

Kraken Energy Corp.

Management's Discussion & Analysis

For the Years Ended June 30, 2023 and 2022

General

This management discussion and analysis should be read in conjunction with the consolidated audited financial statements and related notes thereto of Kraken Energy Corp. (formerly Ivor Exploration Inc.) (the "Company" or "Kraken Energy") for the years ended June 30, 2023 and 2022 (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 consolidated financial statements and this discussion and analysis are presented in Canadian dollars, unless otherwise indicated. This Management Discussion and Analysis ("MD&A") is dated October 25, 2023 and discloses specified information up to that date.

Management is responsible for the preparation and integrity of the consolidated 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 consolidated 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

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 and Utah, United States.

The Company's common shares were listed on the 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 April 8, 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		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

The following summarizes the cumulative costs capitalized as exploration and evaluation assets as at June 30, 2023 and June 30, 2022:

	Ultimate Property	Apex Property	Garfield Property	Huber Hills Property	Harts Point Property	Total
Property Acquisition Costs						
Balance, June 30, 2021	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 8,000
Acquisitions – shares	-	19,971,358	-	-	-	19,971,358
Acquisitions – cash	-	63,970	-	-	-	63,970
Claims and bond fees	-	98,668	-	-	-	98,668
Write-off	(8,000)	-	-	-	-	(8,000)
Balance, June 30, 2022	\$ -	\$ 20,133,996	\$ -	\$ -	\$ -	\$ 20,133,996
Acquisitions – shares	-	-	37,000	-	31,350	68,350
Acquisitions – cash	-	-	26,795	-	-	26,795
Claims and bond fees	-	205,733	47,218	81,462	77,725	412,138
Balance, June 30, 2023	\$ -	\$ 20,339,729	\$ 110,013	\$ 81,462	\$ 109,075	\$ 20,641,279
Currency translation adjustment	-	740,167	(860)	(959)	(914)	737,434
Total, June 30, 2023	\$ -	\$ 21,079,896	\$ 110,153	\$ 80,503	\$ 108,161	\$ 21,378,713

The following summarizes exploration and evaluation expenses incurred during the year ended June 30, 2023 and 2022:

	Apex Property	Garfield Property	Huber Hills Property	Harts Point Property	Total
Exploration and evaluation costs					
Costs incurred during the year ended June 30, 2022:					
Assay and analysis	\$ 13,418	\$ -	\$ -	\$ -	\$ 13,418
Camp and crew costs	2,781	-	-	-	2,781
Equipment rental	44,356	-	-	-	44,356
Engineering exploration	50,097	-	-	-	50,097
General consulting	37,546	-	-	-	37,546
Geological consulting	110,718	-	-	-	110,718
Surveying	32,622	-	-	-	32,622
Transportation	33,274	-	-	-	33,274
Balance, June 30, 2022	324,812	-	-	-	324,812
Costs incurred during the year ended June 30, 2023:					
Assay and analysis	-	27,575	-	220	27,795
Camp and crew costs	8,844	19,714	10,375	16,349	55,282
Equipment rental	54,018	74,773	-	24,630	153,421
Engineering exploration	6,157	388,324	-	-	394,481
General consulting	50,340	52,550	19,047	10,819	132,756
Geological consulting	131,696	380,690	5,727	19,115	537,228
Mapping	8,641	-	-	-	8,641
Permits	8,842	42,690	-	-	51,532
Surveying	728,287	102,210	-	-	830,497

Drilling	-	2,018,182	-	-	2,018,182
Balance, June 30, 2023	\$ 996,825	\$ 3,106,708	\$ 35,149	\$ 71,133	\$ 4,209,815

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 purchase 100% of the Apex Property. The Apex Property remains subject to a 3% net smelter return 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 (issued April 8, 2022). 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 lode mining claims in Lander County, Nevada surrounding the past-producing Apex uranium mine. The additional claims acquired 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.

