

The following Management's Discussion and Analysis ("MD&A") is prepared as at November 29, 2023 in accordance with National Instrument 51-102F1, and should be read together with the unaudited condensed interim financial statements for the nine months ended September 30, 2023 and related notes, and the audited financial statements for the year ended December 31, 2022 and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company will be available through the SEDAR website at [www.sedar.com](http://www.sedar.com).

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, the assumption that the Company will become fully compliant with regulatory filing and continued listing requirements, in addition uncertainty as to timely availability of permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

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

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

All dollar figures are stated in Canadian dollars unless otherwise indicated.

### **The Company's Business**

The Company is a mineral property exploration company whose common shares trade on the Canadian Securities Exchange ("CSE"). On April 28, 2020, the Company received a receipt from the British Columbia Securities Commission for its long-form prospectus dated April 27, 2020 and commenced trading on the CSE on May 4, 2020 under the trading symbol "MAKA".

The Company was incorporated on September 17, 2019 in British Columbia. The head office of the Company is located at 409 Granville Street, Suite 1000, Vancouver, British Columbia, Canada, V6C 1T2 and its registered and records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

On November 23, 2023, the Company completed a share consolidation on the basis of one-post consolidation common share for every ten pre-consolidation common shares (the "Share Consolidation"). The exercise price of the outstanding stock options, warrants and RSUs and the number of options, warrants and RSUs were proportionately adjusted upon the Share Consolidation. All historical information presented in the financial statements have been adjusted to reflect the Share Consolidation.

### **Change in Management and Board of Directors**

On May 31, 2023, the board of directors has appointed Patrick Morris, Mark Luchinski and Abbey Olaiya as directors of the Company. Mr. Morris will also be appointed as the Chief Executive Officer and Corporate Secretary and Jasmine Cherian will fulfill the role of Chief Financial Officer.

Mr. Morris is a seasoned entrepreneur and capital markets expert with two decades of experience successfully raising funds for microcap companies across diverse industries. His expertise spans pharmaceutical cannabis, resource exploration, blockchain technologies, finance and innovative businesses dedicated to the future of food. As CEO and Director of Eat Beyond Global Holdings Inc., Canada's pioneering publicly traded investment issuer focused exclusively on investing in the future of food, Mr. Morris demonstrated his exceptional leadership skills and market acumen. Additionally, Mr. Morris co-created and co-produced Canada's first nationally syndicated radio show showcasing growth stock opportunities, which aired on fourteen of the top-rated news talk stations across the country, cementing his reputation as a trusted and knowledgeable authority in the investment world. Mr. Luchinski has over 20 years of capital market experience, having worked in both public and private sectors as an Officer and Director on several companies. Mr. Luchinski is a graduate from the University of Victoria. He is well versed in corporate governance, finance, compliance, and the administration of publicly traded companies.

Mr. Olaiya has gained valuable experience as an environmental, social and governance ("ESG") professional through his past roles with AngloGold Ashanti Ltd and Stadlerre Renewable Energy Ltd. He holds a MBA in Project Management and Bachelor of Business Management & Administration.

Ms. Cherian is an accounting and business administration professional who holds a bachelor's degree in business administration from the University of Calicut and an advanced diploma in accounting from BCIT.

The Company also announces the resignations of Grant Hendrickson as director, President and Chief Executive Officer, Hugh Maddin as a director and Chief Financial Officer and Uranbileg Yondon as a director effective May 31, 2023.

The new management intends to concentrate on the Win property. Due to cash flow constraints, the Company's operations are limited at this time. The Company intends to rely upon the issuance of securities to finance its future activities.

### **Mineral properties**

#### **Rude Creek Gold Property**

By a mineral property option agreement dated May 11, 2020, the Company may acquire up to a 70% interest in the Rude Creek Gold Property. This property consists of 204 mineral claims covering 4,157 hectares in the Whitehorse Mining District in the Yukon Territory. As consideration, the Company will pay cash of \$125,000, issue 375,000 (3,750,000 pre-consolidated) common shares of the Company and fund aggregate expenditures of \$3,175,000 as follows:

- a) Cash payment of \$50,000 on the effective date (paid);
- b) Complete a going public transaction and fund expenditures on the property of at least \$175,000 (incurred) on or before September 30, 2020;

- c) Cash payment of \$25,000 (paid) and issue 100,000 (1,000,000 pre-consolidated) common shares (issued) on or before March 1, 2021;
- d) Fund expenditures on the property of at least \$500,000 on or before September 30, 2021 (incurred);
- e) Cash payment of \$25,000 (paid) and issue 125,000 (1,250,000 pre-consolidated) common shares (issued) on or before March 1, 2022;
- f) Fund expenditures on the property of at least \$1,000,000 on or before September 30, 2022;
- g) Cash payment of \$25,000 and issue 150,000 (1,500,000 pre-consolidated) common shares on or before March 1, 2023; and
- h) Fund expenditures on the property of \$1,500,000 on or before September 30, 2023.

