

Kraken Energy Corp.
(formerly Ivor Exploration Inc.)

Management's Discussion & Analysis

For the Three Months Ended December 31, 2022 and 2021

General

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes thereto of Kraken Energy Corp. (formerly Ivor Exploration Inc.) (the "Company" or "Kraken Energy") for the six months ended December 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 MD&A is dated February 28, 2023 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 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 currently 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" on June 30, 2020. On May 11, 2022, the Company changed its stock trading symbol to "UUSA".

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. from Ivor Ventures Ltd. On May 12, 2022, the Company changed its name to Kraken Energy Corp. from Ivor Exploration Inc.

On March 23, 2022, the Company incorporated a private company, Kraken Energy Nevada Corp. ("Kraken Nevada"), a wholly owned subsidiary, incorporated in Nevada, United States.

On April 8, 2022, the Company closed 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 November 14, 2022, the Company completed a voluntary dissolution of 133 B.C.

On May 27, 2022, the Company completed a share exchange agreement to acquire a 100% interest in Panerai Capital Corp. ("Panerai") and its wholly owned subsidiary, Panerai Capital USA Corp. ("Panerai USA") through the issuance of 11,709,666 common shares.

Acquisitions

Acquisition of 1330038 B.C. Ltd.

On February 24, 2022, the Company closed a share exchange agreement to acquire 100% interest in a non-arm's length 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 February 24, 2022).
- 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 April 8, 2022).
- At the date of acquisition, 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. Upon issuance of the shares to the property vendors, the Company acquired 100% interest in the Apex Property.

At transaction date, the Company determined that the 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 were 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	\$	73,410
Prepays		12,136
Exploration and evaluation asset (Note 5)		4,410,199
Accounts payable and accrued liabilities		(107,954)
		4,387,791

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. The Company recognized a loss of \$9,534,297 as a result of the share obligation revaluation recorded in the consolidated statements of loss and comprehensive loss. No transaction costs were incurred.

On November 14, 2022, 133 B.C. was voluntarily dissolved.

Acquisition of Panerai Capital Corp.

On May 24, 2022, the Company entered into a non-arm's length share exchange agreement to acquire 100% interest in Panerai. Panerai has a wholly owned subsidiary, Panerai USA, which holds a 100% interest in 8,850 acres of lode mining claims in Lander County, Nevada surrounding the Apex Property. The claims acquired from Panerai will form part of the Apex Property. 11,709,666 common shares of the Company were issued as consideration with a fair value of \$16,042,242.

At the acquisition closing date on May 27, 2022, the Company determined that the acquisition of Panerai 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 were 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. No transaction costs were incurred.

The acquisition was recorded as follows:

Fair value of shares issued to acquire Panerai	\$ 16,042,242
Allocated to:	
Cash	\$ 450,352
Exploration and evaluation asset (Note 5)	15,625,129
Loan payable	(2,900)
Accounts payable and accrued liabilities	(30,339)
	16,042,242

Exploration & Evaluation Assets

During the year ended June 30, 2022, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes that expensing such costs as incurred provides more reliable and relevant financial information. Costs of exploration and evaluation expenditures, excluding the costs of acquiring prospective properties and exploration rights, are expensed until it has been established that a mineral property is commercially viable. Previously, the Company capitalized these amounts. As the Company did not incur exploration and evaluation costs during the period ended December 31, 2021, the comparative financial statements were not restated. Restatements of comparative periods will be made as needed in the future to reflect adjustments made as a result of this change in accounting policy. Refer to Note 4 of the consolidated audited financial statements for the year ended June 30, 2022 for additional details.