On April 26, 2023, the Company completed the above-mentioned VTEM Geophysical survey over the Apex property. The survey identified numerous conductive anomalies associated with known uranium mineralization on the Apex property and also along trend to the east-southeast as high priority blind targets.

On August 28th, 2023, the Company expanded the Apex Property by 117 contiguous claims located on Bureau of Land Management ground along strike with a property-wide mineralized trend. The newly staked claims consist of 2,401 total acres, bringing the Apex Property to a combined 14,892 acres of contiguous claims.

As at June 30, 2023, the balance in exploration and evaluation assets related to the Apex Property was \$20,337,341 (June 30, 2022 – \$20,133,996), of which \$16,042,242 (June 30, 2022 – \$15,625,129) 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 (paid subsequent to June 30, 2023);
 - 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 (issued at a fair value of \$13,750 subsequent to June 30, 2023);
 - 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.

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.

On March 6, 2023, the Company announced the downhole probe results from the initial drill holes of the 2023 drilling program confirmed wide zones of elevated radioactivity at the Garfield Hills Property.

On March 22, 2023, the Company reported the downhole probe results from the remaining 5 drill holes of the 2023 drilling program. A total of 1,697.2 meters were drilled, with all of the completed drill holes returning wide zones of elevated radioactivity as identified with a downhole gamma probe.

On June 6, 2023, the Company announced the geochemical results from its maiden drilling program at the Garfield Hills Property. A total of 1,697.2 meters were drilled, consisting of 11 holes. Of the 11 holes, 7 holes encountered shallow, flat lying uranium mineralization.

As at June 30, 2023, the balance in exploration and evaluation assets related to the Garfield Hills Property was \$110,153 (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 year ended June 30, 2023 claim staking services were carried out in conjunction with North American Exploration Services Inc.

As of June 30, 2023, the balance in exploration and evaluation assets related to Huber Hills Property was \$80,503 (June 30, 2022 - \$Nil).

Harts Point Property

On May 23, 2023, the Company entered into a definitive option agreement (the “Option Agreement”) with Atomic Minerals Corporation in order to acquire a 75% interest in the Harts Point Uranium Property, located within San Juan County, in Utah, USA.

Under the terms of the agreement, the Company may acquire up to 75% of the Harts Point Property by meeting the following requirements:

- Kraken will be the operator and must incur US\$1.5 million of eligible expenditures within 18 months from the date of the Option Agreement to earn a 65% interest.
- Kraken has the option to increase interest in the Property from 65% to 75% by incurring an additional US\$2.0 million of eligible expenditures within 30 months from the date of the Option Agreement and issuing Atomic 2.0 million common shares of Kraken.
- Kraken will grant Atomic a 2.0% net smelter royalty (subject to a buy down to 1.0% for US\$5.0 million).
- After the initial option (Kraken 65%: Atomic 35%) or the extended option (Kraken 75%: Atomic 25%), a definitive Joint Venture Agreement will be formed.

In connection with the Agreement, the Company issued 110,000 common shares as a finder’s fee to a non-arms length party, as consideration for identifying the Harts Point Property and facilitating the completion of the transaction.

On July 5, 2023, the Company received its drilling permit for 20 drill pad locations for a phase 1 drill program.

The drill program commenced on July 18th, 2023 but was subsequently paused at the request of the Bureau of Land Management. The Company anticipates being able to re-commence exploration at the Harts Point Property shortly.

Plan 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 continue exploration and the drill program at the Harts Point Property.

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

Qualified Person

All scientific and technical information 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.

Annual Financial Information

The selected financial information below are derived from the Company's audited consolidated financial statements for the year ended June 30, 2023, 2022 and 2021 prepared in accordance with IFRS. The Company's significant accounting policies and new accounting policies applied in the preparation of its consolidated financial statements are outlined in Note 3 to the Company's audited consolidated financial statements for the year ended June 30, 2023 and 2022.

