

**MILITARY METALS CORP.**  
(formerly X1 Entertainment Group Inc.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023**

**615 – 800 PENDER ST W**  
**VANCOUVER, B.C.**  
**V6C 2V6**

## Management's Discussion and Analysis For the years ended August 31, 2024 and 2023

The following discussion and analysis, prepared as of December 20, 2024, has been prepared by management. The following discussion of performance, financial condition and future prospects should be read in conjunction with the consolidated financial statements for the years ended August 31, 2024 and 2023 of MILITARY METALS CORP. (with its subsidiaries, collectively, the "Company" or "Military"). The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management's Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated.

The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "MILI", OTCQB under the symbol "MILIF" and Frankfurt Stock Exchange ("FSE") under the symbol "QN90".

Additional information related to the Company is available for view on the Company's website at [www.militarymetalscorp.com](http://www.militarymetalscorp.com) and SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### FORWARD LOOKING STATEMENTS

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the availability of financing for the Company's objectives on reasonable terms;
- the ability to attract and retain skilled staff and consultants;
- foreign currency and exchange rates;
- market competition; and
- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, conclusions of economic evaluations, and changes in project parameters as plans continue to be refined. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.

### DESCRIPTION OF BUSINESS

Military is a mineral exploration company that is primarily engaged in the acquisition and exploration of mineral properties. Military was incorporated under the *Business Corporations Act* (British Columbia) on January 9, 2020. The Company maintains its registered office at Royal Centre, 1500 – 1055 West Georgia Street, PO Box 11117, Vancouver, British Columbia, Canada V6E 4N7. The Company's principal place of business is 615 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. On August 19, 2024, the Company completed its change of business ("COB") to a mineral exploration company and changed its name from "X1 Entertainment Group Inc." to "Military Metals Corp". Military was previously a portfolio company that had targeted assets across gaming, esports, media, and entertainment industries.

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**OVERALL PERFORMANCE AND HIGHLIGHTS**

To date, the Company has not yet realized profitable operations and has relied on equity financing and loans to fund the losses. The Company recognized a comprehensive loss of \$699,516 during the year ended August 31, 2024 (2023 - \$3,421,304).

*Acquisition of Octane.GG*

On September 28, 2022, the Company completed an asset purchase agreement ("Octane APA") to acquire the assets of Octane.GG ("Octane") an online fan statistics platform focused on the popular video game, Rocket League.

In connection with the acquisition of the assets comprising the business of Octane, the Company entered into consulting agreements with two individuals, who as key personnel would be responsible for the continued operation of Octane. As consideration for the acquisition of the assets comprising the business of Octane, the Company paid a cash purchase price of US\$35,000 (\$47,509), US\$17,500 (\$23,931) of which was paid in connection with the closing of the acquisition and US\$17,500 (\$23,578) of which was paid 45 days after closing.

The Company combined the assets of ShiftRLE ("Shift") and Octane to create a single website dedicated to Rocket League news, reporting, and statistical analysis operating under the name of Shift.

On March 17, 2023, the Company sold all assets related to Shift. The purchasers are the prior owners of Shift, and the primary service providers to the Company in respect of the operations of Shift. The purchasers have satisfied the purchase price by forgoing any rights to termination payments or otherwise in connection with their consulting agreements with the Company, for an aggregate value to the Company of US\$35,250 (\$48,412).

*Cessation of Rix's Operations*

On December 9, 2022, the Company announced that it will cease operations of Rix.GG Europe Ltd. ("Rix") which holds and operates its esports franchise. Rix will no longer compete in Wild Rift effective March 2023 as a result of Riot Games' announcement that it will discontinue support for Wild Rift esports operations outside of Asia. As this team represents the sole team competing in the esports industry within the Rix franchise, the operations supporting the team are being terminated as well. On November 27, 2024, Company dissolved the entity.

*Wind-down and Dissolution of X1 Talent Operations*

On April 6, 2023, the Company wound down operations of X1 Talent Corp. ("X1 Talent", formerly Tyrus, LLC), a boutique talent management group for digital content creators.

During the year ended August 31, 2023, the Company considered the operations of X1 Talent to have met the definition of discontinued operations.

On December 1, 2023, the Company dissolved the entity.