The following summarizes the cumulative costs capitalized as exploration and evaluation assets as at December 31, 2022 and June 30, 2022:

	Ultimate Property	Apex Property	Garfield Property	Huber Hills Property	Total
Property Acquisition Costs					
Balance, June 30, 2021	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000
Acquisitions – shares	-	19,971,358	-	-	-
Acquisitions – cash	-	63,970	-	-	-
Claims and bond fees	-	98,668	-	-	-
Write-off	(8,000)	-	-	-	(8,000)
Balance, June 30, 2022	\$ -	\$ 20,133,996	\$ -	\$ -	\$ 20,133,996
Acquisitions – shares	-	-	37,000	-	37,000
Acquisitions – cash	-	-	27,088	-	27,088
Claims and bond fees	-	162,130	55,917	40,379	258,426
Balance, December 31, 2022	\$ -	\$ 20,296,126	\$ 120,005	\$ 40,379	\$ 20,456,510

The following summarizes exploration and evaluation expenses incurred during the period ended December 31, 2022:

	Apex Property	Garfield Property	Huber Hills Property	Total
Exploration and evaluation costs				
Costs incurred during the period:				
Camp and crew costs	\$ -	\$ 9,993	\$ -	\$ 9,993
Equipment rental	52,649	33,113	-	85,762
General consulting	57,164	2,065	-	59,229
Engineering exploration	6,122	386,094	-	392,216
Geological consulting	101,474	130,684	-	232,158
Mapping	8,592	-	-	8,592
Permits	-	42,445	-	42,445
Surveying	409,273	100,004	-	509,277
Drilling	-	58,133	-	58,133
Balance, December 31, 2022	\$ 635,274	\$ 762,531	\$ -	\$ 1,397,805

There were no exploration and evaluation expenses incurred during the comparative period ending December 31, 2021.

Apex Property

On April 8, 2022, the Company closed the share exchange agreement to acquire 100% interest in a private company, 133 B.C., which signed an option agreement with certain vendor holders for 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 ("NSR") royalty in favour of the property vendors.

On January 31, 2022, 133 B.C. entered into sale and purchase agreement between 133 B.C. and the property vendors to acquire the 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. 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. As at that date, the Company had acquired 100% interest in the Apex Property.

On May 27, 2022, the Company closed the share exchange agreement to acquire 100% interest in Panerai. Panerai has a wholly owned subsidiary, Panerai USA, which holds a 100% interest in 8,850 acres of lode mining claims in Lander County, Nevada surrounding the Company's Apex uranium mine. These claims now form part of the Apex Property.

During the year ended June 30, 2022, the Company completed a partial soil sampling program on the Apex Property. 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 and later completed in late-2022. The Company reported results for 15 grab samples in Q4 2022 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. Other activities at the Apex Property 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.

The Company has retained an industry-leading contractor to fly an airborne drone geophysical survey over the Apex Property, which commenced late-2022. The Company also planned to include radio metrics and magnetics. This survey intends to define geologic structures, prospective lithologic units, and radiometric anomalies potentially indicating new targets for uranium. The Company expects to receive preliminary results in the coming months and will be utilizing the data for additional target generation and refinement for a planned Phase I drilling program in 2023. The Company also engaged with local U.S. Forest Service authorities to advance permitting for drilling at the Apex Property.

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.

On July 13, 2022, the Company announced it engaged Nasco Industrial Services and Supply ("NISS") to conduct a diamond drill program. The Company hopes the low-impact drilling approach utilized by NISS will allow the Company to drill the area with minimal surface disturbance and water consumption, which are important considerations when working in Nevada.

On August 18, 2022, the Company completed a radon in soil gas survey which comprised 444 sample locations covering a roughly rectangular 1.2km² area at 50m intervals. The Company is encouraged by the anomalous radon trends identified on the Apex Property.

On September 20, 2022, the Company reported positive assay results from rock grab samples recovered from reconnaissance geological fieldwork carried out in June 2022. Eight rock grab samples were recovered from the outcrop during the reconnaissance geological fieldwork returning assay results of 0.006 to 0.324% U308. The Company subsequently staked additional unpatented mining claims adjacent to its newly acquired Garfield Hills Property due to these results.