	Years Ended		
	June 30, 2023	June 30, 2022	June 30, 2021
Total revenue	\$ -	\$ -	-
Operating expenses	7,496,505	2,411,077	39,670
Other (income) expenses	(217,589)	9,477,049	-
Net loss	7,278,916	11,888,126	39,670
Total comprehensive loss	6,549,232	11,884,714	39,670
Basic and diluted loss per common share:	0.13	0.58	0.00

	As at		
	June 30, 2023	June 30, 2022	June 30, 2021
Cash	\$ 5,231,692	\$ 12,110,248	\$ 136,667
Exploration and evaluation assets	21,378,713	20,133,996	178,578
Total assets	27,216,076	32,697,996	329,502
Current financial liabilities	192,545	379,259	68,914

Results of Operations

Years ended June 30, 2023 and 2022

The net loss for the year ended June 30, 2023 was \$7,278,916 compared to \$11,888,126 for the year ended June 30, 2022. The decrease in loss for the year ended June 30, 2023 compared to the year ended June 30, 2022 was mainly due to the \$9,534,297 loss from the revaluation of the Company's share obligation to the Apex Property vendors in the prior year. This was partially offset by:

- Exploration expenses for the year ended June 30, 2023 were \$4,209,815 compared to \$324,812 for the year ended June 30, 2022. The Company ramped up its exploration activity in the current year, as outlined above under "Exploration and Evaluation assets".
- Marketing and shareholder relations expense for the year ended June 30, 2023 was \$996,579 compared to \$176,525 for the year ended June 30, 2022, driven by an increased focus on shareholder relations activity and increased marketing efforts to promote the Company's properties in the current year.
- Management fees for the year ended June 30, 2023 was \$425,597 compared to \$163,357 for the year ended June 30, 2022, and office and miscellaneous fees increased from \$132,132 to \$270,29 in the current year. The increase in the current year is correlated with the overall increase of activity at the Company, and a larger management team as compared to the prior quarter.

- Professional fees for the year ended June 30, 2023 of \$388,864 compared to \$329,167 for the year ended June 30, 2022. The increase in the current year was due to increased consulting, corporate secretarial, legal, and accounting fees.

Three months ended June 30, 2023 and 2022

The net loss for the three months ended June 30, 2023 was \$946,887 compared to \$4,893,626 for the three months ended June 30, 2022.

The primary driver of the loss in the comparative quarter was the loss from revaluation of share obligation of \$3,642,161 related to the Company's share obligation to the Apex Property vendors. Other variances in operating expenses in the current quarter are as follows:

- Exploration expenditures in the current quarter were \$262,346 compared to \$276,947 during the three months ended June 30, 2022.
- Professional fees for the three months ended June 30, 2023 were \$85,234 compared to \$215,217 for the three months ended June 30, 2022. The Company acquired 133BC and Panerai in the fourth quarter of the prior year, which incurred additional professional fees.
- Management fees were \$104,123 compared to \$129,262 in the comparative quarter, due to fluctuations in the normal course of business.
- The Company incurred stock-based compensation expense of \$93,094 compared to \$420,000 for the three months ended June 30, 2022, due to a decrease in stock options vesting in the current period.
- The Company earned interest income on its cash held in a GIC of \$60,682 in the current quarter, compared to \$15,248 in the comparative quarter.

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
Q4/23	June 30, 2023	\$ 946,887	\$ 0.02	\$ 26,473,521	\$ 60,682
Q3/23	March 31, 2023	\$ 3,018,465	\$ 0.06	\$ 27,833,270	\$ 66,900
Q2/23	December 31, 2022	\$ 2,517,137	\$ 0.05	\$ 30,722,766	\$ 63,829
Q1/23	September 30, 2022	\$ 796,427	\$ 0.01	\$ 31,686,845	\$ 26,178
Q4/22	June 30, 2022	\$ 4,893,626	\$ 0.14	\$ 32,697,578	\$ 15,248
Q3/22	March 31, 2022	\$ 6,939,444	\$ 0.46	\$ 7,496,110	\$ Nil
Q2/22	December 31, 2021	\$ 18,067	\$ 0.00	\$ 263,036	\$ Nil
Q1/22	September 30, 2021	\$ 36,989	\$ 0.00	\$ 263,036	\$ Nil

The increased losses in the second and third quarter of 2023 are driven by exploration work performed, including the drill program at the Garfield Hills property which began in October 2022.

