PAN AMERICAN ENERGY CORP.

(FORMERLY GOLDEN SUN MINING CORP.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended June 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 condensed consolidated interim financial statements and notes thereto for the three months ended June 30, 2022 (the "financial statements") of Pan American Energy Corp. (formerly "Golden Sun Mining Corp.") (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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

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.

DATE

This MD&A is prepared as of August 29, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this MD&A. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

Pan American Energy Corp. (formerly “Golden Sun Mining Corp.”) (the “Company”) was incorporated under the laws of British Columbia on March 14, 2007. The Company's corporate office and principal place of business is 521 3rd Avenue SW, Suite 100, Calgary, Alberta T2P 3T3.

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 Numberco in exchange for securities of the Company. The shareholders of Numberco received securities of the Company such that they collectively control the Company subsequent to the completion of the transaction. The transaction constitutes a reverse acquisition of the Company by Numberco for accounting purposes. Consequently, the comparative figures reported are those of Numberco.

Numberco was incorporated under the laws of the Business Corporations Act (British Columbia) on October 12, 2021, and as such, there are no comparative periods for presentation in the condensed consolidated statement of loss and comprehensive loss and statement of cash flows.

On May 19, 2022, the Company listed its common shares on the Canadian Securities Exchange (the “CSE”) under the symbol “GSU”. On June 29, 2022, the Company changed its name to “Pan American Energy Corp.” from “Golden Sun Mining Corp.” and began trading under the symbol “PNRG”.

The Company is Canadian corporation that is in the business of exploration and evaluation of mineral properties.

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.

OVERALL PERFORMANCE

The Company has not generated revenues to date from operations as it is in the start up phase and continues to focus on developing and obtaining strategic mining and exploration assets.

The net assets of the Company total $317,085 at June 30, 2022 and consist of cash of $915,595, accounts receivable of $30,974, prepaid expenses of $10,103, exploration and evaluation assets of $167,422, net of accounts payable and accrued liabilities of $646,418 and loan payables of $160,591. The net assets of the Company total $1,342,656 at March 31, 2022 and consist of cash of $1,310,469, promissory note receivable of $151,397, net of accounts payable and accrued liabilities of $119,210. The change in net assets from March 31, 2022 to June 30, 2022 was largely related to the Corporate Transaction, which is further described below.

CORPORATE TRANSACTION

On May 5, 2022, the Company entered into a share purchase agreement (the “Agreement”) with Numberco, pursuant to which the Company acquired 100% of the Company’s issued and outstanding securities of Numberco in exchange for 20,000,100 common shares and 20,000,000 share purchase warrants of the Company. As a result of the Agreement, securityholders of Numberco hold 20,000,100 common shares of the Company representing 82.99 percent and securityholders of the Company hold 4,099,366 common shares representing 17.01 percent of the Company. The securityholders of Numberco, therefore, control the Company upon completion of the Agreement. The transaction was accounted for as a reverse acquisition, with Numberco identified as the acquirer. The fair value of the consideration was determined based on 4,099,366 common shares issued at the price of $0.10 per share, which corresponds to the price of the most recent financing closed totaling $409,936.

The preliminary purchase price allocation was allocated as follows:

	$
Net assets acquired	
Cash	27,405
Accounts receivable	24,159
Prepaid expenses	10,103
Exploration and evaluation assets	167,422
Accounts payable and accrued liabilities	(940,900)
Promissory note payable	(150,000)
Loan payable	(159,171)
Deemed transaction costs(1)	1,430,919
Net assets acquired	**409,937**
Consideration	
Fair value of 4,099,366 shares issued	**409,937**

(1) The deemed transaction costs, primarily relating to the acquired public exchange listing, were expensed.

The purchase price allocation herein is preliminary. The final purchase price allocation will be determined after completion of a thorough analysis to determine the fair value of all assets acquired and liabilities assumed but in no event later than one year following completion of the acquisition. Accordingly, the final acquisition accounting adjustments could differ materially from the adjustments presented herein.