On July 5, 2022, the Company commenced an Unmanned Aerial Vehicle (“UAV”) magnetic and radiometric survey. On November 2, 2022, the Company reported that the survey, which used leading-edge drone technology to produce high-resolution data critical for identifying the radiometric anomalies associated with uranium mineralization and the geophysical signatures used in discovering new zones of uranium mineralization, successfully identified multiple additional priority drilling targets. The survey was focused on the 13-kilometre (8.2 mile) northwest-southeast trend from the Apex mine to the Lowboy mine. The data results of the recently completed geophysical surveys at the Apex Property shows extensive and previously unknown radioactivity on surface which aligns with the Company’s understanding of the area’s geology. With the information gained from these surveys, the Company has added additional high priority target areas and will be able to better plan targets for upcoming drilling planned for the first half of 2023.

On November 15, 2022, the Company commenced a helicopter supported Versatile Time Domain Electromagnetic (“VTEM”) Geophysical survey over the Apex property. The survey was comprised of 669 line-kilometers (416 miles) flown with 100 meter (328 foot) spaced lines. This survey will be used to identify anomalous conductivity and lowered magnetic susceptibility associated with an altered graphitic horizon related to the historic uranium mine workings.

As at December 31, 2022, the balance in exploration and evaluation assets related to the Apex Property was \$20,296,126 (June 30, 2022 – \$20,133,996). \$15,625,129 (June 30, 2022 – \$15,625,129) of the balance relates to Panerai’s Apex claims.

Garfield Hills Uranium Property Option Agreement (“Garfield Hills Property”)

On August 9, 2022, the Company entered into an option agreement between the Company and Robert Weicker, pursuant to which the Company, through its wholly owned subsidiary Kraken Nevada holds an option to acquire 100% of certain mining claims, including those encompassing the Garfield Hills Property, located east of Hawthorne, Nevada. On November 8, 2022, the Company terminated the option agreement with Robert Weicker and entered into an option agreement with Nicholas Weicker. The terminated option agreement was regarding certain federal unpatented mining claims located in Nevada, United States, which are held in the name of Nicholas Weicker. The terms in the new option agreement remain the same as the agreement dated August 9, 2022.

Pursuant to the option agreement, Kraken may acquire a 100% interest in the Garfield Hills Property upon the following principal terms:

- a. Kraken will spend at least US\$50,000 in exploration expenditures on the property within the first year
- b. Kraken will make cash payments totaling US\$150,000 over a three-year period as follows:
 - US\$20,000 upon signing the option agreement (paid);
 - US\$30,000 in the first year;
 - US\$50,000 in the second year; and
 - US\$50,000 in the third year
- c. Kraken will issue 250,000 common shares in the Company over a three-year period as follows:
 - 50,000 upon signing the option agreement (issued at fair value of \$37,000);
 - 50,000 in the first year;
 - 75,000 in the second year; and
 - 75,000 in the third year

- d. Kraken will grant a production royalty equal to 2.0% of the net smelter returns (“NSR”) from the property. The Company may, at any time, repurchase 50% of the NSR royalty for a one-time payment of US\$250,000 by Kraken to the optionor.

On September 20, 2022, the Company announced it staked 118 additional lode claims around the existing 36 lode claims, bringing the total area of the property to 1,246 hectares (3,080 acres).

On October 11, 2022, the Company announced it received a permit from the Nevada Bureau of Land Management to drill at the Garfield Hills Property. The diamond drill program will test the extent of uranium mineralization up to 5,000 meters (16,400 feet) across 25-holes. The initial program may be expanded based on promising initial results. Phase I of the program commenced November 2022 and includes up to 2,000 meters of drilling. The Company also commenced an UAV airborne radiometric and magnetic survey in November 2022, which will continue concurrent with the drilling program.

On November 4, 2022, the Company commenced an Unmanned Aerial Vehicle (“UAV”) magnetic, radiometric and orthophoto survey. This survey will be used to identify radiometric anomalies associated with uranium mineralization. The survey covered the entirety of the property and will be used to generate new drilling targets.

As at December 31, 2022, the balance in exploration and evaluation assets related to the Garfield Hills Property was \$120,005 (June 30, 2022 – \$Nil).

Huber Hills Property

On October 18, 2022 the Company began staking claims in a new property, Huber Hills. Huber Hills is located within Elko County, in Nevada, USA. During the six-months ended December 31, 2022 claim staking services were carried out in conjunction with North American Exploration Services Inc.

