

ASHLEY GOLD CORP.
Management Discussion and Analysis
For the Three Months Ended March 31, 2024

Background

The following Management Discussion and Analysis (“MD&A”) of Ashley Gold Corp. (the “Company”) is prepared as at May 30, 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.

Since July 15, 2020, the date of inception, the Company adopted International Financial Reporting Standards (“IFRS”). All dollar figures included in this MD&A are quoted in Canadian dollars unless otherwise stated. The unaudited condensed interim financial statements for the three months ended March 31, 2024, have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting and they do not include all of the information required for full annual financial statements in accordance with IFRS, 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.

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 Santa Maria Property, Howie Lake Property and Alto-Gardnar Property. As at March 31, 2024, the Company has not yet achieved profitable operations and had accumulated a deficit of \$1,895,589 (2023 - \$1,773,592), and for the three months then ended, incurred a net loss of \$121,997 (2023 - \$124,281) and negative cash flows from operating activities of \$41,439 (2023 - \$102,141 negative).

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.

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% interest in 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% interest in the Tabor Lake Lease subject to a 1.5% royalty;
- An option to earn 100% interest in the Sakoose Gold Project subject to a 1.5% royalty;
- 100% interest in the Burnthut Property subject to a 1.5% royalty;
- An option to earn 100% interest in the Uranium-Vanadium 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 March 31, 2024, 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 three months ended March 31, 2024:

1. On January 2, 2024, the Company acquired an option in the Burnthut Property through issuance of 600,000 common shares with a fair value of \$0.055 per share for a total consideration of \$33,000.
2. 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, comprised of one common share and one-half of one common share purchase warrant (“Warrant”). Each 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.

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 | 589,368 | 990,475 |

Results of Operations

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

Operating Expenses for the three months ended March 31, 2024 and 2023

| | | Three Months Ended March 31, 2024 | | Three Months Ended March 31, 2023 |
|------------------------------------|----|--------------------------------------|----|--------------------------------------|
| Operating Expenses | | | | |
| Bank charges | \$ | 222 | \$ | 240 |
| Consulting fees | | 3,500 | | 10,500 |
| Marketing expenses | | 15,368 | | 54,641 |
| Office and administration | | 2,671 | | 3,079 |
| Professional fees | | 48,563 | | 45,846 |
| Stock based payment | | 46,639 | | - |
| Stock transfer agent & filing fees | | 4,479 | | 3,467 |
| Travel expenses | | - | | 8,019 |
| Total Operating Expenses | \$ | (121,442) | \$ | (125,792) |

For the three months ended March 31, 2024, the Company recorded total operating expenses of \$121,442 compared to operating expenses of \$125,792 for the three months ended March 31, 2023.

The major expenses incurred in 2024, consisted of \$222 in bank charges, \$3,500 in consulting fees, \$15,368 in marketing expenses, \$2,671 in office and administration, \$4,479 in stock transfer agent and filing fees in connection with annual and quarterly SEDAR filing and stock exchange filing fees, \$46,639 in stock based payment in connection with valuation of 1 million stock option granted and \$48,563 in professional fees, which included \$6,375 in audit and accounting fees, \$6,236 in legal fees, and \$35,952 in management fees.

Cash Flow for the three months ended March 31, 2024 and 2023

| | | Three Months Ended March 31, 2024 | | Three Months Ended March 31, 2023 |
|-----------------------------------------------|--|--------------------------------------|----|--------------------------------------|
| | | | \$ | \$ |
| Cash flow used in operating activities | | (41,439) | | (102,141) |
| Cash flow from financing activities | | 248,023 | | (2,940) |
| Cash flow used in investing activities | | (28,305) | | (48,940) |
| Increase (decrease) in cash during the period | | 178,279 | | (154,021) |

Cash Flow used in Operating Activities

The Company recorded a net loss and comprehensive loss for the three months ended March 31, 2024 of \$121,997, which when adjusted for working capital items totalling \$47,194 and non-cash stock-based compensation of \$46,639 and revaluation of other receivable totalling \$555, resulted in cash flow used in operating activities of \$41,439. In comparison to the three months ended March 31, 2023, the Company recorded a net loss and comprehensive loss of \$124,281, which when adjusted for working capital items totalling \$1,511 in reversal of flow-through share premium, resulted in cash flow used in operating activities of \$102,141.