*Share Consolidation*

On November 6, 2023, the Company completed a share consolidation on the basis of 1 new common share for 5 old common shares. No fractional shares were issued as a result of the consolidation. Fractional interests of 0.5 or greater were rounded up to the nearest whole number of common shares and fractional interests of less than 0.5 were rounded down to the nearest whole number of common shares. All share and per share information have been amended retrospectively to reflect the share consolidation.

*Convertible Debenture Financing*

On November 15, 2023, the Company completed a non-brokered private placement of unsecured convertible debentures ("Debentures") for gross proceeds of \$500,000 (the "Offering"). A portion of the Offering, \$146,106 was completed through the distribution of Debentures in settlement of existing debt.

The Debentures mature on the date (the "Maturity Date") that is 12 months from the date of issuance (the "Closing Date") and bear interest at a rate of 5.0% per annum from the Closing Date, payable on the earlier of the maturity date or the conversion date. The Company has the right to pay all accrued and unpaid interest either in cash or in units at a price of \$0.055 per unit, in its sole discretion, and on the Maturity Date also has the right to convert the principal amount of the Debentures into Units rather than repay in cash.

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Each Unit will consist of one common share (a "Share") and one Share purchase warrant (a "Convertible Warrant"). Each Convertible Warrant will entitle the holder thereof to acquire one additional Share (a "Convertible Warrant Share") at a price of \$0.055 per Convertible Warrant Share for a period of 24 months from the date of issuance.

#### *Private Placement Financings*

On January 25, 2024, the Company completed a non-brokered private placement of 7,142,857 units (the "Units") at a price of \$0.07 for gross proceeds of \$500,000. Each Unit is comprised of one common share in the capital of the Company (a "Share") and one share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional Share (a "Warrant Share") at a price of \$0.10 per Warrant Share for a period of 24 months from the date of closing.

On August 22, 2024, the Company completed a non-brokered private placement of 12,000,000 Units at a price of \$0.25 for gross proceeds of \$3,000,000. Each Unit is comprised of one common share in the capital of the Company and one Warrant. Each Warrant entitles the holder thereof to acquire one additional Share at a price of \$0.30 per Warrant Share for a period of 24 months from the date of closing. The Company paid \$58,500 in finders' fees and issued 244,800 in finders' warrants.

#### *Acquisition of Manson Bay Project and Change of Business.*

On February 7, 2024, the Company entered into a definitive asset purchase agreement (the "Manson Bay Agreement") with SKRR Exploration Inc. ("SKRR"), an unrelated party, pursuant to which the Company has agreed to acquire 100% legal and beneficial interest in thirteen (13) contiguous mineral claims totalling 4,293 hectares in the province of Saskatchewan, known as the Manson Bay Project (the "Manson Bay") for a consideration of 1,000,000 common shares in the capital of the Company. The price of each common share was based on the date of issuance of \$0.57 resulting in a total fair value of consideration shares issued of \$570,000. Additionally, the Company incurred \$240,337 in related acquisition costs.

Pursuant to the terms and conditions of the Manson Bay Agreement, the Company has agreed to acquire (i) 100% of SKRR's rights, title, and interest in the property, and (ii) all data and information in the possession of SKRR with respect to Manson Bay and the activities conducted thereon (the "Data and Information", and together with Manson Bay, the "Purchased Assets").

A third party will receive a 2% net smelter return ("NSR"), subject to a buydown to 1% at the option of the Company by paying the third party \$1,000,000 in cash, pursuant to the terms and conditions of a previous acquisition agreement.

The Company's acquisition of the Purchased Assets (the "Manson Bay Transaction") was subject to a number of customary conditions including, but not limited to, meeting all conditions required by the CSE to receive approval of the Manson Bay Transaction. The Company received final approval on August 14, 2024 from shareholders and the CSE.

Concurrent with the completion of the Manson Bay Transaction, the Company will be a mineral exploration company primarily engaged in exploration of the property, and the identification and acquisition of additional mineral exploration properties. Manson Bay, which is in the exploration stage, will be the Company's first material mineral property.

On November 7, 2024, the Company announced that the bore hole EM geophysical survey on historical collars has been completed on Manson Bay, interpretation of the results will be released at a later date.

