

**ASHLEY GOLD CORP.**  
**Management Discussion and Analysis**  
**For the Year Ended December 31, 2023**

**Background**

The following Management's Discussion and Analysis ("MD&A") of Ashley Gold Corp. (the "Company") is prepared as at April 29, 2024, and should be read in conjunction with the audited financial statements and the accompanying notes for the audited financial statements of the Company for the year ended December 31, 2023. Additional information regarding the Company is available on SEDAR at [www.sedarplus.com](http://www.sedarplus.com).

Since July 15, 2020, the date of inception, the Company adopted International Financial Reporting Standards ("IFRS"). All dollar figures included herein and in the following MD&A are quoted in Canadian dollars unless otherwise stated. The audited financial statements for the year ended December 31, 2023 have been prepared in accordance with International Financial Reporting Standard as issued by the International Accounting Standards Board.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of focused common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A may contain forward looking statements based on assumption and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**Forward Looking Statements**

*Certain information in this management discussion and analysis ("MD&A") is forward-looking within the meaning of certain securities laws, and is subject to important risks, uncertainties and assumptions. The forward-looking information is based on certain assumptions, which could change materially in the future. The forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A. The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. The forward-looking information contained in this MD&A represents the expectations of the Company as of the date of this MD&A and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date.*

**Company Overview**

Ashley Gold Corp. ("Ashley" or the "Company") was incorporated under the Business Corporations Act (Alberta) on July 15, 2020. The Company's registered and operating office is at Suite 1150, 707 – 7th Avenue SW, Calgary, Alberta, T2P 3H6.

The Company's principal business activity is the acquisition and exploration of mineral properties in the natural resource sector with the long-term goal of divesting its investment assets at a profit. The Company's objective is to conduct an exploration program on its core exploration properties, the Ashley Property, Santa Maria Property, Howie Lake Property and Alto-Gardnar Property. As at December 31, 2023, the Company has not yet achieved profitable operations and had accumulated a deficit of \$1,773,592 (2022 - \$519,268), and for the year then ended, incurred a net loss of \$1,254,324 (2022 - \$291,998) and negative cash flows from operating activities of \$677,916 (2022 - \$335,564).

On April 29, 2022, the Company completed its initial public offering of 7,000,000 units, at a price of \$0.10 per unit, for gross proceeds of \$700,000. Each unit consist of one common share in the capital of the Company and one common share purchase warrant of the Company. Each common share purchase warrant is exercisable into one common share at an exercise price of \$0.30. The Company paid the agent a cash commission equal to 10% of the gross proceeds and issued 700,000 agent's warrants which are exercisable into one common share of the Company at an exercise price of \$0.10 and expire on October 29, 2023. The Company also incurred \$68,201 in related share issuance costs related to the agent's expenses. Total net proceeds of the offering were \$561,799.

On May 2, 2022, the Common Shares of the Company commenced trading on the Canadian Stock Exchange (“CSE”) under the trading symbol “ASHL”.

The Company is focused on creating substantive long-term value for its shareholders through the discovery and development of world class gold deposits. The Company currently holds an option to earn:

100% of the Santa Maria subject to a 1.75% royalty;  
100% interest in the Howie Lake Project subject to a 0.5% royalty;  
100% interest in the Alto-Gardnar project subject to a 0.5% royalty;  
100% of the Tabor Lake Lease subject to a 1.5% royalty;  
100% interest in the Sakoose Golde Project subject to a 1.5% royalty;  
100% interest in the Burnthut Property subject to a 1.5% royalty

Ashley is actively searching for additional high potential gold properties to add to its portfolio.

The Company is an early-stage natural resource company engaged primarily in the acquisition, exploration, and, if warranted, the development of mineral properties. The Company’s objective is to conduct efficient and economical exploration on its growing portfolio of high-quality gold projects, currently focused in Northeastern and Northwestern Ontario within the western Abitibi and the Eagle-Wabigoon-Manitou Lakes Greenstone Belts.

The Company is seeking for business opportunities which would be in the best interest and benefit to shareholders. Any such new business would be approved by independent share holders through a special shareholder meeting.

As of December 31, 2023, the Company had an accumulated deficit and expects to incur further loss in the development of its business. As a result, there is a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

### **Overall Performance**

The following is a summary of significant events and transactions that occurred during the year-ended December 31, 2023:

1. On April 22, 2023, the Company entered into a non-arm’s length transaction with URSA to purchase a 100% interest in 11 claims located 40 km southeast of Dryden, Ontario for total consideration of \$1,100, comprised of 1 Santa Maria Claim.
2. On April 22, 2023, the Company entered into a non-arm’s length transaction, a Sale of Mining Claims with URSA to purchase 100% interest in 11 claims located 40 km southeast of Dryden, Ontario for total consideration of \$1,100, comprised of 5 Alto-Gardnar claims.
3. On April 22, 2023, the Company entered into a non-arm’s length transaction with URSA to purchase a 100% interest in 11 claims located 40 km southeast of Dryden, Ontario for total consideration of \$1,100, comprised of 1 Santa Maria Claim.
4. On May 23, 2023, the Company closed the acquisition of the Tabor Lake Property for the asset purchase agreement dated October 13, 2022 to purchase 100% interest in a lease block located approximately 40 km SE of Dryden, known as the Tabor Lake Mine (257.1 hectares) and issued 330,000 common shares at a fair market value of \$0.07 per share for total consideration of \$23,100, on satisfaction of all closing conditions, subject to 1.5% royalty with a buyback option at any time for \$750,000.

On May 23, 2023, the Company acquired the Tabor Lake Property through the issuance of 330,000 common shares with a fair value of \$0.07 per share for total consideration of \$23,100.

5. On July 4, 2023, the Company closed a non-brokered private placement of 5,162,915 units for gross proceeds of \$361,404. Each unit was comprised of one common share and one share purchase warrant exercisable at \$0.12, expiring 24 months from the closing date of the private placement. The share purchase warrants were ascribed a value of \$152,569.

In connection with the non-brokered private placement, the Company paid cash finders fees of \$20,688 and issued 295,536 agent warrants. Each agent warrant is exercisable into one common share at exercise price of \$0.12 for a period of 24 months.

6. On September 21, 2023, the Company issued 277,778 units as payment for a due diligence fee. Each unit was comprised of one common share and one share purchase warrant exercisable at \$0.12, expiring 36 months from the date issued.

On October 4, 2023, the Company closed a non-brokered private placement by issuing 4,166,667 Units with a fair value of \$300,000 to Sorbie Capital Ltd (“the Investor”). The investor is to make monthly payments to the Company based on the trading price of the Company’s shares in each of the next 12 months. As of December 31, 2023, the Company has received \$28,975. Based on the trading price of the Company’s shares at December 31, 2023, the fair value of the remaining consideration to be received is \$117,773 which resulted in a fair value adjustment of \$153,252.

In connection with the non-brokered private placement, the Company incurred finders fees of \$24,000 which were paid through the issuance of 333,333 units. Each unit was comprised of one common share and one agent warrant exercisable at \$0.12, expiring 36 months from the closing date of the private placement. \$19,767 was allocated to agent warrants and \$4,225 was allocated to share capital.