Expenses incurred during the three months ended March 31, 2024, 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 three months ended March 31, 2024, the Company received net proceeds of an aggregate of \$139,250 from a private placement of units issuance of 3,657,500, paid \$22,750 share issuance costs in connection with the unit issuance and \$20,875 was received in the subsequent. In comparison to the three months ended March 31, 2023, the Company paid \$2,940 share

issuance costs in connection with the unit issuances in the last fiscal year. In addition, the Company received \$108,773 in the government refund for the qualified exploration expenditures.

Cash Flow used in Investing Activities

During the three months ended March 31, 2024, the Company incurred expenditures of \$13,140 in exploration and evaluation costs related to the Company's properties and \$15,165 in deferred exploration costs, compared with the three months ended March 31, 2023, where the Company incurred expenditures of \$30,618 in exploration and evaluation costs related to the Company's properties and \$18,322 in deferred exploration costs.

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 March 31, 2024 | Three Months ended December 31, 2023 | Three Months ended September 30, 2023 | Three Months ended June 30, 2023 |
|--------------------------------------------------|-----------------------------------------|--------------------------------------------|---------------------------------------------|----------------------------------------|
| Revenue (\$) | - | - | - | - |
| Expenses (\$) | (121,442) | (135,805) | (119,728) | (108,510) |
| Other Items: | | | | |
| Interest income | - | - | - | 15 |
| Revaluation of other receivable | (555) | (153,252) | | |
| Recovery of flow-through share premium liability | - | - | - | (1,511) |
| Impairment expenses | - | - | (588,393) | - |
| Stock based compensation | - | - | (22,859) | - |
| Net loss and comprehensive loss (\$) | (121,997) | (289,057) | (119,728) | (721,258) |
| Net loss per share -basic & diluted (\$) | (0.00) | (0.01) | (0.01) | (0.04) |
| Weighted avg. common shares -basic & diluted | 31,281,045 | 29,832,547 | 19,945,001 | 19,178,946 |

| | Three Months ended March 31, 2023 | Three Months ended December 31, 2022 | Three Months ended September 30, 2022 | Three Months ended June 30, 2022 |
|--------------------------------------------------|-----------------------------------------|--------------------------------------------|---------------------------------------------|----------------------------------------|
| Revenue (\$) | - | - | - | - |
| Expenses (\$) | (125,792) | (106,833) | (63,197) | (94,785) |
| Other Items: | | | | |
| Interest income | - | 29 | - | - |
| Recovery of flow-through share premium liability | 1,511 | - | - | - |
| Net loss and comprehensive loss (\$) | (124,281) | (106,804) | (63,197) | (94,785) |
| Net loss per share -basic & diluted (\$) | (0.01) | (0.01) | (0.00) | (0.01) |
| Weighted avg. common shares -basic & diluted | 18,990,375 | 18,376,001 | 17,238,408 | 14,754,144 |

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 2024. The Company had incurred an accumulated deficit of \$1,895,589 from its incorporation date to March 31, 2024. The increase of \$1,252,040 in net loss and comprehensive loss for the twelve months-ended March 31, 2024, was primarily due to professional fees, including audit and accounting fees, legal fees and management fees, stock-based payment in connection with options granted to directors, management and consultants of the Company and also occurred an impairment expense of the exploration and evaluation on the Ashley property.

Financing Activities and Liquidity

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, comprised of one common share and one-half of one common share purchase warrant (“Warrant”). Each 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.

Capital Resources

Capital is comprised of the Company’s shareholders’ equity and any debt that it may issue. As at March 31, 2024, the Company’s shareholders’ equity was \$564,712 (December 31, 2023 - \$441,782) 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 March 31, 2024 and December 31, 2023 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 three months ended March 31, 2024, an entity controlled by CEO and director of the Company charged \$23,952 (March 31, 2023 - \$18,000) in management fees. As of March 31, 2024, the Company advanced \$4,520 to the CEO for operating expenses to the related party and as of March 31, 2024, the Company had an aggregate of \$783 (December 31, 2023 - \$314) due the CEO of the Company.

