

Kraken Energy Corp.
(formerly Ivor Exploration Inc.)

Management's Discussion and Analysis

For the Nine Months Ended March 31, 2022

General

This management discussion and analysis should be read in conjunction with the condensed consolidated interim unaudited financial statements and related notes thereto of Kraken Energy Corp. (formerly Ivor Exploration Inc.) (the "Company" or "Kraken Energy") for the nine months ended March 31, 2022 and 2021 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB). All amounts in the condensed consolidated interim financial statements and this discussion and analysis are presented in Canadian dollars, unless otherwise indicated. This Management Discussion and Analysis ("MD&A") is dated May 30, 2022 and discloses specified information up to that date.

Management is responsible for the preparation and integrity of the condensed consolidated interim financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is also responsible for ensuring that information disclosed externally, including the condensed consolidated interim financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Description of Business

On May 12, 2022, the Company changed its name from Ivor Exploration Inc. to Kraken Energy Corp. The Company is a resource exploration company that is acquiring and exploring mineral properties. The Company's direction is increasingly becoming focused on its uranium assets in Nevada, United States.

The Company's common shares were listed on Canadian Securities Exchange under the stock symbol "IVOR" and commenced trading on June 30, 2020. The Company's common shares began trading on Canadian Securities Exchange under the new stock symbol "UUSA" on May 11, 2022.

On April 19, 2022, the Company announced its new U.S. ticker symbol, "IVORF" on the OTC Markets' pink sheets. On May 16, 2022, the Company's U.S. ticker symbol changed to "UUSAF".

Business Chronology

Kraken Energy Corp. was incorporated on July 4, 2011, under the Canada Business Corporations Act. On October 12, 2017, the Company changed its name to Ivor Exploration Inc. On May 12, 2022, the Company changed its name from Ivor Exploration Inc. to Kraken Energy Corp.

On February 24, 2022, the Company entered into a share exchange agreement to acquire 100% interest in a private company, 1330038 B.C. Ltd. ("133 B.C.") through the issuance of 5,000,000 common shares.

On March 23, 2022, the Company incorporated a private company, Kraken Energy Nevada Corp., a 100% owned subsidiary incorporated in Nevada, United States.

Acquisition

Acquisition of 1330038 B.C. Ltd.

On February 24, 2022, the Company entered into a share exchange agreement to acquire 100% interest in a private company, 133 B.C., which holds the right to acquire 100% interest of the Apex Property (“Apex Property”) in Nevada, United States, for total consideration as follows:

- Issuance of 5,000,000 common shares of the Company with a fair value of \$1,900,000 (issued).
- Pursuant to the Apex Property sale and purchase agreement between 133 B.C. and the property vendors, the issuance of the Company’s common shares that is equal to 29.7% of the issued and outstanding common shares upon completion of an equity financing of the Company for minimum gross proceeds of \$2,000,000 (issued subsequent to period end on April 8, 2022).
- At the date of acquisition of February 24, 2022, the Company calculated 6,546,818 common shares of the Company as the potential number of shares to be issued to the property vendors at with a fair value of \$2,487,791 based on the trading price of the Company’s shares of \$0.38 per share.

At transaction date, the Company determined that acquisition of 133 B.C. did not constitute a business as defined under IFRS 3, “Business Combination”, and the transaction was accounted for as an asset acquisition. The assets and liabilities are measured at their fair values at the acquisition date and the excess of the consideration paid over the fair value of net assets was attributed to the exploration and evaluation asset.

The acquisition was recorded as follows:

Fair value of shares issued to acquire 133 B.C.	\$	1,900,000
Fair value of shares to be issued to property vendors		2,487,791
Total consideration	\$	4,387,791

Allocated to:

Cash and cash equivalents	\$	73,410
Prepaid		12,136
Exploration and evaluation asset		4,412,674
Accounts payable and accrued liabilities		(110,429)
	\$	4,387,791

Obligation to Issue Shares to the Property Vendors:

As part of the acquisition of 133 B.C., the Company assumed 133 B.C.’s obligation to issue 29.7% of its issued and outstanding common shares to the property vendors upon completion of an equity financing for minimum gross proceeds of \$2,000,000. On February 24, 2022, the date of acquisition of 133 B.C., the Company calculated 6,546,818 common shares of the Company as the potential number of shares to be issued to the property vendors at with a fair value of \$2,487,791, which was recorded as obligations to issue shares on the statement of financial position.

As at March 31, 2022, the fair value of the share obligation was \$8,379,927 based on the trading price of the Company’s shares of \$1.28 per share and recorded \$5,892,136 of loss from revaluation recorded in the condensed consolidated interim statement of loss and comprehensive loss.