7. On October 6, 2023, the Company entered into an option agreement (the “Option”) with Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. (collectively, the “Optionors”) for the exclusive option to acquire a 100% undivided interest in 19 mining claims situated within the province of Ontario (the “Property”), subject to a 1.5% production royalty of the net smelter returns.
8. On November 8, 2023, the Company acquired an option in the Sakoose Gold Project through the issuance of 200,000 common shares with a fair value of \$0.065 per share for total consideration of \$13,000.
9. On December 4, 2023, the Company closed a non-brokered private placement with 1,036,680 flow-through units at a price of \$0.075 per unit for gross proceeds of \$77,751. Each flow-through unit consists of one flow-through common share and one non-flow-through common share purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flow-through common share at an exercise price of \$0.10 for a period of 24 months. The non-flow-through share purchase warrants were ascribed a value of \$15,952 and \$9,965 was allocated to the flow-through share premium liability.

In connection with the non-brokered private placement, the Company paid cash finders fees of \$7,475 and issued 99,668 agent warrants. Each agent warrant is exercisable into one common share at exercise price of \$0.075 for a period of 24 months.

10. On December 29, 2023, the Company closed a non-brokered private placement with 150,000 flow-through units at a price of \$0.075 per unit for gross proceeds of \$11,250. Each flow-through unit consists of one flow-through common share and one non-flow-through common share purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flow-through common share at an exercise price of \$0.10 for a period of 24 months. The non-flow-through share purchase warrants were ascribed a value of \$2,639 and \$361 was allocated to the flow-through share premium liability.

### **Selected Annual Information**

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company’s audited financial information for the years ended December 31, 2023 and 2022.

	Year ended December 31, 2023	Year ended December 31, 2022
	\$	\$
Revenue	-	-
Expenses	(1,101,087)	(292,027)
Other Items:		
Interest income	15	29
Revaluation of other receivable	(153,252)	
Net loss and comprehensive loss	(1,254,324)	(291,998)
Loss per common shares – basic and diluted	(0.05)	(0.02)
Cash	22,171	263,321
Total assets	742,621	990,475

## **Results of Operations**

The Company has not earned any revenues since inception. The components of the Company's expenses are as follows:

*The fourth quarter for the three-months ended December 31, 2023*

For the three-months ended December 31, 2023, the Company recorded total operating expenses of \$135,805.

The major expenses incurred during the period for the three months ended December 31, 2023, consisted of \$246 in bank charges, \$10,500 in consulting fees, \$56,300 in marketing expenses, \$2,259 in office and administration fees, \$10,090 in stock transfer agent and filing fees in connection with SEDAR filing and stock exchange filing fees for quarterly reports, and \$56,410 in professional fees, including \$38,330 in audit, accounting fees, \$11,920 in legal fees and \$30,000 in management fees.

*Operating Expenses for the year ended December 31, 2023 and 2022*

	Year Ended		Year Ended	
	December 31, 2023		December 31, 2022	
Operating Expenses				
Bank charges	\$	1,038	\$	1,100
Consulting fees		42,100		31,500
Impairment expenses		588,393		-
Marketing expenses		165,930		42,417
Office and administration		18,701		11,404
Professional fees		211,979		151,012
Stock based payment		22,859		-
Stock transfer agent & filing fees		35,542		40,510
Travel expenses		13,545		14,084
Total Operating Expenses	\$	(1,101,087)	\$	(292,027)

For the year ended December 31, 2023, the Company recorded total operating expenses of \$1,101,087 compared to operating expenses of \$292,027 for the year ended December 31, 2022.

The major expenses incurred in 2023, consisted of \$1,038 in bank charges, \$42,100 in consulting fees, \$165,930 in marketing expenses, \$18,701 in office and administration, \$35,542 in stock transfer agent and filing fees in connection with annual and quarterly Sedar filing and stock exchange filing fees, \$13,545 in travel expenses, and \$211,979 in professional fees, which included \$68,407 in audit and accounting fees, \$27,896 in legal fees, and \$120,000 in management fees.

*Cash Flow for the year ended December 31, 2023 and 2022*

	Year Ended		Year Ended	
	December 31, 2023		December 31, 2022	
Cash flow used in operating activities		\$ (677,916)		\$ (335,564)
Cash flow from financing activities		715,647		770,077
Cash flow used in investing activities		(278,881)		(264,945)
Increase in cash during the year		(241,150)		169,568

*Cash Flow used in Operating Activities*

The Company recorded a net loss and comprehensive loss for the year ended December 31, 2023 of \$1,254,324, which when adjusted for working capital items totalling \$188,096 and non-cash stock-based compensation of \$22,859, revaluation of other receivable totalling 153,252 and impairment expenses of \$588,393, resulted in cash flow used in operating activities of \$432,788. In comparison to the year-ended December 31, 2022, the Company recorded a net loss and comprehensive loss of \$291,998, which when adjusted for working capital items totalling \$43,566, resulted in cash flow used in operating activities of \$335,564.

Expenses incurred during the year ended December 31, 2023, were primarily due to professional fees, including year end audit and accounting fees, legal fees incurred in general corporate matters and management fees, in addition consulting fees, marketing expenses, stock transfer agent and filing fees in connection with completion of annual and quarterly SEDAR filings and news release filing fees, and travel expenses.

#### *Cash Flow from Financing Activities*

During the year ended December 31, 2023, the Company received net proceeds of an aggregate of \$757,237 from unit issuance, paid \$61,963 share issuance costs in connection with the unit issuance and received \$20,373 from related parties. In comparison to the year-ended December 31, 2022, the Company received net proceeds of an aggregate of \$863,200 from unit issuances, paid \$155,049 share issuance costs in connection with the unit issuances, received \$33,375 of deferred share issuance costs and received \$28,551 from related parties.

#### *Cash Flow used in Investing Activities*

During the year ended December 31, 2023, the Company incurred expenditures of \$278,881 in exploration and evaluation costs related to the Company's properties, compared with the year-ended December 31, 2022, where the Company incurred expenditures of \$264,995 in exploration and evaluation costs related to the Ashley Property.

### **Summary of Quarterly Results**

A summary of quarterly results is included in the table below. The financial information is derived from the Company's condensed interim unaudited financial statements.