During the three months ended March 31, 2024, an entity controlled by CFO of the Company charged \$6,000 (March 31, 2023 - \$6,000) in management fees. As of March 31, 2024, the Company had an aggregate of \$16,968 (December 31, 2023 - \$10,559) comprised of management fees and operating expenses due to the related party.

During the three months ended March 31, 2024, an entity controlled by a director and the former CEO of the Company charged \$6,000 (March 31, 2023 - \$6,000) in management or director fees. As of March 31, 2024, the Company had an aggregate of \$15,014 (December 31, 2023 - \$8,714) 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 March 31, 2024, the Company had \$1,100 (December 31, 2023 – \$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 three months ended March 31, 2024.

Mineral 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 March 31, 2024, the Company had \$1,100 (December 31, 2023 - \$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 March 31, 2024, the Company had \$1,100 (December 31, 2023 - \$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 March 31, 2024, the Company had \$1,100 (December 31, 2023 - \$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 three months ended March 31, 2024, the Company has completed the first maiden drill program at Tabor Property. The assay results for the maiden drill program at the Tabor Property 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:

- (i) 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);
- (ii) pay \$12,000 cash payment to the Property Owners on the first anniversary of signing the Agreement;
- (iii) pay \$18,000 cash payment to the Property Owners on the second anniversary of signing the Agreement; and
- (iv) 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 3rd anniversary of signing the Agreement.

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

Burnthut Property:

On January 2, 2024, the Company purchased 100% of the Burnthut Property, consisting of 63 unpatented mining cells, located SW 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 made \$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%. As of March 31, 2024, the Company recorded \$15,165 in deferred property assets.

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 a 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.

Cost related to the Company’s properties can be summarized as follows as of March 31, 2024 and December 31, 2023:

| | Ashley Property | Santa Maria Property | Howie Lake Property | Alto- Gardnar Property | Tabor Lake Property | Sakoose Gold Property | Burnthut Property | Total |
|-------------------------------------|--------------------|----------------------------|---------------------------|------------------------------|---------------------------|-----------------------------|----------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance, December 31, 2022 | 583,643 | 29,984 | 23,364 | 24,375 | - | - | - | 661,366 |
| Acquisition cost addition | - | 700 | 500 | 700 | 23,100 | 21,000 | - | 46,000 |
| Exploration cost addition | 4,750 | 9,825 | 69,603 | 19,689 | 163,514 | 1,600 | - | 268,981 |
| Impairment | (588,393) | - | - | - | - | - | - | (588,393) |
| Balance, December 31, 2023 | - | 40,509 | 93,467 | 44,764 | 186,614 | 22,600 | - | 387,954 |
| Acquisition cost addition | - | - | - | - | - | - | 43,000 | 43,000 |
| Exploration cost addition | - | 780 | 780 | 400 | 780 | 400 | - | 3,140 |
| Recovery refund of exploration cost | - | - | (15,202) | - | (93,570) | - | - | (108,772) |
| Balance, March 31, 2023 | - | 41,289 | 79,045 | 45,164 | 93,824 | 23,000 | 43,000 | 325,322 |

Acquisition and exploration costs incurred during the three months ended March 31, 2023 include \$13,140 (December 31, 2023 - \$278,881) of cash expenditures and \$33,000 (December 31, 2023 - \$36,100) 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.