#### *Dissolutions of Forward Agency Ltd. ("Forward") and Mechanics Agency Ltd. ("Mechanics")*

On August 27, 2024, the Company dissolved both entities.

#### *Shares for Debt*

On September 4, 2024, the Company entered into a shares for debt transaction with certain creditors of the Company (the "Creditors") to settle an aggregate amount of \$300,000 in debt (the "Debt") accrued through services provided by the Creditors to the Company (the "Debt Settlement"). In settlement and full satisfaction of the Debt, the Company issued 600,000 common shares in the capital of the Company (the "Debt Shares") at a deemed issue price of \$0.50 per Debt Share.

#### *Acquisition of West Gore Project*

On September 24, 2024, the Company completed an asset purchase agreement (the "West Gore Agreement") to acquire a series of mineral claims in the province of Nova Scotia, known as the West Gore Antimony Project ("West Gore"). The Company purchased the mineral claims from Molten Metals Corp. ("Molten") for consideration consisted of \$85,000.

On October 24, 2024, the Company announced it signed a binding letter of intent ("LOI") with two non-arm's length parties to acquire further claims surrounding the West Gore project to consolidate the mineralized area. The Company has a 3-year option to acquire 100% of the interest in the licenses for \$235,000 spread over the term.

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The terms are as follows:

- (a) \$10,000 paid by the Company on October 30, 2024 (paid);
- (b) an additional \$45,000 paid on the closing date;
- (c) an additional \$56,250 paid on or prior to the one (1) year anniversary of the closing date;
- (d) an additional \$56,250 paid on or prior to the two (2) year anniversary of the closing date; and
- (e) an additional \$67,500 paid on or prior to the two (3) year anniversary of the closing date

Additionally, the sellers will receive a 3% NSR with standard buy-back provisions.

The Company shall have the option and right to:

- (a) repurchase 1% of the NSR for a one-time payment of \$500,000, thus reducing the NSR to 2%; and
- (b) subsequent to the repurchase of the 1% NSR, another repurchase of the NSR for a one-time payment of \$1,000,000, thus reducing the NSR to 1%

### *Acquisition of Brownfield Projects*

On November 15, 2024, the Company completed an acquisition of 1509149 B.C. Ltd., which amalgamated with 1458205 B.C. Ltd. (the "Target") such that the Company has acquired 100% of the issued and outstanding common shares in the capital of the amalgamated entity (the "Brownfield Transaction"). In connection with the Brownfield Transaction, the Company issued 10,000,000 common shares in the capital of the Company.

The Brownfield Transaction results in the Company acquiring three mineral exploration projects in Slovakia, being the Trojarová antimony-gold project, the Tiennesgrund antimony-gold project, and the Medvedi tin project.

### *Acquisition of Last Chance Project*

On December 3, 2024, the Company completed an asset purchase agreement (the "Last Chance Agreement") with Amador Mining, LLC ("Amador"), to acquire the past-producing Last Chance antimony-gold property in Nevada, United States. The total consideration is \$45,000, of which, \$10,000 has been paid and the remaining \$35,000 is due on or before February 14, 2025 to Amador. Additionally, Amador will receive a 2% NSR.

## **OUTLOOK**

To date, the Company's revenue has been derived from its previous business of a portfolio entertainment company through tournament prize money from its previously owned esports teams under Rix and content revenue and talent fees from X1 Talent. The Company is working to enhance financial resources and identify new opportunities through the acquisition, exploration and development of mineral properties with a focus on antimony.

## **OUTSTANDING SHARE DATA**

At the date of this report, the Company has:

- 59,925,549 issued and outstanding common shares;
- 3,210,000 outstanding stock options with a weighted average exercise price of \$0.64; and
- 18,624,889 warrants with a weighted average exercise price of \$0.19.

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**SELECTED ANNUAL INFORMATION**

The following table sets forth selected audited financial information of the Company for the last three completed financial years:

|                                   | August 31,<br>2024 | August 31,<br>2023 | August 31,<br>2022 |
|-----------------------------------|--------------------|--------------------|--------------------|
| Total assets                      | \$ 3,653,256       | \$ 20,112          | \$ 3,023,295       |
| Total liabilities                 | 838,220            | 550,295            | 771,688            |
| Net loss for the period           | (707,041)          | (3,411,035)        | (3,064,521)        |
| Comprehensive loss for the period | (699,516)          | (3,421,304)        | (3,089,255)        |

During the year ended August 31, 2024, total assets increased compared to August 31, 2023 as the Company completed convertible debenture and private placement financings. Total liabilities consist of accounts payable and accrued liabilities and convertible debentures. Net loss for the period decreased year to year due to the cessation of Rix and the dissolution of X1 Talent.