	Three Months ended December 31, 2023	Three Months ended September 30, 2023	Three Months ended June 30, 2023	Three Months ended March 31, 2023
Revenue (\$)	-	-	-	-
Expenses (\$)	(135,805)	(119,728)	(108,510)	(125,792)
Other Items:				
Interest income	-	-	15	-
Revaluation of other receivable	(153,252)			
Recovery of flow-through share premium liability		-	(1,511)	1,511
Impairment expenses		(588,393)	-	-
Stock based compensation		(22,859)	-	-
Net loss and comprehensive loss (\$)	(289,057)	(119,728)	(721,258)	(124,252)
Net loss per share -basic & diluted (\$)	(0.01)	(0.01)	(0.04)	(0.01)
Weighted avg. common shares -basic & diluted	29,832,547	19,945,001	19,178,946	18,990,375

	Three Months ended December 31, 2022	Three Months ended September 30, 2022	Three Months ended June 30, 2022	Three Months ended March 31, 2022
Revenue (\$)	(106,833)	(63,197)	(94,785)	(27,212)
Expenses (\$)				
Other Items:	29	-	-	-
Net loss and comprehensive loss (\$)	(106,804)	(63,197)	(94,785)	(27,212)
Net loss per share -basic & diluted (\$)	(0.01)	(0.00)	(0.01)	(0.00)
Weighted avg. common shares -basic & diluted	18,376,001	17,238,408	14,754,144	9,931,324

Fluctuations in reported earnings/losses during the periods noted above are primarily due to changes in administration and

office expenses, audit and accounting fees, legal fees, consulting fees and stock-based compensation related to the stock options granted to directors, officers, and consultants and impairment on Ashley Property in 2023. The Company had incurred an accumulated deficit of \$1,773,592 from its incorporation date to December 31, 2023. The increase of \$1,254,324 in net loss and comprehensive loss for the twelve months-ended December 31, 2023, was primarily due to professional fees, including audit and accounting fees, legal fees and management fees and also occurred an impairment expenses of the exploration and evaluation on the Ashley property.

### **Financing Activities and Liquidity**

- (1) On July 4, 2023, the Company closed a non-brokered private placement of 5,162,915 units for gross proceeds of \$361,404. Each unit was comprised of one common share and one share purchase warrant exercisable at \$0.12, expiring 24 months from the closing date of the private placement. The share purchase warrants were ascribed a value of \$152,569.

In connection with the non-brokered private placement, the Company paid cash finders fees of \$20,688 and issued 295,536 agent warrants. Each agent warrant is exercisable into one common share at exercise price of \$0.12 for a period of 24 months.

- (2) On October 4, 2023, the Company closed a non-brokered private placement by issuing 4,166,667 Units with a fair value of \$300,000 to Sorbie Capital Ltd (“the Investor”). The investor is to make monthly payments to the Company based on the trading price of the Company’s shares in each of the next 12 months. As of December 31, 2023, the Company has received \$28,976. Based on the trading price of the Company’s shares at December 31, 2023, the fair value of the remaining consideration to be received is \$117,772 which resulted in a fair value adjustment of \$153,252

In connection with the non-brokered private placement, the Company incurred finders fees of \$24,000 which were paid through the issuance of 333,333 units. Each unit was comprised of one common share and one agent warrant exercisable at \$0.12, expiring 36 months from the closing date of the private placement. \$19,767 was allocated to agent warrants and \$4,225 was allocated to share capital.

- (3) On December 4, 2023, the Company closed a non-brokered private placement with 1,036,680 flow-through units at a price of \$0.075 per unit for gross proceeds of \$77,751. Each flow-through unit consists of one flow-through common share and one non-flow-through common share purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flow-through common share at an exercise price of \$0.10 for a period of 24 months. The non-flow-through share purchase warrants were ascribed a value of \$15,952 and \$9,965 was allocated to the flow-through share premium liability.

In connection with the non-brokered private placement, the Company paid cash finders fees of \$7,475 and issued 99,668 agent warrants. Each agent warrant is exercisable into one common share at exercise price of \$0.075 for a period of 24 months.

- (4) On December 29, 2023, the Company closed a non-brokered private placement with 150,000 flow-through units at a price of \$0.075 per unit for gross proceeds of \$11,250. Each flow-through unit consists of one flow-through common share and one non-flow-through common share purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flow-through common share at an exercise price of \$0.10 for a period of 24 months. The non-flow-through share purchase warrants were ascribed a value of \$2,639 and \$361 was allocated to the flow-through share premium liability.

### **Capital Resources**

Capital is comprised of the Company’s shareholders’ equity and any debt that it may issue. As at December 31, 2023, the Company’s shareholders’ equity was \$595,034 (December 31, 2022 – \$952,199) and the Company has no outstanding debt. The capital was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses, and maintain, satisfy, and implement the first year’s work commitments on Ashley’s properties. Additional funds may be required to finance the Company’s further exploration of the Ashley property and other mineral assets acquisition.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements as at December 31, 2023 and 2022 or as of the filing date of this report.

## **Transactions with Related Parties**

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

During the year ended December 31, 2023, an entity controlled by the CFO of the Company charged \$24,000 (December 31, 2022 - \$12,000) in management fees. As of December 31, 2023, the Company had an aggregate of \$10,559 (December 31, 2022 - \$Nil) due to the related party.

During the year ended December 31, 2023, an entity controlled by the CEO of the Company charged \$72,000 (December 31, 2022 - \$32,000) in management fees. As of December 31, 2023, the Company had an aggregate of \$3,220 (December 31, 2022 - \$Nil) due from the related party.

During the year ended December 31, 2023, an entity controlled by a director and the former CEO of the Company charged \$24,000 (December 31, 2022 - \$16,000) in management fees. As of December 31, 2023, the Company had an aggregate of \$8,714 (December 31, 2022 - \$Nil) comprised of management fees and operating expenses due to the related party.

On April 22, 2023, the Company entered into a non-arm's length transaction with URSA to purchase a 100% interest in 11 claims located 40 km southeast of Dryden, Ontario for total consideration of \$1,100, comprised of 1 Santa Maria Claim, 5 Howie Lake claim, and 5 Alto-Gardnar Claims. Pursuant to the agreement, the Company is to pay \$100 for each of the 11 claims on the properties. As of December 31, 2023, the Company had \$1,100 payable outstanding.

All related party transactions were entered into in the normal course of business and are recorded at the exchange amount established and agreed to between the related parties.

## **Proposed Transactions**

There were no proposed transactions during the period except for that disclosed in "Material Events" section. All current transactions are fully disclosed in the audited financial statements for the year ended December 31, 2023.

## **Mineral Property**

### *Ashley Property Option Agreement:*

On July 22, 2020 the Company entered into a property option agreement with David Lefort, Jacques Robert, 9640355 Canada Corp. and Randall Salo (together the "Vendors") where the Vendors granted Ashley the exclusive option to acquire 100% of the Ashley Property (the "Ashley Option") (the "Ashley Agreement").

The Ashley property consists of 115 claims totaling 1,759.6 hectares, including 65 single cell claims and 50 boundary claims, located in the Hincks, Montrose, Bannockburn, Argyle Township in Ontario about 21 km WNW of Matachewan, in the Larder Lake Mining Division and registered with the Ontario Ministry of Energy, Northern Development and Mines (hereinafter known as the "Ashley Property"). If the Company fails to complete a liquidity event within 18 months of the grant of the Ashley Agreement, the Agreement will become null and void. The Vendors would retain 100% interest in the Ashley Property. A liquidity event is defined as all or substantially all of the outstanding common shares of the Company is listed on a Designated Stock Exchange.

On January 12, 2022, and later on March 18, 2022, the Company entered into a first and second amendment agreement, respectively, to extend the liquidity event by sixty days to March 22, 2022 and May 22, 2022, respectively as per the Ashley Agreement. In consideration, the Company made a payment of \$40,000 to the Property Owners, in accordance with the terms and conditions.