Exploration and Evaluation Assets

The following summarizes the cumulative costs capitalized as exploration and evaluation assets as at March 31, 2022:

	Apex Property	Ultimate Property	Total
Property acquisition costs			
Balance, beginning of period	\$ -	\$ 8,000	\$ 8,000
Acquisition	4,412,674	-	4,412,674
Balance, end of period	4,412,674	8,000	4,420,674
Exploration and evaluation costs			
Balance, beginning of period	\$ -	\$ 170,578	\$ 170,578
Costs incurred during the period:			
Assay and analysis	13,418	-	13,418
Equipment rental	12,716	-	12,716
Geological consulting	13,000	-	13,000
Transportation	8,731	-	8,731
Balance, end of period	47,865	170,578	218,443
Balance, March 31, 2022	\$ 4,460,539	\$ 178,578	\$ 4,639,117

Ultimate Property

In May 2012, the directors of the Company commissioned a staker to find a mineral property for the company. The staker map-staked the ULTIMATE 1, 3 and 4 plus the claim with "no name" (record number 984144) in 2012 and to transfer title for payment of \$8,000 for 100% of the first four claims in 2012 with no further payments. The 2017 claims; ULTIMATE 5 to 7 were map-staked directly by Kraken for \$2,000.

No expenditures were incurred on the property for the period ended March 31, 2022. The balance as of March 31, 2022, and June 30, 2021 was \$178,578.

On March 3, 2022, the Company announced it completed its evaluation of the results of the first phase work program. The Company concluded the molybdenum and copper mineralization at surface on the Ultimate Property are sub-economic. Based on these results, the Company has determined not to proceed with further exploration activities on the Ultimate Property at this time.

Apex Property

On February 24, 2022, the Company entered into a share exchange agreement to acquire 100% interest in a private company, 133 B.C., which holds the right to acquire 100% interest in the Apex Property in Nevada, United States. The Apex Property, is recognized as Nevada's largest past-producing uranium mine. The acquired claims cover an area of historic underground mine workings and historic drilling. The Apex Property remains subject to a 3% net smelter return royalty in favour of the Vendors.

On January 31, 2022, 133 B.C. entered into sale and purchase agreement between 133 B.C. and the property vendors to acquire Apex Property in Nevada, United States for total consideration as follows:

- Payment of \$50,000 USD to the property vendors (paid on April 8, 2022).
- Consideration shares to be issued to the property vendors that is equal to 29.7% of the issued and outstanding shares of 133 B.C. or a listed company that is a reporting issuer in Canada, upon completion of an equity financing of the for minimum gross proceeds of \$2,000,000. As part of the share exchange agreement, the Company assumed the obligation to issue 29.7% of its issued and outstanding shares to the property vendors.
- Based on the purchase price allocation of acquiring 133 B.C., the fair value attributable to acquiring the Apex Property, was \$4,412,674.

During the period ended March 31, 2022, the Company completed a partial soil sampling program on the Apex project. A total of 255 soil samples were collected in east-west lines covering the historic mining area at the

project, as well as surrounding targets. The Company's sampling program was interrupted by snowfall. However, the Company plans to return to complete the sampling during the subsequent quarter.

Other activities at the Apex project included review and digitization of historic data including maps and cross-sections from the mine. Grab sampling of outcrops near the mine was also carried out.

Subsequent to the end of the quarter, Kraken reported results for 15 grab samples that returned assay results ranging from 0.00% to 0.70% U₃O₈. The highest assay values were associated with visible uranium mineralization that include 0.70% U₃O₈ in sample AMR013, 0.34% U₃O₈ in sample AMR008, and 0.12% U₃O₈ in sample AMR007.

The Company plans to complete the partial soil sampling lines conducted in late-2021. The Company also plans reconnaissance geologic mapping, radiometric and spectrometer surveys, and geochemical sampling (rock, soil, stream) on new target areas adjacent to the mine, where historic records indicate uranium occurrences.

The Company has further retained an industry-leading contractor to fly an airborne drone geophysical survey over the Apex project and plan to include radio metrics and magnetics. This is intended to define geologic structures, prospective lithologic units, and radiometric anomalies potentially indicating new targets for uranium.

The Company is engaging with local U.S. Forest Service authorities to advance permitting for drilling at the Apex project.