**SUMMARY OF QUARTERLY RESULTS**

|  | August 31,<br>2024 | May 31,<br>2024 | February 29,<br>2024 | November 30,<br>2023 |
|--|--------------------|-----------------|----------------------|----------------------|
| Net income (loss) for the period                           | \$ (241,731)       | \$ (145,799)    | \$ (178,260)         | \$ (141,251)         |
| Comprehensive income (loss) for the period                 | (241,718)          | (145,781)       | (178,288)            | (133,729)            |
| Basic and diluted loss per share – continuing operations   | (0.01)             | (0.01)          | (0.01)               | (0.01)               |
| Basic and diluted loss per share – discontinued operations | -                  | -               | -                    | -                    |

  

|  | August 31,<br>2023 | May 31,<br>2023 | February 28,<br>2023 | November 30,<br>2022 |
|--|--------------------|-----------------|----------------------|----------------------|
| Net income (loss) for the period                           | \$ 175,865         | \$ (416,151)    | \$ (1,433,127)       | \$ (1,737,622)       |
| Comprehensive income (loss) for the period                 | 173,070            | (412,402)       | (1,438,104)          | (1,743,868)          |
| Basic and diluted loss per share – continuing operations   | 0.02               | (0.03)          | (0.12)               | (0.11)               |
| Basic and diluted loss per share – discontinued operations | (0.00)             | (0.01)          | (0.03)               | (0.07)               |

Over the periods presented, the Company's principal focus of its previous business was the investment and development of its esports gaming portfolio. Revenue fluctuates relative to player transfers which are periodic, and prize money which is relative to tournament success. Expenses are driven by the prevailing portfolio of esports teams and players and supporting staff for the esports gaming division. During the three months ended August 31, 2024, May 31, 2024, February 29, 2024, November 30, 2023, August 31, 2023 and May 31, 2023, expenses decreased from the prior periods as the Company wound down Rix and dissolved X1 Talent.

**RESULTS OF OPERATIONS**

*For the three months ended August 31, 2024 (Fourth Quarter)*

For the three months ended August 31, 2024, the Company recognized a comprehensive loss of \$241,718 (2023 – income of \$173,070). Significant expenses included in comprehensive loss are as follows:

- Accretion expense of \$13,298 (2023 - \$nil) is related to the convertible debenture financing.
- Business development expense of \$15,000 (2023 - \$15,000) is related to advisory services to pursue business development.
- Consulting fees of \$62,700 (2023 - \$42,750) are associated with payments for financial reporting support and general consulting services.
- Directors' fee of \$15,000 (2023 - \$15,000) consists of one director.
- Insurance expense of \$nil (2023 - \$9,201) reflects directors' and officers' insurance.
- Interest expense of \$6,250 (2023 - \$5,420) is related to the convertible debenture financing in the current period and a loan payable in the prior period.
- Listing fee of \$7,033 (2023 - \$7,821) is associated with the Company listing on the CSE under the symbol "MILI" and OTC Markets under the symbol "MILIF".

## Management's Discussion and Analysis

### For the years ended August 31, 2024 and 2023

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- Office and miscellaneous of \$22,918 (2023 - \$4,727) consists of administrative costs including rent, subscriptions with respect to online service platforms, payroll management and general administrative costs.
- Professional fees of \$59,794 (2023 - \$45,623) is primarily from legal fees due to corporate matters and audit accruals.
- Share-based compensation expense of \$111,454 (2023 – recovery of \$359,419) is recorded relative to the vesting of stock options, net of forfeitures, valued using the Black-Scholes methodology.
- Technology marketing and web development of \$nil (2023 - \$23,583) decreased due to fewer marketing campaigns in the period.
- Transfer agent expense of \$13,917 (2023 - \$4,308) is related to a monthly transfer agent fee.
- Dissolution of subsidiaries expense of \$78,334 (2023 - \$nil) is associated with non-cash loss on foreign exchange on translating foreign operations due to the dissolution of X1 Talent, Forward and Mechanics.
- Loss on settlement of \$3,989 (2023 - \$nil) is associated with the convertible debenture conversions.
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*For the year ended August 31, 2024*