The Company is required to pay a quarterly-based royalty equals to 2% of Net Smelter Returns to the property owners, once the Company is on commencement commercial production.

In consideration of the grant of the Ashley Option, Ashley must:

- Pay the Vendors \$40,000 within 30 days of executing the Ashley Agreement (paid). An additional \$30,000 will be paid if a liquidity event is not completed within 11 months of the date of the Ashley Agreement (paid);
- Complete a minimum of \$100,000 of expenditures and obtain an independent technical report that meets the requirements of National Instrument 43-101 and that recommends further exploration on the Ashley Property within 12 months of execution of the Ashley Agreement (met);

- Pay the Vendors a royalty from any ores or minerals mined or extracted from the Ashley Property, including without limitations the approximately 100,000 tonnes of ore and 145,000 tonnes of tailings currently situated on the Ashley Property.

In order to maintain the Ashley Option and to exercise the Ashley Option, Ashley must:

- Issue 300,000 common shares of Ashley and pay \$100,000 to the Vendors upon completion of a liquidity event (cash paid and shares issued);
- Within 12 months of a liquidity event, issue 200,000 common shares of Ashley to the Vendors, pay \$50,000 in cash to the Vendors, and pay a further \$50,000 (either in cash, common shares or a combination thereof);
- Within 24 months of completion of a liquidity event, issue 250,000 common shares of Ashley to the Vendors, pay \$200,000 in cash to the Vendors, and incur a minimum of \$200,000 in property expenditures; and
- Within 36 months of completion of a liquidity event, issue 400,000 common shares of Ashley to the Vendors, pay \$300,000 in cash to the Vendors, and incur a minimum of \$330,000 in property expenditures.

In 2023, the Company terminated the Ashley option agreement to discontinue the Ashley Property Option due to limited funds and difficulty in the precious metals market over the last year. As of December 31, 2023, the Company recorded \$588,393 (2022 - \$Nil) in impairment expenses on the Ashley property.

### **Santa Maria Property:**

On August 2, 2022, the Company entered a non-arm's length transaction, an Asset Purchase Agreement with a related party, URSA Polaris Developments Corporation ("URSA"), incorporated in Calgary, Alberta to purchase 100% interest in 48 mining claims, (1,008 hectares) (hereinafter known as the "Santa Maria Property") located SE of Dryden, Ontario. URSA is a related corporation as it is owned by an officer and director of the Company. The Company paid \$10,000 in cash to the owner of the property and the claims are subject to a 1.75% Net Smelter Royalty ("NSR").

On September 26, 2022, the Company purchased a 26-claim block (546 hectares) located SE of Dryden, Ontario. Ashley paid \$2,400 for a 100% interest in the Property and there are no royalties attached to the property.

On April 22, 2023, the Company entered into a non-arm's length transaction with URSA to purchase a 100% interest in 11 claims located 40 km southeast of Dryden, Ontario for total consideration of \$1,100, comprised of 1 Santa Maria Claim. Pursuant to the agreement, the Company is to pay \$100 for each of the 11 claims on the properties. As of December 31, 2023, the Company had \$1,100 payable outstanding.

The land position of the Santa Maria property is now 1554 hectares (3840 acres).

### **Howie Lake Property:**

On September 9, 2022, the Company purchased 64 claims (1,000 hectares) (hereinafter known as the "Howie Lake Property") located SE of Dryden, Ontario. The Howie Lake property is subject to a 0.5% royalty with a buyback option at any time for \$500,000. Pursuant to the agreement, the Company paid \$10,000 and issued 50,000 common shares of the Company with a fair value of \$0.085 per share.

On April 22, 2023, the Company entered into a non-arm's length transaction, a Sale of Mining Claims with URSA to purchase 100% interest in 11 claims located 40 km southeast of Dryden, Ontario for total consideration of \$1,100, comprised of 5 Alto-Gardnar claims. Pursuant to the agreement, the Company is to pay \$100 for each of the 11 claims on the properties. As of December 31, 2023, the Company had \$1,100 payable outstanding.

The land position of the Howie Lake Property is now 4,396 hectares (10,863 acres).

### **Alto-Gardnar Property:**

On September 29, 2022, the Company purchased a 15-claim block (315 hectares) (hereinafter known as the "Alto- Gardnar Property") located 50 km east of Dryden, Ontario. The Alto-Gardnar Property is subject to a 0.5% royalty with a buyback option at any time for \$500,000. Pursuant to the agreement, the Company issued 275,000 common shares of the Company with a fair value of \$0.085 per share. (Note 5b).

On April 22, 2023, the Company entered into a non-arm's length transaction, a Sale of Mining Claims with URSA to purchase 100% interest in 11 claims located 40 km southeast of Dryden, Ontario for total consideration of \$1,100, comprised of 5



Alto-Gardnar claims. Pursuant to the agreement, the Company is to pay \$100 for each of the 11 claims on the properties. As of December 31, 2023, the Company had \$1,100 payable outstanding.

The land position of the Alto-Gardnar Property is now 750 hectares (1,853 acres).

### **Tabor Lake Property:**

On May 23, 2023, the Company closed the acquisition of the Tabor Lake Property for the asset purchase agreement dated October 13, 2022 to purchase 100% interest in a lease block located approximately 40 km SE of Dryden, known as the Tabor Lake Mine (257.1 hectares) and issued 330,000 common shares at a deemed fair market value price of \$0.065 per share for total consideration of \$23,100, on satisfaction of all closing conditions, subject to 1.5% royalty with a buyback option at any time for \$750,000.

The land position of the Tabor Lake Property is now 257 hectares (635 acres).

As of the year ended December 31, 2023, the Company has completed the first maiden drill program at Tabor Property. - The assay results for the maiden drill program at the Tabor Property that is finalized with:

- TL-23-001 intersects 41 g/t Au over 1m including visible gold from 60.5-meters
- Deeper mineralization confirmed in addition to main workings
- Metallic Screening of TL-23-001 shows coarse fraction of 535 g/t Au
- Mineralization in quartz flooding into wall rock shows elevated Au values
- Maiden Program Successfully Confirms High-Grade Nature of Tabor

Mineralization was intersected in all hoses drilled and all objectives have been reached to advance the project to the next.

### **Sakoose Gold Project:**

On October 6, 2023, the Company entered into an option agreement (the "Option") with Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. (collectively, the "Optionors") for the exclusive option to acquire a 100% undivided interest in 19 mining claims situated within the province of Ontario (the "Property"), subject to a 1.5% production royalty of the net smelter returns.

In consideration for the grant of the Option, the Corporation shall pay the Optionors a total of up to \$68,000 in cash payments and issue to the Optionors, a total of 200,000 common shares of the Corporation with the following payment terms:

- pay \$8,000 cash payment to the Property Owners upon execution of the Agreement and issue 200,000 Common Shares within 7 business days of signing the Agreement (Paid and issued);
- pay \$12,000 cash payment to the Property Owners on the first anniversary of signing the Agreement;
- pay \$18,000 cash payment to the Property Owners on the second anniversary of signing the Agreement; and
- pay \$30,000 cash payment to the Property Owners, OR, at the election of the Corporation, \$14,000 cash payment and \$20,000 payable in Common Shares based on the previous 20-day volume weighted average price on the 3<sup>rd</sup> anniversary of signing the Agreement.

