition that could result in a delay or indefinite postponement in the development of the Company's future mineral interests.

### **Risks associated with exploration stage companies**

Exploring for mineral resources involves a variety of operational, financial, and regulatory risks that are typical in the natural resource industry. The Company has not commenced commercial operations and has no proven history of performance, earnings, or success. There is no guarantee that the Company will ever be able to achieve profitable results or successfully execute its business plan. The Company's Common Shares must be considered speculative primarily due to the nature of the Company's business and the uncertainty of being able to acquire a mining asset. The Company has no revenue or income from operations. The Company has limited capital resources and will rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions, and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity or debt securities or joint venture agreements to raise capital. There can be no assurance that financing, whether equity or debt, will be available to the Company in the amount required by the Company at any particular time or for any period, and that such financing can be obtained on terms satisfactory to the Company.

### **Licenses and permits**

The Company will require licenses and permits from various governmental authorities regarding any future mineral interests acquired. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations for its mineral interests. Failure to obtain and maintain such licenses and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration and development work which may result in its losing its interest in the subject property.

### **Operating hazards and risks**

Fires, power outages, labour disputes, flooding explosions, cave-ins, landslides, and the inability to obtain suitable or adequate machinery, equipment, or labour are some of the risks involved in exploration programs. Unknowns with respect to geological structures and other conditions are involved. Existing and future environmental laws may cause additional expense and delays in the activities of the Company, and may render the Company's properties uneconomic. The Company has no liability insurance and the Company may become subject to liability for pollution, cave-ins, or hazards against which it cannot insure, or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position.

### **Competition**

The mining industry is intensely competitive and the Company must compete in all aspects of its operations with a substantial number of other corporations which have greater technical and financial resources. The Company may be unable to acquire attractive mining properties on terms it considers acceptable.

### **Profitability of operations**

The Company does not have profitable operations at this time and it should be anticipated that it will operate at a loss until such time as production is achieved from any acquired mining assets, if production is in fact ever achieved. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

### **Foreign currency risk**

The Company's has acquired exploration and evaluation assets in Utah, United States of America. As a result, future changes in exchange rates could materially affect the viability of exploring and development activities.

### **Market risks**

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. Mineral prices have fluctuated widely in recent years. The marketability and price of minerals which may be produced or acquired by the Company will be affected by numerous factors beyond the control of the Company. These factors include delivery uncertainties related to the proximity of its reserves to processing facilities, and extensive government regulation relating to price, taxes, royalties, allowable production land tenure, the import and export of minerals, and many other aspects of the mining business. Declines in mineral prices may have a negative effect of the Company.

### **Future financings**

As the Company continues to acquire mining assets and starts to develop them, the Company may require additional funds to execute exploration and development programs and additional funds if the Company wishes to pursue commercial production. The Company's available sources of funds are: sale of equity capital. There is no assurance such sources will continue to be available on favorable terms or at all. If available, future equity financings may result in dilution to current shareholders.

### **Going concern**

The Company's consolidated 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its on-going commitments, further its mineral exploration program, and to commence profitable operations in the future.

### **SIGNIFICANT ACCOUNTING POLICIES**

Please refer to the annual consolidated financial statements for the year ended April 30, 2022, for a summary of significant accounting policies.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).