For the year ended August 31, 2024, the Company recognized a comprehensive loss of \$699,516 (2023 – \$3,421,304). Significant expenses included in comprehensive loss are as follows:

- Accretion expense of \$39,894 (2023 - \$nil) is related to the convertible debenture financing.
- Business development expense of \$60,000 (2023 - \$170,000) is related to advisory services to pursue business development.
- Consulting fees of \$179,700 (2023 - \$346,790) are associated with payments for financial reporting support and general consulting services.
- Directors' fee of \$60,000 (2023 - \$45,000) consists of two directors.
- Insurance expense of \$nil (2023 - \$81,468) reflects directors' and officers' insurance.
- Interest expense of \$21,620 (2023 - \$5,420) is related to the convertible debenture financing in the current period and a loan payable in the prior period.
- Investor relations expense of \$nil (2023 - \$134,840) is based on investor relations services to the German community.
- Listing fee of \$36,998 (2023 - \$31,284) is associated with the Company listing on the CSE and OTC Markets.
- Office and miscellaneous of \$43,750 (2023 - \$60,145) consists of administrative costs including rent, subscriptions with respect to online service platforms, payroll management and general administrative costs.
- Professional fees of \$178,411 (2023 - \$129,079) is primarily from legal fees due to corporate matters.
- Salaries and wages of \$nil (2023 - \$200,960) includes amounts paid to the Shift employees.
- Share-based compensation expense of \$111,454 (2023 – \$639,514) is recorded relative to the vesting of stock options, net of forfeitures, valued using the Black-Scholes methodology.
- Technology marketing and web development of \$5,000 (2023 - \$288,421) decreased due to fewer marketing campaigns in the period.
- Dissolution of subsidiaries of \$56,129 (2023 - \$nil) is associated with non-cash loss on foreign exchange on translating foreign operations due to the dissolution of X1 Talent, Forward and Mechanics.
- Loss on sale of domain name of \$nil (2023 - \$230,877) and consideration payable recovery of \$nil (2023 - \$60,366) is related to the sale of Shift.
- Loss on settlement of \$3,989 (2023 - \$nil) is associated with the convertible debenture conversions.
- Recovery of accounts payable of \$nil (2023 - \$31,670) is related to a recovery from a vendor.

## LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has not yet realized profitable operations and has relied on equity financings to fund the losses. The Company's growth and success is dependent on additional external sources of financing until such time that profitable operations are achieved. The Company reported a net loss for the year ended August 31, 2024 of \$707,041 (2023 - \$3,411,035) and as of that date had an accumulated deficit of \$8,173,308 (2023 - \$8,260,632) and working capital of \$2,215,103 (2023 – deficiency of \$530,183). The Company incurred negative cash flows from operations of \$629,790 (2023 - \$1,495,388) for the same period. The Company will need to raise additional funds in the short term to continue to be able to operate, meet its commitments and execute on its acquisitions as it moves towards profitable operations.

Although the Company has been able in the past to obtain financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

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**For the year ended August 31, 2024**

As at August 31, 2024, the Company had cash of \$3,022,192 and working capital of \$2,215,103, compared with cash of \$8,359 and working capital deficiency of \$530,183 as of August 31, 2023.

*Cash Used in Operating Activities*

Cash used in operating activities during the year ended August 31, 2024 was \$629,790 (2023 - \$1,495,388) resulting from a net loss of \$707,041 (2023 - \$2,346,941) from continuing operations and net of non-cash, working capital adjustments and discontinued operations.

*Cash Used in Investing Activities*

Cash used in investing activities during the year ended August 31, 2024 was \$240,337 (2023 - \$221,081) resulting from the Manson Bay, X1 Talent, Shift and Octane acquisitions.