The land position of the Sakoose Gold Project is now 2,704 hectares (6,682 acres).

Cost related to the Company's properties can be summarized as follows as of December 31 2023 and 2022:

Acquisition and exploration costs incurred \$387,954 during the year, included \$278,881 (2022 - \$264,945) of cash expenditures and \$36,100 (2022 - \$96,625) through the issuance of common shares.

### **Financial Instruments and Financial Risk Management**

#### **(a) Fair value**

The fair value of the Company's cash, due from related party, and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

<b>As at:</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Financial assets:</b>		
Amortized cost		
Cash	\$ 22,171	\$ 263,321
Due from related party	\$ 3,220	\$ -
FVTPL		
Other receivable	\$ 117,772	\$ -
<b>Financial liabilities:</b>		
Amortized cost		
Accounts payable and accrued liabilities	\$ 116,887	\$ 38,276
Due to related parties	\$ 20,373	\$ -

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**(b) Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had cash of \$22,171 (December 31, 2022 - \$263,321) to settle the total current liabilities of \$147,586 (December 31, 2022 - \$38,276). As at December 31, 2023, the total working capital of the Company was \$53,828 (December 31, 2022 - \$290,833). The Company believes that these sources will be sufficient to cover the expected short and long-term cash requirements, by raising funds from private placements.

**(c) Credit risk**

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash, other receivables and due from related parties and other receivable. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

**(d) Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Management does not believe that the Company is exposed to any material market risk.

**Capital Management**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers capital to consist of shareholders' equity.

The property in which the Company currently has an interest is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2023.

## Outstanding Share Data

### a) Shares authorized

Unlimited number of common shares with no par value

Unlimited number of preferred shares

### b) Shares issued:

	Number of shares (#)	Dollar Amount (\$)
<b>Balance, December 31, 2021</b>	<b>9,823,375</b>	<b>559,103</b>
Units issued pursuant to IPO at \$0.10 (1)	7,000,000	700,000
Share issuance for acquisition at \$0.23 (2)	300,000	69,000
Unit issuance at \$0.10 (3)	792,000	79,200
Share issuance for acquisition at \$0.085 (4)	325,000	27,625
Unit issuance at \$0.12 (Flow-Through) (5a)	450,000	54,000
Unit issuance at \$0.10 (Non-Flow-Through) (5b)	300,000	30,000
Share purchase warrants	-	(164,064)
Share Issuance Cost - agent's warrants	-	(30,978)
Share Issuance Cost - cash	-	(155,049)
<b>Balance, December 31, 2022</b>	<b>18,990,375</b>	<b>1,168,837</b>
Share issuance for acquisition at \$0.07 (6)	330,000	23,100
Unit issuance \$0.075 (7)	5,162,915	208,835
Unit issuance for service \$0.075 (8)	277,778	2,607
Unit issuance \$0.072 (9)	4,166,667	52,906
Unit issuance for financing fee (9)	333,333	4,225
Share issuance for acquisition at \$0.065 (10)	200,000	13,000
Unit issuance at \$0.075 (Flow-Through) (11)	1,036,680	51,834
Unit issuance at \$0.075 (Flow-Through) (12)	150,000	8,249
Share issuance cost - agent's warrants	-	(47,797)
Share issuance cost - cash	-	(61,962)
<b>Balance, December 31, 2023</b>	<b>30,647,748</b>	<b>1,423,834</b>

- (1) On April 29, 2022, the Company completed its initial public offering of 7,000,000 units, at a price of \$0.10 per unit, for gross proceeds of \$700,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant of the Company. Each common share purchase warrant is exercisable into one common share at an exercise price of \$0.30. The Company paid the agent a cash commission equal to 10% of the gross proceeds and issued 700,000 agent's warrants which are exercisable into one common share of the Company at an exercise price of \$0.10 and expire on October 29, 2023. The Company also incurred \$68,201 in related share issuance costs related to the agent's expenses. Total net proceeds of the offering were \$561,799.
- (2) On May 12, 2022, Company issued 300,000 common shares of the Company with a fair value of \$0.23 per share and paid \$100,000 cash to the vendors of Ashley Gold Property upon completion of the liquidity event pursuant to the property option agreement dated July 22, 2020.
- (3) On September 26, 2022, the Company closed the first tranche of a non-brokered private placement of 792,000 units at \$0.10 per unit for gross proceeds of \$79,200. Each common share purchase warrant is exercisable into one common share at an exercise price of \$0.20 for a period of 24 months.

In connection with the non-brokered private placement, the Company paid a 4.5% cash finders' fees totaling \$3,536 and issued 35,360 agent's warrants. Each agent warrant is exercisable into one common share at an exercise price of \$0.10 per agent's warrant for a period of 24 months.

- (4) On October 11, 2022, the Company issued 275,000 and 50,000 common shares of the Company with a fair value of \$0.085 per share valued at \$23,375 and \$4,250 for the acquisitions of the Howie Lake and Alto-Gardnar properties, respectively.
- (5) On December 21, 2022, the Company closed its second tranche of a non-brokered private placement of units for gross proceeds of \$84,000. The second tranche was comprised of:
  - a. 450,000 flow-through units \$54,000 at a price of \$0.12 per unit for gross proceeds of \$54,000. Each Flow-Through Unit consists of one flow-through common share and one non-flow-through common share

purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flow-through common share at an exercise price of \$0.20 for a period of 24 months .

- b. 300,000 non-flow-through units (“Non-Flow-Through Units”) at a price of \$0.10 per unit for gross proceeds of \$30,000. Each Non-Flow-Through Unit consists of one non-flow-through common share and one non-flow-through common share purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flow-through common share at an exercise price of \$0.20 for a period of 24 months.

In connection with the non-brokered private placement, the Company paid 8% cash finders’ fees totaling \$6,720, and issued 60,000 agent’s warrants. 36,000 agent warrants are exercisable into one common share at an exercise price of \$0.12 for a period of 24 months and 24,000 agent warrants are exercisable into one common share at an exercise price of \$0.10 for a period of 24 months.

- (6) On May 23, 2023, the Company acquired the Tabor Lake Property through the issuance of 330,000 common shares with a fair value of \$0.07 per share for total consideration of \$23,100.
- (7) On July 4, 2023, the Company closed a non-brokered private placement of 5,162,915 units for gross proceeds of \$361,404. Each unit was comprised of one common share and one share purchase warrant exercisable at \$0.12, expiring 24 months from the closing date of the private placement. The share purchase warrants were ascribed a value of \$152,569.

In connection with the non-brokered private placement, the Company paid cash finders fees of \$20,688 and issued 295,536 agent warrants. Each agent warrant is exercisable into one common share at exercise price of \$0.12 for a period of 24 months.