As of December 31, 2022, the balance in exploration and evaluation assets related to Huber Hills Property was \$40,379 (June 30, 2022 - \$Nil).

Ultimate Property

In 2012, the Company purchased the Ultimate property (“Ultimate Property”) for \$8,000. The Ultimate Property is located in British Columbia. The Company has no plans to continue work on the property and therefore the property has been written off as of June 30, 2022.

Qualified Person

All scientific and technical information in respect to the Apex Property and Garfield Hills Property in this MD&A has been prepared by, or approved by Matthew Schwab, P.Geo., President and CEO of the Company. Mr. Schwab is a qualified person for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Results of Operations

Three months ended December 31, 2022 and 2021

The net loss for the three months ended December 31, 2022 was \$2,517,137 compared to \$18,097 for the three months ended December 31, 2021. Major differences are explained as follows:

- The increase in net loss for the three months ended December 31, 2022 compared to the three months ended December 31, 2021 was mainly due to the exploration expenses incurred from engineering exploration, general consulting, geological consulting, mapping, and surveying expenditures for the Apex Property and Garfield Hills Property. Exploration expenses for the three months ended December 31, 2022 were \$924,398 compared to \$Nil for the three months ended December 31, 2021.
- Professional fees for the three months ended December 31, 2022 were \$192,934 compared to \$6,876 for the three months ended December 31, 2021. The increase in the current quarter was due to increased

consulting, corporate secretarial, legal, audit, and accounting fees incurred relating to the acquisition of mineral property interests and work for the Company's increased number of entities.

- Marketing and shareholder relations increased to \$174,308 from \$nil in the comparative quarter, a result of increased focus on shareholder relations activity and increased marketing efforts to promote the Company's properties in the current quarter.
- The Company incurred stock-based compensation expense of \$1,093,000, compared to \$nil for the three months ended December 31, 2021, a result of a stock option grant in the current quarter.

Six months ended December 31, 2022 and 2021

The net loss for the six months ended December 31, 2022 was \$3,313,564 compared to \$55,056 for the six months ended December 31, 2021. Major differences are explained as follows:

- The increase in net loss for the six months ended December 31, 2022 compared to the six months ended December 31, 2021 was mainly due to the exploration expenses incurred from engineering exploration, general consulting, geological consulting, mapping, and surveying expenditures for the Apex Property and Garfield Hills Property. Exploration expenses for the six months ended December 31, 2022 were \$1,397,805 compared to \$Nil for the six months ended December 31, 2021.
- Professional fees for the six months ended December 31, 2022 were \$270,438 compared to \$15,809 for the six months ended December 31, 2021. The increase in the current period was due to increased consulting, corporate secretarial, legal, audit, and accounting fees incurred relating to the acquisition of mineral property interests and work for the Company's increased number of entities.
- Marketing and shareholder relations increased to \$316,355 from \$nil in the comparative quarter, a result of increased focus on shareholder relations activity and increased marketing efforts to promote the Company's properties in the current period.
- The Company incurred stock-based compensation expense of \$1,093,000, compared to \$nil for the three months ended December 31, 2021, a result of a stock option grant in the current period.

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.

		Loss for the period	Loss per Share (Basic & Diluted)	Total Assets	Interest Income
Q2/22	December 31, 2022	\$ 2,517,137	\$ 0.05	\$ 30,722,766	\$ 63,829
Q1/22	September 30, 2022	\$ 796,427	\$ 0.01	\$ 31,686,845	\$ 26,178
Q4/21	June 30, 2022	\$ 4,893,626	\$ 0.14	\$ 32,697,578	\$ 15,248
Q3/21	March 31, 2022	\$ 6,939,444	\$ 0.46	\$ 7,496,110	\$ Nil
Q2/21	December 31, 2021	\$ 18,067	\$ 0.00	\$ 263,036	\$ Nil
Q1/21	September 30, 2021	\$ 36,989	\$ 0.00	\$ 263,036	\$ Nil
Q4/20	June 30, 2021	\$ 55,222	\$ 0.00	\$ 279,308	\$ Nil
Q3/20	March 31, 2021	\$ 13,577	\$ 0.00	\$ 277,308	\$ Nil

Financial Condition, Liquidity and Capital Resources

At December 31, 2022, the Company had working capital of \$9,694,571 (June 30, 2022 – \$12,184,323). 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.