Qualified Person

All scientific and technical information respecting the Apex Property in this MD&A has been prepared by, or approved by Garrett Ainsworth, PGeo, Chairman of the Company. Mr. Ainsworth is a qualified person for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Results of Operations

Nine months ended March 31, 2022 and 2021

The net loss for the nine months ended March 31, 2022 was \$6,946,635 compared to \$34,888 for the nine months ended March 31, 2021. Major variances are explained as follows:

- The main cause of the increase in loss from the nine months ended March 31, 2021 compared to the nine months ended March 31, 2022 is due to the \$5,892,136 loss from the revaluation of the Company's share obligation to the Apex Property vendors.
- The second highest contributor to the increase in loss from the nine months ended March 31, 2021 compared to the nine months ended March 31, 2022 is due to share-based payments of \$836,000 for the nine months ended March 31, 2022 compared to \$Nil for the nine months ended March 31, 2021 due to the grant of 1,240,000 stock options to officers and consultants during the current period versus none during the nine months ended March 31, 2021.
- Professional fees for the nine months ended March 31, 2022 was \$113,950 compared to \$18,091 for the nine months ended March 31, 2021. The increase in the current period is due to increased consulting, corporate secretarial, legal, and accounting fees relating to the acquisition of 133 B.C., incorporation of a subsidiary and acquiring mineral property interests.
- Marketing and shareholder relations for the nine months ended March 31, 2022 was \$50,655 compared to \$Nil for the nine months ended March 31, 2021. The increase in the current period is mainly due to the Company listing on the OTC and the engagement of an investor relations consultant to promote the Company's Apex Property.

Three months ended March 31, 2022 and 2021

The net loss for the three months ended March 31, 2022 was \$6,891,579 compared to \$13,077 for the three months ended March 31, 2021. Major differences are explained as follows:

- The main cause of the increase in loss from the three months ended March 31, 2021 compared to the three months ended March 31, 2022 is due to the \$5,892,136 loss from the revaluation of the Company's share obligation to the Apex Property vendors.
- The second highest contributor to the increase in loss from the three months ended March 31, 2021 compared to the three months ended March 31, 2022 is due to share-based payments of \$836,000 for the three months ended March 31, 2022 compared to \$Nil for the three months ended March 31, 2021 due to the grant of 1,240,000 stock options to officers and consultants during the current quarter versus none during the three months ended March 31, 2021.
- Professional fees for the three months ended March 31, 2022 was \$98,141 compared to \$4,975 for the three months ended March 31, 2021. The increase in the current quarter is due to increased consulting, corporate secretarial, legal, and accounting fees relating to the acquisition of 133 B.C., incorporating a subsidiary and acquiring mineral property interests.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's condensed consolidated interim financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets	Interest Income
31-Mar-22	\$6,891,579	\$0.46	\$7,543,975	\$Nil
31-Dec-21	\$18,067	\$0.00	\$263,036	\$Nil
30-Sep-21	\$36,989	\$0.00	\$263,036	\$Nil
30-Jun-21	\$4,782	\$0.00	\$329,502	\$Nil
31-Mar-21	\$13,077	\$0.00	\$277,808	\$Nil
31-Dec-20	\$14,095	\$0.00	\$356,851	\$Nil
30-Sep-20	\$7,716	\$0.00	\$370,995	\$Nil
30-Jun-20	\$149,089	\$0.02	\$460,904	\$Nil

Financial Condition, Liquidity and Capital Resources

The Company had a working capital deficit of \$6,082,634 as at March 31, 2022 compared to a working capital of \$82,010 as at June 30, 2021. The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

On March 21, 2022, the Company closed a non-brokered private placement by issuing 7,138,570 common shares of the Company at \$0.35 per share for gross proceeds of \$2,498,500. The Company recorded share issuance costs of \$23,970 in connection with the private placement.

On April 22, 2022, the Company closed a non-brokered private placement by issuing 11,000,000 units at a price of \$1.00 per share for gross proceeds of \$11,000,000. Each unit consists of one common share of the Company and one-half purchase warrants.

During the nine months ended March 31, 2022, 320,000 warrants were exercised for gross proceeds of \$32,000.

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

Balances

As at March 31, 2022, accounts payable and accrued liabilities include \$114,078 owing to a director and officer of the Company. This amount consists of invoices paid by the director on behalf of the Company. Amounts due to the related party are unsecured, non-interest bearing and has no specified terms of repayment.

As at March 31, 2022 loans from related parties are \$50,000 (June 30, 2021 - \$Nil). The loans are unsecured, non-interest bearing and due on demand. As at March 31, 2022, prepaids advanced to related parties are \$69,840 (June 30, 2021 - \$Nil). Loans from related parties and prepaid payments advanced to related parties are for former directors and officers of the Company.