- (8) On September 21, 2023, the Company issued 277,778 units as payment for a due diligence fee. Each unit was comprised of one common share and one share purchase warrant exercisable at \$0.12, expiring 36 months from the date issued.
- (9) On October 4, 2023, the Company closed a non-brokered private placement of 4,166,667 units for gross proceeds of \$300,000. Each unit was comprised of one common share and one share purchase warrant exercisable at \$0.12, expiring 36 months from the closing date of the private placement. The share purchase warrants were ascribed a value of \$247,094. Pursuant to the agreement, the proceeds are to be paid in installments over a 12-month period from the closing date.

In connection with the non-brokered private placement, the Company incurred finders fees of \$24,000 which were paid through the issuance of 333,333 units. Each unit was comprised of one common share and one agent warrant exercisable at \$0.12, expiring 36 months from the closing date of the private placement. \$19,767 was allocated to agent warrants and \$4,225 was allocated to share capital.

- (10) On November 8, 2023, the Company acquired an option in the Sakoose Gold Project through the issuance of 200,000 common shares with a fair value of \$0.065 per share for total consideration of \$13,000.
- (11) On December 4, 2023, the Company closed a non-brokered private placement with 1,036,680 flow-through units at a price of \$0.075 per unit for gross proceeds of \$77,751. Each flow-through unit consists of one flow-through common share and one non-flow-through common share purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flow-through common share at an exercise price of \$0.10 for a period of 24 months. The non-flow-through share purchase warrants were ascribed a value of \$15,952 and \$9,965 was allocated to the flow-through share premium liability.

In connection with the non-brokered private placement, the Company paid cash finders fees of \$7,475 and issued 99,668 agent warrants. Each agent warrant is exercisable into one common share at exercise price of \$0.075 for a period of 24 months.

- (12) On December 29, 2023, the Company closed a non-brokered private placement with 150,000 flow-through units at a price of \$0.075 per unit for gross proceeds of \$11,250. Each flow-through unit consists of one flow-through common share and one non-flow-through common share purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flow-through common share at an exercise price of \$0.10 for a period of 24 months. The non-flow-through share purchase warrants were ascribed a value of \$2,639 and \$361 was allocated to the flow-through share premium liability.

### c) Escrow Shares

On September 20, 2021, the Company entered an escrow agreement between the Company, TSX Trust Company and the security holders. There were 4,940,249 common shares of the Company held in escrow. 10% of the escrowed securities shall be released on the listing date, the remaining 90% of the escrowed securities will be released from escrow in 15% tranches at six-month intervals over a 36-month period.

As at December 31, 2023, 2,223,118 (2022 – 3,705,190) shares were held in escrow.

### d) Stock options

On April 19, 2023, the Company granted incentive stock options to directors, officers, and consultants of the Company to purchase an aggregate of 350,000 common shares at an exercise price of \$0.07 per option, pursuant to the Company's Incentive Stock Option Plan. The options vested immediately and are exercisable for a period of five years from the date of grant until April 19, 2028.

Using the Black-Scholes, the fair value of the stock options granted during the year ended December 31, 2023 was estimated to be \$0.07 per option by using the following assumptions at the measurement date:

<u>Date of Issuance</u>	<u>April 19, 2023</u>
Dividend yield	0%
Expected volatility	120%
Risk-free interest rate	3.75%
Forfeiture rate	0%
Share price – on issuance	\$0.08
Exercise price	\$0.12
Term	60 months
Fair value per option	\$0.07
Fair value of option	\$22,859

During the year ended December 31, 2022, the Company recorded stock-based compensation of \$22,859 (December 31, 2022 – \$Nil).

A summary of stock option activity as at December 31, 2023 is as follows:

	<b>Number of options - outstanding and exercisable</b>	<b>Weighted average exercise price</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>
Balance, December 31, 2021	1,382,337	\$ 0.25	4.71
Balance, December 31, 2022	1,382,337	\$ 0.25	3.71
Grant on April 19, 2023	350,000	\$ 0.12	4.30
<b>Balance, December 31, 2023</b>	<b>1,732,337</b>	<b>\$ 0.22</b>	<b>3.03</b>

### e) Warrants

#### (i) Share Purchase Warrants:

As at December 31, 2023 there were 12,058,263 (December 31, 2022 – 8,542,000) share purchase warrants outstanding and the fair value of the share warrants granted was estimated at the date of grant using Black-Scholes option pricing model with following assumptions

<u>Date of Issuance</u>	<u>July 4, 2023</u>	<u>October 4, 2023</u>	<u>December 4, 2023</u>	<u>December 29, 2023</u>
Number of share purchase warrants	5,162,915	4,166,667	1,036,680	150,000
Dividend yield	0%	0%	0%	0%
Expected volatility	93.12%	123.88%	87.96%	86.11%
Risk-free interest rate	4.75%	4.75%	4.75%	4.75%

Forfeiture rate	0%	0%	0%	0%
Share price – on issuance	\$0.075	\$0.09	\$0.05	\$0.055
Exercise price	\$0.12	\$0.12	\$0.10	\$0.10
Term	24 months	36 months	24 months	24 months
Fair value per warrant	\$0.0296	\$0.0459	\$0.0155	\$0.0178
Fair value of warrants	\$152,569	\$247,094	\$15,952	\$2,639

Date of Issuance	April 29, 2022	September 26, 2022	December 21, 2022	December 21, 2022
Number of share purchase warrants	7,000,000	792,000	450,000	300,000
Dividend yield	0%	0%	0%	0%
Expected volatility	103%	109%	108%	108%
Risk-free interest rate	2.63%	3.83%	3.72%	3.72%
Forfeiture rate	0%	0%	0%	0%
Share price – on issuance	\$0.08	\$0.08	\$0.11	\$0.11
Exercise price	\$0.30	\$0.20	\$0.20	\$0.20
Term	18 months	24 months	24 months	24 months
Fair value per warrant	\$0.02	\$0.03	\$0.04	\$0.04
Fair value of warrants	\$106,986	\$23,406	\$20,203	\$13,469

	Number of warrants	Weighted average exercise price	Weighted Average Remaining Contractual Life (Years)
Balance, December 31, 2021	-	-	-
Issued On:			
April 29, 2022	7,000,000	\$0.30	0.83
September 26, 2022	792,000	\$0.20	1.74
December 21, 2022	750,000	\$0.20	1.98
Balance, December 31, 2022	8,542,000	\$0.28	1.75
Issued on:			
July 4, 2023	5,162,915	\$ 0.12	1.51
October 4, 2023	4,166,667	\$ 0.12	2.76
December 4, 2023	1,036,680	\$ 0.10	1.93
December 29, 2023	150,000	\$ 0.10	2.00
Expired	(7,000,000)	\$0.10	-
<b>Balance, December 31, 2023</b>	<b>12,058,262</b>	<b>\$ 0.13</b>	<b>1.90</b>

**(ii) Agent's warrants:**

As at December 31, 2023, there were 1,101,675 (December 31, 2022 – 795,360) agent's warrants outstanding and the fair value of the share warrants granted was estimated at the date of grant using Black-Scholes option pricing model with following assumptions:

Date of Issuance	July 4, 2023	September 21, 2023	October 4, 2023	December 4, 2023
Number of agent's warrants	295,536	277,778	333,333	99,668
Dividend yield	0%	0%	0%	0%
Expected volatility	93.12%	123.88%	123.88%	87.98%
Risk-free interest rate	4.75%	4.75%	4.75%	4.75%
Forfeiture rate	0%	0%	0%	0%
Share price – on issuance	\$0.075	\$0.09	\$0.09	\$0.055
Exercise price	\$0.12	\$0.12	\$0.12	\$0.075
Term	24 months	36 months	36 months	24 months
Fair value per warrant	\$0.0296	\$0.0626	\$0.0155	\$0.0177
Fair value of warrants	\$8,719	\$17,393	\$19,775	\$1,910

<b>Date of Issuance</b>	<b>April 29, 2022</b>	<b>September 26, 2022</b>	<b>December 21, 2022</b>	<b>December 21, 2022</b>
Number of finder's warrants	700,000	35,360	36,000	24,000
Dividend yield	0%	0%	0%	0%
Expected volatility	103%	109%	108%	108%
Risk-free interest rate	2.63%	3.83%	3.72%	3.72%
Forfeiture rate	0%	0%	0%	0%
Share price – on issuance	\$0.08	\$0.08	\$0.11	\$0.11
Exercise price	\$0.10	\$0.10	\$0.12	\$0.10
Term	18 months	24 months	24 months	24 months
Fair value per warrant	\$0.04	\$0.04	\$0.06	\$0.06
Fair value of warrants	\$25,970	\$1,485	\$2,053	\$1,470

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>
Balance, December 31, 2021	-	-	-
Issued on:			
April 29, 2022	700,000	\$0.10	0.83
September 26, 2022	35,360	\$0.10	1.74
December 21, 2022	24,000	\$0.10	1.98
December 21, 2022	36,000	\$0.12	1.98
<b>Balance, December 31, 2022</b>	<b>735,360</b>	<b>\$0.10</b>	<b>0.95</b>
Issued on:			
July 4, 2023	295,536	\$ 0.12	1.79
September 21, 2023	277,778	\$ 0.12	2.73
October 4, 2023	333,333	\$ 0.12	2.76
December 4, 2023	99,668	\$0.075	1.93
Expired	(700,000)	(\$ 0.10)	-
<b>Balance, December 31, 2023</b>	<b>1,101,675</b>	<b>\$ 0.08</b>	<b>2.18</b>

As of December 31, 2023, the fair value of the outstanding warrants was \$661,093 (December 31, 2022 - \$195,042), comprised of \$582,318 (December 31, 2022 - \$164,064) for share purchase warrants granted and \$78,775 for agent's warrants (December 31, 2022 - \$30,978).

### **Flow-Through Share Premium Liability**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Balance, beginning	\$	\$
Share premium liability on flow-through shares	9,965	-
Share premium liability on flow-through shares	361	-
<b>Balance, ending</b>	<b>\$ 10,326</b>	<b>\$ -</b>

### **Risks and Uncertainties**

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's business and the present stage of exploration of its mineral property (which is primarily an early stage exploration property with no known resources or reserves that have not been explored by modern methods), the following risk factors, among others, may apply:

### ***Exploration Stage Company:***

The Company has no history of operations and is still in an early stage of development. The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Ashley Property is in the early stages of exploration and is without a known deposit of commercial ore. Development of the Ashley Property will only follow upon obtaining satisfactory exploration results. There can be no assurance that the Company's existing or future exploration programs will result in the discovery of commercially viable mineral deposits. Further, there can be no assurance that even if a deposit of minerals is located, that it can be commercially mined.

### ***Mineral Exploration and Development:***

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, during which even a combination of careful evaluation, experience and knowledge may not eliminate. The proposed program on the Ashley Property is an exploratory search for mineral deposits. While discovery of an ore body may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, financing costs, the cyclical nature of commodity prices, and government regulations (including those related to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof, cannot be accurately predicted but could have an adverse impact on the Company. The Company's operations are also subject to all of the hazards and risks normally encountered in mineral exploration and development. These risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, political unrest aboriginal band claims and theft. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. The Company does not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or upon acceptable terms. The potential costs associated with losses or liabilities not covered by insurance coverage may have a material adverse effect upon the Company's financial condition.

### ***Operating History and Financial Resources:***

The Company has no history of operations or revenues and it is unlikely that the Company will generate any revenues from operations in the foreseeable future. The Company anticipates that its existing cash resources, together with the net proceeds of the Offering, will be sufficient to cover the Company's projected funding requirements for the ensuing year. If the Company's exploration program is successful, additional funds will be required for further exploration and development to determine if any deposits are economic and, if economic, to possibly bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests. The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill the Company's existing obligations or for further exploration and development on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of the Company's properties or to reduce or terminate the Company's operations. Additional funds raised by the Company from treasury share issuances may result in further dilution to its shareholders or result in a change of control.

### ***Possible Loss of Interest in the Ashley Property:***

The Company's ability to maintain an interest in the Ashley Property will 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 expend certain minimum amounts on the exploration of the Ashley Property. If the Company fails to incur such expenditures in a timely fashion, the Company may lose its interest in the Ashley Property.

### ***Competition:***

The mineral exploration business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on the Company's ability to develop the Ashley Property, but also on the Company's ability to select and acquire suitable prospects for mineral exploration or development. In addition, the mining industry periodically faces a shortage of equipment



and skilled personnel and there can be intense competition for experienced geologists, engineers, field personnel and other contractors. There is no assurance that the Company will be able to compete successfully with others in acquiring prospective properties, equipment or personnel.

#### ***Environmental Risks and Hazards:***

All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

#### ***Government Regulations:***

The Company's current or future operations, including exploration and development activities and the commencement and continuation of commercial production, require licenses, permits or other approvals from various federal, provincial, territorial and/or local governmental authorities. Such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, aboriginal land claims and other matters. The Company believes that it is in substantial compliance with all material laws and regulations which currently apply to the Company's activities. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which the Company may require for the conduct of the Company's current or future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on any mining project which the Company may undertake. Possible changes to mineral tax legislation and, regulations could cause additional expenses, capital expenditures, restrictions and delay on the Company's planned exploration and operations, the extent of which cannot be predicted. 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 the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

#### ***Title Risks:***

While the Company has exercised the usual due diligence with respect to determining title to the Company's properties, there is no guarantee that title to such properties will not be challenged or impugned. The Company's properties have not been surveyed. The Company's properties may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its rights, title, estate and interest in and to the properties, when and if earned, to which the title defects relate. Further, the Company does not own the Ashley Property and only has a right to acquire an interest therein pursuant to the Option Agreement. In the event that the Company does not fulfill its obligations under the Option Agreement, it will lose its interest in the Ashley Property.

#### ***First Nations Land Claims:***

The Ashley Property or other properties optioned by the Company may now or in the future be the subject of first nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Company.

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

Since inception, the Company has had negative operating cash flow. The negative operating cash flow is expected to continue for the foreseeable future as funds are expended on the exploration program on the Ashley Property and administrative costs. The Company cannot predict when it will reach positive operating cash flow.