Should the Company acquire 70% of the property, the optionor will retain a 3% net smelter returns royalty, 1% of which may be purchased by the Company for \$2,000,000.

The property consists of claims totaling 4,157 hectares located in west-central Yukon which lies approximately 160 km south of Dawson City and 135 km northwest of Carmacks.

The project, which comprises 204 Royal, Ann and Poker claims within the Whitehorse Mining district, is bisected by Rude Creek within the Dawson Range of the unglaciated portion of the Yukon Plateau.

Regionally the project is located within the Dawson Range gold district, 45 km southeast of Goldcorp Inc.'s Coffee orogenic type gold deposit and 80 km south southeast of the recent Vertigo discovery and 72 km southeast of the Golden Saddle deposit, both orogenic type gold systems owned by White Gold Corp.

On July 7, 2020, the Company announced that it has completed its phase one exploration program. Field crews were mobilized to the Rude Creek project area on June 19. Work included the collection of 171 soil samples (in the C-horizon) over a close-spaced grid measuring 750 metres by 250 metres (along five lines 750 metres long, spaced 50 metres apart and sampled every 25 metres along each line; plus a sixth line 750 metres long and sampled every 50 metres).

After soil sampling was completed, a ground geophysical survey consisting of induced polarization and resistivity (IP/resistivity) was conducted over the same grid. IP/resistivity is a tool commonly used in mineral exploration to detect electrical chargeability and conductivity in the subsurface.

Management decided that it will terminate the existing agreement with the Rude Creek Property and as a result, an impairment charge of \$690,709 was recognized during the year ended December 31, 2022.

#### Win Property

On September 21, 2020, the Company staked 127 claims (Win Claims) which is contiguous with the southern boundary to the Rude Creek Property for a total of \$36,000. On September 30, 2021, the Company staked an additional 13 claims for a total of \$1,950. During the year ended December 31, 2022, the Company staked additional claims for a total of \$24,567.

During the summer of 2023, the Company plans further soil geochemistry surveys over key areas of the Win Claims in conjunction with geological mapping.

#### Idaho Property

By a property option agreement dated August 19, 2020 and as amended on October 13, 2021 and March 21, 2023, the Company may earn a 100% interest in the Idaho property. The property consists of 58 mineral tenures located in the Whitehorse Mining District in the Yukon Territory. As consideration, the Company will pay of \$150,000, issue 75,000 (750,000 pre-consolidated) common shares of the Company and incur aggregate expenditures of \$2,000,000 as follows:

- a) Cash payment of \$5,000 (paid) and issuance of 2,500 (25,000 pre-consolidated) common shares (issued) of the Company upon execution of this agreement;
- b) Incur \$50,000 in exploration expenditures on or before December 1, 2020 (incurred);
- c) Cash payment of \$10,000 (paid) and issuance of 5,000 (50,000 pre-consolidated) common shares of the Company on or before May 1, 2021;
- d) Incur an additional \$25,000 in exploration expenditures on or before December 1, 2021 (incurred);
- e) Cash payment of \$20,000 (paid) and issuance of 10,000 (100,000 pre-consolidated) common shares of the Company (issued) on or before May 1, 2022;
- f) Issuance of 25,000 (250,000 pre-consolidated) common shares of the Company on or before May 1, 2023 (issued);
- g) Cash payment of \$40,000 on or before August 31, 2023;
- h) Incur an additional \$725,000 in exploration expenditures on or before December 1, 2023;
- i) Cash payment of \$75,000 and issuance of 32,500 (325,000 pre-consolidated) common shares of the Company on or before May 1, 2024; and
- j) Incur an additional \$1,200,000 in exploration expenditures on or before December 1, 2024.

Should the Company acquire 100% of the property, the optionor will retain a 2% net smelter returns royalty, 1% of which may be purchased by the Company for \$1,000,000.

The Company has agreed that if it does not incur the \$725,000 in exploration expenditures on or before December 1, 2023, the Company will pay the optionor the difference on or before December 15, 2023.