| As at: | March 31, 2024 | December 31, 2023 |
|------------------------------------------|---------------------------|------------------------------|
| Financial assets: | | |
| Amortized cost | | |
| Cash | \$ 200,450 | \$ 22,171 |
| Due from related party | \$ 4,520 | \$ 3,220 |
| FVTPL | | |
| Other receivable | \$ 125,330 | \$ 117,772 |
| Financial liabilities: | | |
| Amortized cost | | |
| Accounts payable and accrued liabilities | \$ 124,044 | \$ 116,887 |
| Due to related parties | \$ 33,865 | \$ 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 March 31, 2024, the Company had cash of \$200,450 (December 31, 2023 - \$22,171) to settle the total current liabilities of \$163,072 (December 31, 2023 - \$147,586). As at March 31, 2024, the total working capital of the Company was \$224,226 (December 31, 2023 - \$53,828). 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 three months ended March 31, 2024 and 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 (\$) |
|---------------------------------------------------|----------------------|--------------------|
| Balance, December 31, 2022 | 18,990,375 | 1,168,837 |
| Share issuance for acquisition at \$0.07 (1) | 330,000 | 23,100 |
| Unit issuance \$0.075 (2) | 5,162,915 | 208,835 |
| Unit issuance for service \$0.075 (3) | 277,778 | 2,607 |
| Unit issuance \$0.072 (4) | 4,166,667 | 52,906 |
| Unit issuance for financing fee (4) | 333,333 | 4,225 |
| Share issuance for acquisition at \$0.065 (5) | 200,000 | 13,000 |
| Unit issuance at \$0.075 (Flow-Through) (6) | 1,036,680 | 51,834 |
| Unit issuance at \$0.075 (Flow-Through) (7) | 150,000 | 8,249 |
| Share issuance cost - agent's warrants | - | (47,797) |
| Share issuance cost - cash | - | (61,962) |
| Balance, December 31, 2023 | 30,647,748 | 1,423,834 |
| Share issuance for acquisition at \$0.055 (8) | 600,000 | 33,000 |
| Reverse of flow-through for unit | - | 5,084 |
| Unit issuance for private placement at \$0.05 (9) | 3,657,500 | 135,977 |
| Share issuance cost - agent's warrants | - | (9,215) |
| Unit issuance cost - cash | - | (22,750) |
| Balance, March 31, 2024 | 34,905,248 | 1,565,930 |

- (1) 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.
- (2) 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.

- (3) 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.
- (4) 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.

- (5) 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.
- (6) 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 an exercise price of \$0.075 for a period of 24 months.

- (7) 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.
- (8) On January 2, 2024, the Company acquired an option in the Burnthut Property through issuance of 600,000 common shares with a fair value of \$0.055 per share for a total consideration of \$33,000.
- (9) 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, comprised of one common share and one-half of one common share purchase warrant ("Warrant"). 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.

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 March 31, 2024, 2,223,118 (2023 – 2,223,118) 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.

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 until March 21, 2029.

Using the Black-Scholes, the fair value of the stock options granted during three months ended March 31, 2024 and the year ended December 31, 2023 was estimated to be \$0.05 and \$0.07 per option, respectively by using the following assumptions at the measurement date:

| Date of Issuance | April 19, 2023 | March 21, 2024 |
|---------------------------|-----------------------|-----------------------|
| Number of stock options | 350,000 | 1,000,000 |
| Dividend yield | 0% | 0% |
| Expected volatility | 120% | 116% |
| Risk-free interest rate | 3.75% | 4.75% |
| Forfeiture rate | 0% | 0% |
| Share price – on issuance | \$0.08 | \$0.06 |
| Exercise price | \$0.12 | \$0.10 |
| Term | 60 months | 60 months |
| Fair value per option | \$0.07 | \$0.0466 |
| Fair value of options | \$22,859 | \$46,639 |

During the three months March 31, the Company had \$46,639 (March 31, 2023 - \$Nil) stock-based compensation recorded. A summary of stock option activity as at March 31, 2024 and December 31, 2023 is as follows:

| | Number of options - outstanding and exercisable | Weighted average exercise price | Weighted Average Remaining Contractual Life (Years) |
|-----------------------------------|----------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------|
| Balance, December 31, 2022 | 1,382,337 | \$ 0.25 | 3.71 |
| Grant on April 19, 2023 | 350,000 | \$ 0.12 | 4.30 |
| Balance, December 31, 2023 | 1,732,337 | \$ 0.22 | 3.03 |
| Grant on March 21, 2024 | 1,000,000 | \$ 0.10 | 4.97 |
| Balance, March 31, 2024 | 2,732,337 | \$ 0.18 | 3.88 |

e) Warrants

(i) Share Purchase Warrants:

As at March 31, 2024, there were 13,887,012 (December 31, 2023 – 12,058,262) share purchase warrants outstanding and the fair value of the share warrants granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

| Date of Issuance | March 21, 2024 |
|-----------------------------------|-----------------------|
| Number of share purchase warrants | 1,828,750 |
| Dividend yield | 0% |
| Expected volatility | 83.30% |
| Risk-free interest rate | 4.75% |
| Forfeiture rate | 0% |
| Share price – on issuance | \$0.06 |
| Exercise price | \$0.07 |
| Term | 24 months |
| Fair value per warrant | \$0.0256 |
| Fair value of warrants | \$46,898 |

| Date of Issuance | July 4, 2023 | October 4, 2023 | December 4, 2023 | December 29, 2023 |
|-----------------------------------|-------------------------|----------------------------|-----------------------------|------------------------------|
| 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 |

| | Number of warrants | Weighted average exercise price | Weighted average remaining contractual life (Years) |
|-----------------------------------|--------------------|---------------------------------|-----------------------------------------------------|
| Balance, December 31, 2022 | 8,542,000 | \$ 0.28 | 1.01 |
| 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) | - |
| Balance, December 31, 2023 | 12,058,262 | \$ 0.13 | 1.90 |
| Issued on: | 1,828,750 | \$ 0.07 | 1.97 |
| Balance, March 31, 2024 | 13,887,012 | \$ 0.12 | 1.81 |

(ii) Agent's warrants:

As at March 31, 2024, there were 1,396,675 (December 31, 2023 – 1,101,675) agent's warrants outstanding and the fair value of the share warrants granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

| Date of Issuance | March 21, 2024 |
|----------------------------|----------------|
| Number of agent's warrants | 295,000 |
| Dividend yield | 0% |
| Expected volatility | 83.30% |
| Risk-free interest rate | 4.75% |
| Forfeiture rate | 0% |
| Share price – on issuance | \$0.06 |
| Exercise price | \$0.05 |
| price | 24 months |
| Term | \$0.0312 |
| Fair value per warrant | |
| Fair value of warrants | \$9,215 |

| 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 |

| | Number of warrants | Weighted average exercise price | Weighted average remaining contractual life (Years) |
|-----------------------------------|--------------------|---------------------------------|-----------------------------------------------------|
| Balance, December 31, 2022 | 795,360 | \$ 0.10 | 0.95 |
| Issued on: | | | |
| July 4, 2023 | 295,536 | \$ 0.12 | 1.51 |
| 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) | - |
| Balance, December 31, 2023 | 1,101,675 | \$ 0.11 | 2.18 |
| Issued on: | | | |
| March 21, 2024 | 295,000 | \$ 0.10 | 1.97 |
| Balance, March 31, 2024 | 1,396,675 | \$ 0.11 | 1.90 |

As of March 31, 2024, the fair value of the outstanding warrants was \$717,285 (December 31, 2023 - \$661,093), comprised of \$629,374 (December 31, 2023 - \$582,318) for share purchase warrants granted and 87,991 for agent's warrants (December 31, 2023 - \$78,775).

Flow-Through Share Premium Liability

| | March 31, 2024 | | December 31, 2023 | |
|------------------------------------------------|-----------------------|--------------|--------------------------|---------------|
| Balance, beginning | \$ | | \$ | |
| Share premium liability on flow-through shares | | 4,983 | | 9,965 |
| Share premium liability on flow-through shares | | 180 | | 361 |
| Balance, ending | \$ | 5,163 | \$ | 10,326 |

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, 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 as well as 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 land 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 on 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 three months ended March 31, 2024, no material events occurred.

As at March 31, 2024, 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

Sahara Uranium-Vanadium Property

On April 8, 2024, the Company issued 500,000 common shares of the Company to the Property Owner for the signing of the 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”) dated on March 4, 2024. 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 \$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 in 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 in 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 a 100% in 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.

Private Placement

On May 15, 2024, the Company closed a non-brokered private placement with 1,500,000 flow-through units at a price of \$0.10 per unit for gross proceeds of \$150,000. Each flow-through unit consists of one flow-through common share and one-half of 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 36 months.

In connection with the non-brokered private placement, the Company paid cash finders fees of \$12,000 and issued 120,000 agent warrants. Each agent warrant is exercisable into one common share at an exercise price of \$0.10 for a period of 36 months.

Additional Information

Additional information about the Company is available on SEDAR at www.sedarplus.com.