Financial Condition, Liquidity and Capital Resources

At June 30, 2023, the Company had working capital of \$5,644,818 (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

The Company's related parties consist of its key management personnel and close family members of its key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consist of its directors, the Chief Executive Officer and the Chief Financial Officer.

During the year ended June 30, 2023 the Company incurred \$204,147 (2022 - \$nil) for CEO services provided by Matthew Schwab; \$120,000 (2022 - \$5,000) for consulting services provided by Garrett Ainsworth, Chairman; \$15,000 for CFO consulting services provided by Carson Halliday (2022 - \$nil); and \$86,450 (2022 - \$32,357) for CFO consulting services provided by VC Consulting Corp., which is owned and operated by the Company's former CFO, Vivien Chuang, which are all recorded in management fees. As at June 30, 2023, the Company owed \$10,000 to Garrett Ainsworth in respect of services provided to the Company.

During the year ended June 30, 2023, the Company incurred \$3,988 (2022 - \$25,000) for consulting services provided by Barry Hartley, a former officer of the Company; \$3,988 (2022 - \$25,000) for consulting services provided by Brent Hahn, a former officer of the Company; and \$32,622 (2022 - \$49,387) for corporate secretarial services provided by Take it Public Services, which is owned and operated by the Company's former Corporate Secretary, Jan Urata. The above fees are recorded in professional fees.

During the year ended June 30, 2023, the Company incurred stock-based compensation expense to related parties of \$821,761 (2022 - \$549,070).

During the year ended June 30, 2023, the Company entered into a short-term loan agreement and advanced \$34,375 to Matthew Schwab, CEO of the Company. The loan is unsecured and non-interest bearing.

Financial Instruments & Risk Management

Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	June 30, 2023	June 30, 2022
Financial assets:		
<i>Fair value through profit or loss</i>		
Cash and cash equivalents	\$ 5,231,692	\$ 12,110,248
Interest receivable	-	15,189
Loan advanced to related party	34,375	-
Receivables	7,766	32,905
Financial liabilities:		
<i>Amortized cost</i>		
Accounts payable and accrued liabilities	\$ 192,545	\$ 376,359
Loans payable	-	2,900

The loan advanced to a related party and accounts payable and accrued liabilities include amounts due from and due to related parties.

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.

Financial risk factors

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 June 30, 2023 and June 30, 2022, the Company had the following US dollar denominated assets and liabilities:

	June 30, 2023		June 30, 2022	
	US Dollars		US Dollars	
Cash and cash equivalents	\$	6,194	\$	-
Prepays	\$	117,827	\$	37,342
Accrued liabilities		-		(43,060)
Accounts payable		(71,389)		-
	\$	(52,632)	\$	(5,718)

As of June 30, 2023, a 10% change in exchange rates between US dollars and Canadian dollars would impact the Company's net loss by \$446,507 (June 30, 2022 – (\$572)).

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 54,307,091 shares outstanding. The following table summarizes maximum number of common shares outstanding as at June 30, 2023 and as of the date of this MD&A if all outstanding options and warrants were exercised to purchase common shares:

	June 30, 2023	As of the date of MD&A
Common shares	54,307,091	54,357,091
Options to purchase common shares	3,650,000	3,150,000
Warrants to purchase common shares	-	-
	57,957,091	57,507,091

Proposed Transactions

None.

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.