On September 28, 2023, the Company entered into an agreement to terminate the existing agreement with the Optionor as follows: (i) make a cash payment of \$4,200 to keep certain of the mineral claims in good standing, (ii) agreed to issue 600,000 (6,000,000 pre-consolidated) common shares for the settlement of \$725,000 obligation due on or before December 15, 2023 and are subject to resale restrictions of 150,000 (1,500,000 pre-consolidated) common shares (25%) that may be sold after the four month hold period and an additional 25% may be sold every four months thereafter with the last 25% 16 months from the date of issuance. and (iii) issue to the optionor additional common shares of the Company equal to 9.9% of any common shares the Company issues for non-cash consideration within a period of twelve months from September 28, 2023.

As at September 30, 2023, the Company recognized the \$725,000 as a termination fee and estimated the fair value of the 600,000 (6,000,000 pre-consolidated) common shares to be issued to the optionor at \$77,000 based on the trading price of the shares on the date of issuance of \$0.30 (\$0.03 pre-consolidated) per share (October 10, 2023), discounted by the put option, calculated using the Black-Scholes option-pricing model, for the length of the hold period and accordingly the Company recognized a gain on debt settlement of \$648,000 at September 30, 2023. The 600,000 (6,000,000 pre-consolidated) common shares were issued on October 10, 2023.

The Company also recorded a write-off of exploration and evaluation assets of \$106,750 to the statement of operations.

Summary of deferred costs for the nine months ended September 30, 2023 and for the year ended December 31, 2022:

	Rude Creek Property	Win Property	Idaho Property	Total
<u>Deferred costs</u>				
Balance, December 31, 2021	\$ 578,209	\$ 36,000	\$ 73,500	\$ 687,709
Cash payment	25,000	-	20,000	45,000
Shares issued	87,500	-	7,000	94,500

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Staking cost	-	24,567	-	24,567
Write-off	(690,709)	-	-	(690,709)
Balance, December 31, 2022	-	60,567	100,500	161,067
Shares issued	-	-	6,250	6,250
Write-off	-	-	(106,750)	(106,750)
Balance, September 30, 2023	\$ -	\$ 60,567	\$ -	\$ 60,567

Summary of exploration expenditures for the nine months ended September 30, 2023 and for the year ended December 31, 2022:

	Total cumulative expenditure to December 31, 2021	Exploration Expenditures to December 31, 2022	Total cumulative expenditure to December 31, 2022	Exploration Expenditures to September 30, 2023	Total cumulative expenditure to September 30, 2023
<b>Rude Creek and Win Properties</b>					
Exploration expenditures					
Assays	\$ 123,895	\$ 12,000	\$ 135,895	\$ -	\$ 135,895
Drilling	374,585	-	374,585	-	374,585
Field and miscellaneous	109,478	42,000	151,478	16,240	167,718
Geological	142,296	7,553	149,849	-	149,849
Geological report	19,513	-	19,513	-	19,513
Maintenance payments	17,745	19,110	36,855	-	36,855
Soil Assays	-	12,000	12,000	-	12,000
	787,512	80,663	868,175	16,240	896,415
<b>Idaho Property</b>					
Exploration expenditures					
Assays	4,168	-	4,168	-	4,168
Claim Maintenance	-	-	-	4,200	4,200
Contractors and suppliers	32,171	-	32,171	-	32,171
Field and miscellaneous	11,532	-	11,532	-	11,532
Labour	15,981	-	15,981	-	15,981
Surveying	24,000	-	24,000	-	24,000
Supervision fees	3,388	-	3,388	-	3,388
	91,240	-	91,240	4,200	95,440
<b>Total</b>	<b>\$ 878,752</b>	<b>\$ 80,663</b>	<b>\$ 959,415</b>	<b>\$ 20,440</b>	<b>\$ 979,855</b>

**Selected Annual Financial Information**

The table below sets out certain selected financial information regarding the operations of the Company for the period indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements and related notes.

	For the year ended December 31, 2022	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue	\$ -	\$ -	\$ -
Net loss and comprehensive loss	\$ 1,621,537	\$ 1,964,373	\$ 5,053,145
Loss per share	\$ 0.04	\$ 0.05	\$ 0.20
Total assets	\$ 210,326	\$ 790,695	\$ 862,468

During the year ended December 31, 2020, the Company recorded a net loss of \$5,043,145 which is mainly comprised of \$3,597,095 in consulting fees and \$900,533 in exploration expenditures. The Company's total assets as at December 31, 2020 were \$862,468, which mainly comprised of cash and cash equivalents of \$447,352 and exploration and evaluation assets of \$334,101.