*Cash Generated by Financing Activities*

For the year ended August 31, 2024, cash generated from financing activities was \$3,883,960 (2023 – \$100,597). The Company received \$3,500,000 (2023 - \$nil) from private placement financings, \$353,894 (2023 - \$nil) from a convertible debenture financing, \$73,566 (2023 - \$nil) from warrant exercises and \$15,000 (2023 - \$nil) from a warrant exercise classified as obligation to issue shares as the shares were issued subsequent to August 31, 2024, offset by \$58,500 (2023 - \$nil) in share issue costs. The Company received \$nil (2023 - \$137,817) in loans and repaid the non-interest bearing loan to a third party.

*Requirement of Additional Equity Financing*

The Company has relied primarily on equity financings to date for its operations. The Company needs additional funds to finance its ongoing operating costs. The Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions until such time that the Company becomes self-sustaining.

On November 15, 2023, the Company completed a non-brokered private placement of unsecured convertible debentures for gross proceeds of \$500,000.

On January 25, 2024, the Company completed a non-brokered private placement for gross proceeds of \$500,000.

On August 22, 2024, the Company completed a non-brokered private placement for gross proceeds of \$3,000,000.



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**USE OF PROCEEDS**

On June 28, 2022, the Company completed an initial public offering and raised gross proceeds of \$3,111,669.

The following tables sets out a comparison of how the Company used the proceeds following the closing date to August 31, 2024, an explanation of the variances and the impact of the variance on the ability of the Company to achieve its business objectives and milestones.

| Intended Use of Proceeds  | Actual Use of Proceeds  |
|---|---|
| <p>To engage in sales and marketing activities to attract global and regional partners and sponsors.</p> <p>Enhancing existing retail, merchandising, apparel business and to develop a product licensing business.</p> | <p>The Company engaged with multiple firms to conduct marketing initiatives through business development. Efforts were not fruitful and have been ended.</p>  |
| <p>Develop a content creation business.</p>   | <p>The Company has not used any use of proceeds towards this objective.</p>   |
| <p>Become a tier 1 esports team.</p>  | <p>The Company has invested into the Wild Rift team. On December 9, 2022, the Company announced that it will cease operations of Rix which holds and operates its esports franchise. Rix will no longer compete in Wild Rift effective March 9, 2023 as a result of Riot Games’ recent announcement that it will discontinue support for Wild Rift esports operations outside of Asia. As this team represents the sole team competing in the esports industry within the Rix franchise, the operations supporting the team are being terminated as well.</p>   |
| <p>Business acquisitions.</p>   | <p>The Company acquired X1 Talent, Shift and Octane to expand its gaming and media portfolio.</p> <p>On March 17, 2023, the Company sold all assets related to Shift. The purchasers are the prior owners of Shift, and the primary service providers to the Company in respect of the operations of Shift. The purchasers have satisfied the purchase price by forgoing any rights to termination payments or otherwise in connection with their consulting agreements with the Company, for an aggregate value to the Company of US\$35,250 (\$48,412).</p> <p>On April 6, 2023, the Company wound down operations of X1 Talent, a boutique talent management group for digital content creators. On December 1, 2023, X1 Talent was dissolved.</p> |
| <p>Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones.</p>  | <p>The Company has reduced intended investment into direct esports activities. Current economic and market conditions have contributed to a challenging environment for investing and development in the esports and entertainment space. The Company is pursuing to enhance financial resources and identify new opportunities.</p>  |

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**RELATED PARTY TRANSACTIONS**

**Management Compensation**

Key management personnel comprises the officers and directors of the Company.

| <b>Payments to key management personnel</b>   | <b>Year ended<br/>August 31, 2024</b> | <b>Year ended<br/>August 31, 2023</b> |
|---|---------------------------------------|---------------------------------------|
| Consulting fees – Red Fern Consulting Ltd., a company in which the CFO, Bobby Dhaliwal, is an employee                        | \$ 72,000                             | \$ 90,983                             |
| Consulting fees – Red Fern Consulting Ltd., a company in which the former CFO, Samantha Shorter, has a significant investment | -                                     | 15,250                                |
| Consulting and directors' fees – Adam Giddens, former CEO and current Director  | 66,000                                | 68,000 <sup>(1)</sup>                 |
| Consulting fees – Mark Elfenbein, former CEO  | -                                     | 135,057                               |
| Consulting and directors' fees – Latika Prasad, CEO and Director  | 78,000                                | 45,000                                |

<sup>(1)</sup> Includes \$26,000 in consulting fee prior to appointment of CEO.