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

Related Party Transactions

Related parties include the Board of Directors, Executive Officers, and any companies owned or controlled by them.

Key management personnel consist of current and former directors and senior management including the Chief Executive Officer, Chief Financial Officer, Corporate Secretary, former Chief Executive Officer, and former Chief Financial Officer. Key management personnel compensation includes:

	<u>Six months ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Share-based compensation	\$ 728,667	\$ -
Exploration – general consulting	30,000	-
Office and miscellaneous ⁽¹⁾	-	18,000
Management fees ⁽¹⁾	170,201	26,000
Professional fees ⁽¹⁾	40,598	6,000
	\$ 969,466	\$ 50,000

Note (1): Amounts include amounts incurred by former directors and officers of the Company, who resigned during the year ended June 30, 2022.

As of December 31, 2022, accounts payable and accrued liabilities include \$nil owing to an officer of the Company (June 30, 2022 – \$123,951 owing to a director, officer, and former director and officer of the Company). Amounts due to the related party are unsecured, non-interest bearing and have no specified terms of repayment.

During the period ended December 31, 2022, the Company entered into a short-term loan agreement and advanced \$34,375 to a director and officer of the Company (September 30, 2021 – \$Nil). The loan advanced to the related party is unsecured, non-interest bearing.

Financial Instruments & Risk Management

Fair Values

The fair value of cash and cash equivalents, interest receivable, loan advanced to related party, other receivables, accounts payables and accrued liabilities, and loans payable approximates their carrying value due to their short-term maturity.

(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 that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. The Company's cash is held in a large Canadian financial institution. The Company has not experienced nor is exposed to any significant credit losses. As a result, the Company's exposure to credit risk is minimal.

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.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

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 and exploration 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.

As of December 31, 2022 and June 30, 2022, the Company had the following US dollar denominated assets and liabilities:

	December 31, 2022		June 30, 2022	
	US Dollars		US Dollars	
Prepays	\$	546,576	\$	37,342
Accrued liabilities		-		(43,060)
Accounts payable		(330,153)		-
	\$	216,243	\$	(5,718)

As of December 31, 2022, a 10% change in exchange rates between US dollars and Canadian dollars would impact the Company's net loss by \$139,784 (June 30, 2022 – (\$572)).

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.

Contingencies

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

Additional Share Information

As of the date of this MD&A, the Company had 54,197,091 shares outstanding. The following table summarizes maximum number of common shares outstanding as at December 31, 2022 and as of the date of this MD&A if all outstanding options and warrants were exercised to purchase common shares:

	December 31, 2022	As of the date of MD&A
Common shares	54,197,091	54,197,091
Options to purchase common shares	4,125,000	4,125,000
Warrants to purchase common shares	6,055,450	6,055,450
	64,377,541	64,377,541

Appointments & Changes in Management

Appointment of President, CEO, and Director

On September 6, 2022, the Company appointed Matthew C. Schwab, P.Geo., as President, CEO, and Director.

Appointment of Senior Geologist

On October 27, 2022, the Company announced the appointment of Madeline Berry as Senior Geologist. Ms. Berry began her employment with the Company on October 24, 2022. She will be executing exploration programs at the Garfield Hills Property and the Apex Property. Currently, Ms. Berry is spearheading Phase I of an up to 2,000-metre diamond drill program at the Garfield Hills Property.

Appointment of Corporate Secretary

On December 1, 2022, the Company appointed Maria Wells as Corporate Secretary of the Company.

Resignations

On September 6, 2022, David Forest stepped down as Chief Executive Officer and Director of the Company.

On December 1, 2022, Jan Urata stepped down as Corporate Secretary of the Company.

Proposed Transactions

The Company does not have any proposed transactions.

Plans of Operations & Funding

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

- to continue exploration on the Apex Property, Garfield Hills Property, and Huber Hills 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.