During the year ended December 31, 2021, the Company recorded a net loss of \$1,964,373 which is mainly comprised of \$304,453 in consulting fees, \$247,203 in exploration expenditures, \$895,191 in share-based payments and \$235,503 in impairment of exploration and evaluation assets. The Company's total assets as at ended December 31, 2021 were \$790,695, which mainly comprised of cash and cash equivalents of \$13,653 and exploration and evaluation assets of \$687,709.

During the year ended December 31, 2022, the Company recorded a net loss of \$1,621,537 which is mainly comprised of \$432,042 in consulting fees, \$80,663 in exploration expenditures, \$189,647 in professional fees, \$168,970 in share-based payments, \$100,415 in write off of accounts payable and \$690,709 in impairment of exploration and evaluation assets. The Company's total assets as at ended December 31, 2022 were \$210,326, which mainly comprised of cash and cash equivalents of \$21,027 and exploration and evaluation assets of \$161,067.

The Company has not declared any dividends since its incorporation and does not anticipate paying cash dividends in the foreseeable future on its common shares and intends to retain any future earnings to finance internal growth, acquisitions and development of its business. Any future determination to pay cash dividends will be at the discretion of the board of directors of the Company and will depend upon the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors of deems relevant.

### **Selected Quarterly Financial Information**

A summary of results for the eight quarter since incorporation follows:

	Sep 30, 2023 Qtr 3	Jun 30, 2023 Qtr 2	Mar 31, 2023 Qtr 1	Dec 31, 2022 Qtr 4
Revenue	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ (136,909)	\$ 79,537	\$ (113,615)	\$ (908,847)
Comprehensive income (loss)	\$ (136,909)	\$ 79,537	\$ (113,615)	\$ (908,847)
Income (loss) per share	\$ (0.03)	\$ 0.02	\$ (0.02)	\$ (0.18)

	Sep 30, 2022 Qtr 3	Jun 30, 2022 Qtr 2	Mar 31, 2022 Qtr 1	Dec 31, 2021 Qtr 4
Revenue	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ (290,522)	\$ (278,516)	\$ (143,652)	\$ (655,943)
Comprehensive income (loss)	\$ (290,522)	\$ (278,516)	\$ (143,652)	\$ (655,943)
Income (loss) per share	\$ (0.06)	\$ (0.06)	\$ (0.04)	\$ (0.17)

During the three months ended December 31, 2021, the Company recorded a net loss of \$655,943 as compared to \$105,535 for the previous quarter ended September 30, 2021. The increase can be attributed to an increase in consulting fees and share-based payments. During the three months ended March 31, 2022, the Company recorded a net loss of \$143,652 as compared to \$655,943 for the previous quarter. The decrease can be attributed to year-end adjustments made in the prior quarter. During the three months ended June 30, 2022, the Company recorded a net loss of \$278,516 as compared to the net loss of \$143,652. The increase can be attributed to an increase in legal fees and share-based payments. During the three months ended September 30, 2022, the Company recorded a net loss of \$290,522 which is consistent to the net loss of \$278,516 from the previous quarter. During the three months ended December 31, 2022, the Company recorded a net loss of \$908,847 as compared to

\$290,522 for the previous quarter. The increase can be attributed to the recording of an impairment on Rude Creek property. During the three months ended March 31, 2023, the Company recorded a net loss of \$113,615 as compared to \$908,847 for the previous quarter. As noted earlier, the prior quarter included the recording of an impairment on Rude Creek. During the three months ended June 30, 2023, the Company recorded a net income of \$79,537 as compared to the net loss of \$113,615 for the previous quarter. The income can be attributed to the recording of gain on debt settlement for \$151,710. During the three months ended September 30, 2023, the Company recorded a net loss of \$136,909 as compared to the net income of \$79,537 for the previous quarter. The loss can be attributed to the recording of write-off exploration and evaluation asset for \$106,750 and the recording of \$725,000 of the termination fees for the Idaho property and a gain on debt settlement for \$648,000.

### **Results of Operations**

During the three months ended September 30, 2023:

The Company recorded a net loss of \$136,909 for the quarter comparable to the net loss of \$290,522 for the comparable quarter ended September 30, 2022. During the current quarter, the Company terminated the Idaho property and recorded a write-off of exploration and evaluation asset of \$10,750 and recognized a termination fee of \$725,000 on the termination of the Idaho property. The Company also recognized a gain on debt settlement of \$648,000 as the Company settled the debt with shares.