As at August 31, 2024, \$206,426 (2023 – \$191,756) was included in accounts payable and accrued liabilities owing to key management personnel. Amounts recorded in accounts payable are non-interest bearing and subject to normal trade terms. The Company has loans payable to a director of \$nil (2023 - \$59,763) as at August 31, 2024. The loans are interest bearing and due on demand.

The Company recognized share-based compensation of \$83,591 (2023 - \$431,023) to officers and directors during the year ended August 31, 2024.

**Off Balance Sheet Arrangements and Proposed Transactions**

The Company has no off-balance sheet arrangements. There are no proposed transactions other than as disclosed elsewhere in this document.

**Accounting Policies and Estimates**

The Company's material accounting policies are disclosed in note 3 of the Company's consolidated financial statements for the year ended August 31, 2024.

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. The Company's significant use of judgments and estimates are disclosed in note 2 of the Company's consolidated financial statements for the year ended August 31, 2024.

In preparing this MD&A, management has made significant assumptions regarding the circumstances and timing of the transactions contemplated therein, which could result in a material adjustment to the carrying amount of certain assets and liabilities if changes to the assumptions are made.

**Financial Risk Management**

The Company's financial instruments are exposed to the following risks:

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. As the Company's policy is to limit cash holdings to instruments issued by major international banks financial institutions, the credit risk is considered by management to be negligible. Accounts receivable include amounts due from the Government of Canada for input tax credits, which are not considered financial instruments. Accounts receivable are written off where there is no reasonable expectation of recovery due to supporting indicators. The Company considers these collectible in the short term and credit risk with respect to these amounts to be low.

## **Management's Discussion and Analysis**

### **For the years ended August 31, 2024 and 2023**

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#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at August 31, 2024, the Company had working capital of \$2,215,103 (August 31, 2023 – deficiency of \$530,183). The Company's financial obligations are limited to accounts payable and accrued liabilities and acquisition consideration payable. Accounts payable and accrued liabilities are substantively due within 30 days. The Company's remaining undiscounted contractual obligation for the convertible debentures is \$466,874 (2023 - \$nil) which are due on November 15, 2024.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at August 31, 2024, the Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity.

#### *Foreign currency risk*

Following the wind-down of foreign operations, the Company's exposure to foreign currency risk has been substantially reduced. Financial instruments denominated in foreign currencies are not substantial. As at August 31, 2024, the Company has not hedged its exposure to currency fluctuations. The Company assessed its foreign currency risk as low as at August 31, 2024.

## **RISK FACTORS**

Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. The risks described herein are not the only risks that affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future business, financial condition and result of operations. Select risks significant to the Company are included here:

#### ***Limited Operating History***

The Company has no history of earnings. The Company will carry out exploration and development with the objective of establishing economic quantities of mineral reserves. There can be no assurance that the Company will achieve profitability in the future.

#### ***Negative Operating Cash Flow***

The Company has negative operating cash flow and has incurred losses since its founding. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the exploration program on the projects and on administrative costs. The Company cannot predict when it will reach positive operating cash flow.

#### ***Management of Growth***

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

#### ***The Company as a Going Concern***

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Company does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

## **Management's Discussion and Analysis**

### **For the years ended August 31, 2024 and 2023**

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#### ***Conflicts of Interest***

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

#### ***Internal Controls***

One or more material weaknesses in the Company's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Company's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Company's policies or procedures may deteriorate. If the Company fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Company may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

#### ***Uninsurable Risks***

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Company property, and punitive awards in connection with those claims and other liabilities. 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. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Company's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Company. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, and legal claims for errors or mistakes by our personnel. 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 common shares.

#### ***Environmental Regulations, Permits and Licenses***

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce

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### **For the years ended August 31, 2024 and 2023**

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the profitability of operations. The Company intends to comply fully with all environmental regulations. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Company to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of the Company's knowledge, it is operating in compliance with all applicable environmental rules and regulations.

#### ***Competition***

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire additional suitable properties or prospects in the future.

#### ***Litigation***

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

#### ***Liability for Actions of Employees, Contractors and Consultants***

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company.