QUARTLERY FINANCIAL INFORMATION & RESULTS OF OPERATIONS

The following information sets out quarterly selected financial information for the period from incorporation on October 12, 2021 to December 31, 2021, March 31, 2022 and June 30, 2022:

	Period Ended June 30, 2022	**Period Ended March 31, 2022**	**Period Ended December 31, 2022**
	($)	**($)**	**($)**
Revenue	Nil	Nil	Nil
Operating expenses	(237,288)	(75,230)	(83,512)
Net loss and comprehensive loss	(1,973,151)	(73,833)	(83,512)
Basic and diluted earnings (loss) per share	$(0.09)	$(0.01)	$(0.01)

The period ended June 30, 2022, the Company incurred a net loss and comprehensive loss of $1,973,151. The net loss and comprehensive loss for the period consists primarily of the following:

- Consulting fees of $107,000 consists primarily of fees paid to directors and officers of the Company and fees paid to other service provides for corporate activities.
- Filing fees of $47,449 consists primarily of costs associated with the Company's filings on the CSE and registering for filing on the OTC markets.
- Office and miscellaneous of $6,597 consists primarily of costs related to travel expenses, meals & entertainment and other office costs.
- Professional fees of $72,251 consists primarily of costs related to legal and accounting services related to the public listing of the Company's shares on the CSE.
- Share-based compensation costs of $3,991 relates to the vesting of stock options and RSRs that were granted during the three months ended June 30, 2022.
- Listing expense of $1,430,919 relates to the Corporate Transaction (see section above).

- Loss on debt settlement of $304,944 relates to the June 23, 2022 debt settlement agreements entered into 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.

The period ended March 31, 2022, the Company incurred a net loss and comprehensive loss of $73,833. The net loss and comprehensive loss for the period consists primarily of the following:

- Consulting fees of $70,875 consists primarily of services used in corporate activities.
- Office and miscellaneous of $91 consists primarily of costs related to bank fees.
- Professional fees of $4,264 consists primarily of costs related to legal and accounting services related to the public listing of the Company's shares on the CSE.

The period ended December 31, 2021, the Company incurred a net loss and comprehensive loss of $83,512. The net loss and comprehensive loss for the period consists primarily of the following:

- Consulting fees of $70,875 consists primarily of services used in corporate activities.
- Office and miscellaneous of $66 consists primarily of costs related to bank fees.
- Professional fees of $12,571 consists primarily of costs related to legal and accounting services related to the public listing of the Company's shares on the CSE.

On a quarter-by-quarter basis, losses are expected to fluctuate significantly due to a number of factors including timing of operating activities from the date of incorporation due to the nature of a start up mineral exploration company.

An analysis of the quarterly results from incorporation shows that the Company has incurred mostly professional fees and consulting fees related to the newly formed entity and the share exchange transaction.

LIQUIDITY

The Company had cash of $915,595 at June 30, 2022 ($1,310,469 at March 31, 2022). The Company had working capital of $149,663 at June 30, 2022 ($1,342,656 at March 31, 2022).

If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements.

Operating Activities

The Company used net cash of $573,676 in operating activities during the three months ended June 30, 2022.

Investing Activities

The Company received cash of $27,405 from investing activities during the three months ended June 30, 2022.

Financing Activities

The Company received net cash of $151,397 from financing activities during the three months ended June 30, 2022.

COMMITMENTS

The Company has a contract with a company controlled by the CEO and Director 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 RSRs under the Company's equity incentive plan, with vesting subject to performance-based milestones (Note 8d).

TRANSACTIONS WITH RELATED PARTIES

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 three months ended June 30, 2022 were as follows:

For the Three Months Ended	June 30, 2022
	$
Consulting fees (to a company owned by the CEO)	26,000
Consulting fees (to a company owned by the CFO)	30,750
Share-based compensation (to directors and officers)	3,991
Total	**60,741**

As at June 30, 2022, a $77,406 balance was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

PROPOSED TRANSACTIONS

On August 23, 2022, the Company announced that it had 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.

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.

As of the date of this MD&A, there were no other proposed transactions.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are no new standards issued, but not yet effective, that are anticipated to have a material impact on the Company’s financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The following is the Company’s accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial assets/liabilities	
Cash	FVTPL
Accounts receivable	Amortized cost
Prepaid expenses	Amortized cost
Promissory note receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

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

Common shares issued and outstanding as at June 30, 2022 are 25,370,066 (March 31, 2022 – 20,000,100).