During the current quarter, the Company recorded an expense recovery for \$46,842 as compared to the total expenses of \$308,477 for the comparable quarter, a decrease of approximately \$355,000.

Consulting fees has decreased to \$7,500 as compared to \$82,500 for the comparable quarter. During the current quarter, the Company did not engage new consultants for corporate advisory and administrative expenses.

Professional fees for the current quarter have decreased to \$938 from \$85,597 for the comparable quarter and transfer agent for the current quarter have decreased to \$665 from \$10,962 for the comparable quarter. The decreases coincide with the decrease in the number of private placements.

Shareholder information have decreased to \$Nil from \$42,500 for the comparable quarter. During the quarter, the Company did not engage in investor relations services.

During the quarter the Company recognized a reversal of \$63,065 in share-based payments due to unvested stock options that were forfeited by the option holders. Share-based payments is a non-cash transaction.

During the nine months ended September 30, 2023:

The Company recorded a net loss of \$170,987 for the period as compared to the net loss of \$712,690 for the comparable period ended September 30, 2022. The Company recorded a termination fee of \$725,000 for terminating the agreement for the Idaho property. The Company recognized a gain on debt settlement of \$799,710 and an impairment of exploration and evaluation asset for \$106,750 in the current period.

Total expenses for the current period was \$135,693 as compared to \$729,106 for the comparable period, a decrease of approximately \$593,000. Due to the change in management and cash flow constraints, the Company's operations were limited during the period.

Consulting fees has decreased to \$118,346 as compared to \$251,384 for the comparable period. During the current period, the Company did not engage new consultants for corporate advisory and administrative expenses.

Exploration costs have decreased to \$20,440 as compared to \$58,163 for the comparable period. During the

period, minimal work was performed on the mineral properties.

Shareholder information have decreased to \$Nil from \$73,468 for the comparable period. During the period, the Company did not engage in investor relations services.

The Company recognized a reversal of \$53,115 in share-based payments due to unvested stock options that were forfeited by the option holders. Share-based payments is a non-cash transaction.

There was a change in management during the period and due to the cash flow constraints, the Company's operations were limited.

All other costs are consistent with maintaining the Company as a reporting issuer. Due to cash flow constraints, the Company's operations were limited during the period. The Company intends to relying upon the issuance of securities to finance its future activities.

#### **Fourth Quarter**

N/A

#### **Liquidity and Capital Resources**

The Company's cash position as at September 30, 2023 was \$6,482 (December 31, 2022 – \$21,027) with a working capital deficiency of \$634,901 (December 31, 2022 – working capital deficiency of \$594,217). Total assets as at September 30, 2023 was \$82,645 (December 31, 2022 – \$210,326).

The Company's budget is its working capital and believes that the current capital resources is not sufficient to pay overhead expenses and exploration program for the next twelve months and continues to raise additional funding to fund its future exploration program, marketing and general working capital and towards potential mineral projects, if such opportunities arise. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company may not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

On May 2, 2023, pursuant to the terms of the property option agreement, the Company issued 25,000 (250,000 pre-consolidated) common shares fair valued at \$6,250.

On May 30, 2023, the Company issued 487,450 (4,874,504 pre-consolidated) common shares to debt settle \$224,828 in debts with former directors and officers of the Company, resulting in a gain on debt settlement of \$151,710.

The Company manages its capital structure in order to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' equity (deficit) and working capital as capital. The Company manages the capital structure and makes adjustments in response to changes in economic conditions, including the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

There were no changes to the Company's approach to capital management during the nine months ended September 30, 2023.



### **Going Concern**

The condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At September 30, 2023, the Company has not achieved profitable operations, has accumulated losses of \$8,864,298 since inception and expects to incur further losses in the development of its business.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, the escalation of war between Hamas and Israel, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

### **Off Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements.

### **Financial Instruments**

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

#### *Credit risk*

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

#### *Interest rate risk*

The Company is not exposed to significant interest rate risk.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at September 30, 2023, the Company had a working capital deficiency of \$634,901 (December 31, 2022 – working capital

deficiency of \$594,217). The Company plans to raise financing from private placements to meet its current and future obligations.