Transactions

The Company has identified the directors & officers as its key management personnel. During the nine months ended March 31, 2022 and 2021, the following amounts were incurred by directors and officers of the Company:

	Nine months ended March 31,	
	2022	2021
Share-based compensation	549,070	-
Office and miscellaneous ⁽¹⁾	18,000	-
Management fees ⁽¹⁾	34,095	-
Professional fees ⁽¹⁾	\$ 20,605	-
	\$ 621,770	\$ -

Note (1): Amounts include amounts incurred by former directors and officers of the Company, who resigned during the current period ended March 31, 2022

Financial Instruments and Risk Management

Fair Values

The fair values of cash and cash equivalents, and accounts payable and accrued liabilities, loans from related parties and obligation to issue shares approximate their carrying values because of the short-term nature of these instruments.

(a) Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant.

Interest rate risk

The Company has no cash balances and no interest-bearing debt.

Foreign currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as some of its mining operations are transacted in currencies other than the functional currency of the Company.

Since the Company's reporting currency is Canadian dollars and the Company and its subsidiaries have significant operations in United States, the Company is exposed to foreign currency fluctuations on its reported amounts of assets and liabilities. This risk is not considered significant as most financial assets and liabilities are maintained in Canadian Dollars.

Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

COVID-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of as at the date of this report.

Subsequent Events

- a) On April 8, 2022, the Company issued 7,198,855 common shares, which represented 29.7% of the issued and outstanding shares, with a fair value of \$12,022,088 and paid \$50,000 USD to the property vendors of Apex Property.
- b) On April 22, 2022, the Company completed a non-brokered private placement by issuing a total of 11,000,000 units at \$1.00 per common share for gross proceeds of \$11,000,000. Each unit consists of one common share of the Company and one-half purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$1.85 and expires on April 22, 2023. In connection with the private placement, the Company paid finder's fee of \$555,415 in cash and issued 555,450 finder warrants. The finder warrants are exercisable at a price of \$1.85 and expire on April 22, 2023.
- c) On April 25, 2022, the Company granted 10,000 stock options to a consultant at an exercise price of \$1.74 with expiry date of April 25, 2027.
- d) On May 24, 2022, the Company entered into a share exchange agreement with Panerai Capital Corp. ("Panerai"), and the shareholders of Panerai (the "Panerai Securityholders") whereby the Company will acquiree 100% the issued and outstanding common shares in the capital of Panerai. Panerai holds a 100% interest in 8,850 acres of lode mining claims in Lander County, Nevada surrounding the past-producing Apex uranium mine.

The Panerai Securityholders are the registered and beneficial owners of all 11,709,666 common shares in the capital of Panerai (the “Panerai Shares”).

On May 27, 2022, the Company issued to the Panerai Securityholders pro rata in proportion to their holdings of the Panerai Shares, an aggregate of 11,709,666 common shares in the capital of the Company.

Additional Share Information

As at March 31, 2022, the Company had 24,238,570 common shares outstanding. At the date of this report, the Company had 54,147,091 common shares outstanding.

As at March 31, 2022, the Company had 1,240,000 stock options outstanding and exercisable. At the date of this report, the Company had 1,250,000 stock options outstanding and exercisable.

As at March 31, 2022, the Company had no warrants outstanding. At the date of this report, the Company had 6,055,450 warrants outstanding

Changes in Management

On January 27, 2022, the Company announced the resignation of Barry Hartley as Chief Financial Officer and Brent Hahn as Chief Executive Officer of the Company. On January 27, 2022, David Forest was appointed as the new Chief Executive Officer of the Company. On February 18, 2022, Jan Urata was appointed Corporate Secretary. On March 22, 2022, Vivien Wei-Li Chuang was appointed as the new Chief Financial Officer.

Additionally, on January 27, 2022, the Company announced Barry Hartley and Brent Hahn had ceased to be Directors of the Company. On January 27, 2022 it was announced David Forest and Jay Sujir were appointed to the Board of Directors. Vivien Wei-Li Chuang was elected a member of the Board of Directors on May 6, 2022.

On May 25, 2022, it was announced Garrett Ainsworth will join the Company in the role of Chairman of the Board of Directors and Galen McNamara will join the Company as Lead Technical Advisor for Uranium & Technology Metals.

Proposed Transaction

The Company does not have any proposed transactions.

Plans of Operations and Funding

The Company’s plan of significant operations for the next twelve months is as follows:

- to continue exploration on the Apex Property

To finance the above plans, the Company completed private placements in March and April 2022.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual

results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.