During the three months ended June 30, 2022, the Company had the following common share transactions:

	Description	Number of Shares	Amount ($)
Balance, March 31, 2022		**20,000,100**	**1,500,001**
May 19, 2022	Corporate transaction (Note 1b)	4,099,366	409,937
June 23, 2022	Settlement of indebtedness	1,270,600	533,652
Balance, June 30, 2022		**25,370,066**	**2,443,590**

On June 23, 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.

During the year ended March 31, 2022, the Company had the following common share transactions:

- On October 12, 2021, the Company issued 100 common shares at $0.01 per common share for total proceeds of $1 pursuant to incorporation;
- On October 25, 2021, the Company issued 10,000,000 units at $0.05 per unit for total proceeds of $500,000 pursuant to a private placement. Each unit consists of one common share and one common share purchase warrant exercisable at $0.10 for a period of twenty four months; and
- On December 8, 2021, the Company issued 10,000,000 units at $0.10 per unit for total proceeds of $1,000,000 pursuant to a private placement. Each unit consists of one common share and one common share purchase warrant exercisable at $0.12 for a period of twenty four months.

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

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

Share Purchase Warrants

A summary of the Company's purchase warrants ("warrants") is as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Balance, March 31, 2022	-	$ -
Granted - corporate transaction	10,000,000	0.10
Granted - corporate transaction	10,000,000	0.12
Balance, June 30, 2022	**20,000,000**	**$ 0.11**

As at June 30, 2022, the following warrants were outstanding and exercisable:

Number of Warrants	**Exercise Price**	**Expiry Date**
10,000,000	$0.10	October 25, 2023
10,000,000	$0.12	December 8, 2023
20,000,000		

The share purchase warrants have a weighted average remaining life of 1.38 years.

As of the date of this MD&A, the Company had 20,000,000 share purchase warrants outstanding.

Share Purchase Options

A summary of the Company's share purchase options ("options") is as follows:

	Number of Options	**Weighted Average Exercise Price**
Balance, March 31, 2022	**-**	**-**
Granted - corporate transaction	300,000	$0.50
Granted	1,300,000	$0.35
Balance, June 30, 2022	**1,600,000**	**$0.38**

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

Grant Date	Number of Options	Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Life
April 22, 2021	300,000	300,000	$0.50	April 22, 2026	3.81
May 19, 2022	1,300,000	1,300,000	$0.35	May 19, 2024	1.89
	1,600,000	**1,600,000**	**$0.38**		**2.25**

Inputs used to calculate the fair value of the options issued during the three months ended June 30, 2022, were a stock price of $0.10, expected life of 2 years, volatility of 100% and a discount rate of 2.70%.

During the three months ended June 30, 2022, the Company recorded a fair value of $1,833, pursuant to options vesting. As of the date of this MD&A, the Company had 1,600,000 options outstanding.

Restricted Share Rights

A summary of the Company's restricted share rights ("RSRs") is as follows:

	Number of RSRs
Balance, March 31, 2022	**-**
Granted	1,000,000
Balance, June 30, 2022	**1,000,000**

The Company issued and granted 1,000,000 RSRs to it's CEO, with the following performance-based milestones:

- 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 the RSRs were released on May 19, 2022.

  As a result, $2,158 has been recorded as share-based compensation expense related to the vesting of RSRs for the three months ended June 30, 2022.

- 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 in total value over $2,000,000.

  Management has applied vesting probability of 0% to the vesting of these RSRs and as a result, no share-based compensation has been recorded related to the remaining 500,000 RSRs.

RISK FACTORS

Much of the information included in this MD&A includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company's Business

The Company is a 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 it 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 of 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.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its directors' and officers' other business interests.

The Company has no operating history

The Company has no operating history and may not succeed. The Company is subject to all risks inherent in a developing business enterprise. The Company's likelihood of continued success must be considered in light of the problems, expenses, difficulties, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues, complications, and delays frequently encountered in connection with the competitive and regulatory environment in which it operates. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

History of losses

The Company has incurred losses in the period from incorporation on October 12, 2021 to June 30, 2022. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future.

Dependence on suppliers and skilled labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Company.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and materially adversely affect the trading price of the Company's shares.

Liquidity

The Company cannot predict at what prices the Company's securities will trade and there can be no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in the Company.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Company's shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant resources.

Privacy

The Company and its employees and consultants have access, in the course of their duties, to personal information of clients of the Company. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company's found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

BOARD APPROVAL

The board of directors of the Company have approved this MD&A.