*Price risk*

The Company is exposed to price risk with respect to commodity and 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

*Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**Related Party Transactions**

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director and/or officer in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

**Key Management Compensation**

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

		<b>For the nine months ended September 30,</b>	
		<b>2023</b>	<b>2022</b>
Consulting fees	Andrew H. von Kursell, Former Director	\$ -	\$ 51,000
	Grant Hendrickson, Former Director	35,000	69,000
	Hugh Maddin, Former Director	36,000	29,000
	Jatinder Dhaliwal, Former Director	-	3,000
	Spiral Investments Group, controlled by Gurcham Singh Deol, Former Director	-	18,000
	Uranbileg Yondon, Former Director (recovery)	(8,450)	9,000
		<b>62,550</b>	<b>179,000</b>
Exploration expenditures			
	Uranbileg Yondon, Former Director	16,240	31,500
		<b>16,240</b>	<b>21,000</b>
Share-based payments (recovery)			

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Andrew H. von Kursell, Former Director	-	37,000
Grant Hendrickson, Former Director	-	44,001
Hugh Maddin, Former Director	(21,037)	31,493
Uranbileg Yondon, Former Director	-	10,579
Jatinder Dhaliwal, Former Director	-	3,451
Gurcham Singh Deol, Former Director	-	3,451
	(21,037)	129,975
	\$ 57,753	\$ 340,475

Included in accounts payable and accrued liabilities at September 30, 2023 is \$8,950 (December 31, 2022 – \$91,045) owed to former directors of the Company for unpaid consulting fees and expense reimbursements. These amounts are non-interest bearing, unsecured and payable on demand.

Included in due to related parties at September 30, 2023 is \$156,738 (December 31, 2022 - \$147,205) owing to former directors of the Company for advances on working capital. These amounts are non-interest bearing, unsecured and payable on demand.

On May 30, 2023, the Company issued 487,450 (4,874,504 pre-consolidated) common shares to debt settle \$224,828 in debts with former directors and officers of the Company, resulting in a gain on debt settlement of \$151,710.

**Proposed Transaction**

None

**Subsequent Events**

On October 10, 2023, 600,000 (6,000,000 pre-consolidated) common shares were issued pursuant to the termination agreement dated September 28, 2023.

On November 23, 2023, the Company completed a share consolidation on the basis of one-post consolidation common share for every ten pre-consolidation common shares (the "Share Consolidation"). The exercise price of the outstanding stock options, warrants and RSUs and the number of options, warrants and RSUs were proportionately adjusted upon the Share Consolidation. All historical information presented in the financial statements have been adjusted to reflect the Share Consolidation.

**Outstanding Share Data**

Below is the summary of the Company's share capital as at September 30, 2023 and as of the date of this report:

Security description	As at	
	September 30, 2023	November 29, 2023
Common shares – issued and outstanding	5,431,123	6,031,123
Warrants issued in private placements	351,821	351,821
Share purchase options	9,500	9,500
Common shares – fully diluted	5,792,444	6,392,444

### **Critical Accounting Estimates and Judgments**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed in note 4 to the financial statements.

### **Business and Industry Risks**

There are a number of risk factors that could cause future results to differ materially from those described herein. The following sets out the principal risks faced by the Company. Additional risks and uncertainties, including those that the Company does not know about or that it currently deems immaterial, could also adversely impact the Company's business and results of operations.

### **Limited Operating History**

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties in which the Company has an interest. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties in which the Company has an interest in the near future or at all. If the Company does not generate revenue or is unable to raise further funds, it may be unable to sustain its operations in which case it may become insolvent and investors may lose their investment.

### **Speculative Nature of Mineral Exploration**

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

### **Financing Risks**

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation

and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company.

While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the Property, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to existing shareholders. At present it is impossible to determine what amounts of additional funds, if any, may be required.

### **Wars**

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022 and the escalation of war between Hamas and Israel. While the Company expects any direct impacts, of the war in the Ukraine and Israel, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business.

### **Property Interests**

If the Company loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties. Unless the Company acquires additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

### **If the Company cannot raise additional equity financing, then it may lose some or all of its interest in the Property**

The Company is required to make cash payments to the optionor of the Property, and to incur work expenditures in order to maintain its interest in the Property. The Company's ability to maintain an interest in the Property may be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make periodic payments or expenditures required for the maintenance of the Company's interest in the Property and could result in a delay or postponement of further exploration and the partial or total loss of the Company's interest in the Property.

### **Commercial Ore Deposits**

The Property is in the exploration stage only and is without a known body of commercial ore. Development of the Property would follow only if favorable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

### **Uninsurable Risks**

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should

such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.