### ***Commodity Prices:***

The price of the Company's securities, the Company's financial results and exploration, development and mining activities have previously been, and may in the future be, significantly adversely affected by declines in the price of precious or base metals. Precious or base metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious or base metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, the degree to which a dominant producer uses its market strength to bring supply into equilibrium with demand, and international political and economic trends, conditions and events. The prices of precious or base metals have fluctuated widely in recent years, and future price declines could cause continued development of the Company's properties to be impracticable.

### ***Price Volatility and Lack of Active Market:***

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies, particularly resource issuers, have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. There is currently no market through which the Company's Common Shares can be sold and there can be no assurance that one will develop or be sustained after the Offering. If an active market does not develop, the liquidity of your investment may be limited and the market price of the Common Shares forming part of the Units may decline below the Offering Price.

### ***Reliance on Management and Experts:***

The Company's success will be largely dependent, in part, on the services of the Company's senior management and directors. The Company has not purchased any "key man" insurance, nor has the Company entered into any non-competition or non-disclosure agreements with any of the Company's directors, officers or key employees and has no current plans to do so. The Company may hire consultants and others for geological and technical expertise but there is no guarantee that the Company will be able to retain personnel with sufficient technical expertise to carry out the future development of the Company's properties.

### ***Concentration of Ownership:***

Immediately following the completion of the Offering, the Company's directors, major shareholders, executive officers and their respective associates will beneficially own 1,750,000 Common Shares representing approximately 18.18% of the Company's outstanding share capital assuming none of the foregoing persons participate in the Offering. These shareholders could significantly influence the outcome of actions taken by management that require shareholder approval. For example, these shareholders could significantly influence the election of the Company's directors and control changes in management.

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

Certain of the Company's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. The Company will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

## ***Litigation***

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

## **Material Events**

During the year ended December 31, 2023, on January 23, 2023, George Stephenson resigned as President and CEO of the Company and has retained a seat on the Board of Directors and move to Chairman of the Board.

Darcy Christian has moved into the President and CEO from VP Operations.

As at December 31, 2023 the directors and officers of the Company are as follows:

- George E. Stephenson: *Director and Chairman of the Board*
- Darcy J. Christian: *Chief Executive Officer and Corporate Secretary and Director*
- Paul J. Rozek: *Chief Financial Officer*
- Douglas B. Coleman: *Director*
- Robert W. Lishman: *Director*

## **Cautionary Statement on Forward-Looking Information**

This MD&A may contain certain statements that may be deemed “forward-looking statements.” All statements in this document, other than statements of historical fact, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words “expects,” “plans,” “anticipates,” “believes,” “intends,” “estimates,” “projects,” “potential,” “interprets,” and similar expressions, or that events or conditions “will,” “would,” “may,” “could,” or “should” occur. Forward-looking statements in this document include statements regarding liquidity and effects of accounting policy changes, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties. In addition, forward-looking statements are based on various assumptions including, without limitation, the expectations and beliefs of management that the Company can access financing. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change except as required by law.

## **Subsequent events**

### **Burnthut Property**

On January 2, 2024, the Company purchased 100% of the Burnthut Property, consisting of 63 unpatented mining cells, located southwest of Sioux Lookout, Ontario on the Treasury Metals Goliath-Goldlund trend. The property covers approximately 8km of favourable geology in the central volcanic belt along the Goldlund and Miller gold deposits. Pursuant to the agreement, the Company is to make \$10,000 cash payment over four months and issued 600,000 shares at fair market value of \$0.055 per share on execution of Agreement and subject to a 1.5% Net Smelter Royalty (NSR) with the option to purchase 0.5% back at \$600,000 reducing the NSR to 1%.

The land position of the Burnthut Property is now 1,453 hectares (3,591 acres).

### **Sahara Uranium-Vanadium Property**

On March 4, 2024, the Company has signed non-binding Letter of Intent (the “LOI”) to enter into an Option Agreement for the 100% acquisition of the Sahara Uranium-Vanadium Property located in Emery County, Utah with San Rafael Resources LLC (“the Property Owner”) and issued 500,000 common shares of the Company to the Property Owner on April 8, 2024 for the signing of LOI. The property is located 12 miles away from the town of Green River, Utah where Western Uranium and

Vanadium is in the process of permitting a processing facility for its San Rafael and Sunday Mine complex resources as well as third party processing.

On April 18, 2024, the Company has signed an executive agreement with the Property Owner based on the LOI dated March 4, 2024. The Company agreed to issue additional 4,500,000 common shares of the Company to the Property Owner within 30 days after a completion of a private placement financing for minimum gross proceeds of CDN \$1,000,000, such financing to be completed by July 31, 2024.

In order to maintain in force the Option granted, and to exercise the Option, the Corporation must issue the following Common Shares, make the following cash payments and complete the following expenditures on the Property:

1. Drill 1,000 metres on the Property and complete a National Instrument 43-101 Report on the Property within 30 days of the first anniversary of the Option.
2. To earn an initial 30% interest to the Property: (i) issue to the Property Owner, or its nominee, 18,500,000 Common Shares; and (ii) pay USD \$100,000 cash to the Property Owner, or its nominee, within 30 days of the first anniversary of the Option.
3. To earn a 50% interest to the Property:
  - (i) issue to the Property Owner, or its nominee, 20,000,000 Common Shares; and
  - (ii) complete expenditures of USD \$3,000,000 on the Property, within 30 days of the second anniversary of the Option.
4. To earn 100% of the Property:
  - (i) issue to the Property Owner, or its nominee, the greater of 36,500,000 Common Shares and the number of Common Shares that would result in the aggregate number of Common Shares issued to the Property Owner pursuant to the Agreement, representing 40% of the issued and outstanding Common Shares;
  - (ii) pay USD \$1,000,000 cash to the Property Owner, or its nominee; and
  - (iii) complete USD \$7,000,000 of expenditures on the Property, within 30 days of the third anniversary of the Option.

In addition, pursuant to Section 3.3 of the Agreement, the Corporation shall issue to the Property Owner, or its nominee, the following Common Shares on satisfaction of certain uranium targets, as further detailed in the Agreement:

- (a) 10MM pounds of uranium in Preliminary Economic Assessment (as such term is defined in the Agreement), 15,000,000 Common Shares and USD \$500,000; and
- (b) 30MM pounds of uranium in Preliminary Economic Assessment, 35,000,000 Ashley Shares and USD \$2,500,000.

### **Closed Private Placement**

On March 21, 2024, the Company closed a non-brokered private placement of 3,657,500 units at \$0.05 per unit for gross proceeds of \$182,875. Each common share purchase warrant is exercisable into one common share at an exercise price of \$0.07 for a period of 24 months. In connection with the offering, the Company agreed to pay a total of \$14,750 cash in finders fees and issue 295,000 finder warrants at an exercise price of \$0.05 expiring 24 months from the closing date of the offering.

### **Stock Option Granted**

On March 21, 2024, the Company granted incentive stock options to directors, officers, and consultants of the Company to purchase an aggregate of 1,000,000 common shares at an exercise price of \$0.10 per option, pursuant to the Company's Incentive Stock Option Plan. The options will be vested immediately and expire after five years.

### **Additional Information**

Additional information about the Company is available on SEDAR at [www.sedarplus.com](http://www.sedarplus.com).