The Company is exposed to the risk that its employees, contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, the curtailment of the Company's operations or asset seizures, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

***Reliance on Key Personnel***

The success of the Company is highly dependent upon the ability, expertise, judgment, discretion and good faith of its limited number of senior management personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

***Growth Will Require New Personnel***

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

***Exploration and Development Risks***

Resource exploration and development 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 that are beyond the control of the Company and that 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 minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. All of the claims to which the Company has a right to acquire an interest are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable 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. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The longterm 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.

***Lack of Availability of Resources***

Mining exploration requires ready access to mining equipment such as drills, and personnel to operate that equipment. There can be no assurance that such resources will be available to the Company on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Company's exploration programs.

***Mineral Exploration and Mining Carry Inherent Risks***

Mineral exploration and mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact exploration and production throughput. Although the Company intends to take adequate precautions to minimize risk, there is a possibility of a material adverse impact on the Company's operations and its financial results.

***Metal Prices are Volatile***

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Company's properties can be mined at a profit. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international

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economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

#### ***Our success depends on developing and maintaining relationships with local communities and stakeholders***

Our ongoing and future success depends on developing and maintaining productive relationships with the communities surrounding our mineral projects, including local indigenous people who may have rights or may assert rights to certain of our properties, and other stakeholders in our operating locations. Local communities and stakeholders may be dissatisfied with our activities or the level of benefits provided, which may result in legal or administrative proceedings, civil unrest, protests, direct action or campaigns against us. Any such occurrence could materially and adversely affect our business, financial condition or results of operations, as well as our ability to commence or continue exploration or mine development activities.

#### ***The impacts of climate change may adversely affect our operations and/or result in increased costs to comply with changes in regulations***

Climate change is an international and community concern which may directly or indirectly affect our business and current and future activities. The continuing rise in global average temperatures has created varying changes to regional climates across the world and extreme weather events have the potential to delay or hinder our exploration activities at our mineral projects, and to delay or cease operations at any future mine. This may require us to make additional expenditures to mitigate the impact of such events which may materially and adversely increase our costs and/or reduce production at a future mine. Governments at all levels are amending or enacting additional legislation to address climate change by regulating, among other things, carbon emissions and energy efficiency, or where legislation has already been enacted, regulation regarding emission levels and energy efficiency are becoming more stringent. As a significant emitter of greenhouse gas emissions, the mining industry is particularly exposed to such regulations. Compliance with such legislation, including the associated costs, may have a material adverse effect on our business, financial condition, results of operations, prospects and our ability to commence or continue our exploration and future development and mining operations.

Changing climate patterns may also affect the availability of water. If the effects of climate change cause prolonged disruption in the delivery of essential commodities then production efficiency may be reduced, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, climate change is perceived as a threat to communities and governments globally and stakeholders may demand reductions in emissions or call upon mining companies to better manage their consumption of climate-relevant resources. Negative social and reputational attention toward our operations may have a material adverse effect on our business, financial condition, results of operations and prospects. A number of governments have already introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulations relating to emission levels (such as carbon taxes) and energy efficiency are becoming more stringent. If the current regulatory trend continues, this may result in increased costs at some or all of our mineral projects.

#### ***Market for Securities and Volatility of Share Price***

Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to the Company's performance that may affect the price of the common shares include the following: other developments that affect the breadth of the public market for the common shares; the release or expiration of lock-up or other transfer restrictions on the common shares; the attractiveness of alternative investments; the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the common shares may affect an investor's ability to trade significant numbers of common shares; the size of the Company's public float may limit the ability of some institutions to invest in common shares; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the common shares, if listed on an exchange, to be delisted from the CSE further reducing market liquidity. As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value and may be volatile in the future, which may result in losses to investors. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and

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### **For the years ended August 31, 2024 and 2023**

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resources. The fact that no market currently exists for the shares may affect the pricing of the common shares in the secondary market, the transparency and availability of trading prices and the liquidity of the common shares.

#### ***International Conflicts***

International conflicts and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business, financial condition and results of operations.

#### ***Dividends***

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company intends to retain earnings, if any, to finance the growth and development of the Company's business. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

#### ***Dilution***

Future sales or issuances of equity securities could decrease the value of the common shares, dilute shareholders' voting power and reduce future potential earnings per common share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into common shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the common shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per common share.

#### ***Additional Financing***

The Company will require equity and/or debt financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund ongoing operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Company's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.