

**REFILED** – The Annual MD&A has been refiled to correct the date of the Annual MD&A from January 15, 2024 to January 31, 2024.

Management discussion and analysis of financial performance on expenditures and progress towards achieving your business objectives and milestones.

## **MANAGEMENT DISCUSSION FOR AURIC MINERALS CORP. FOR THE YEAR ENDED OCTOBER 31, 2023**

### **Background**

*This discussion and analysis of financial position and results of operations is prepared in compliance with Item 1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations as at January 31, 2024 and should be read in conjunction with the audited financial statements for the fiscal year ended October 31, 2023 and related notes thereto, of Auric Minerals Corp. (“Auric” or the “Company”). The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). Except as otherwise disclosed, all dollar figures included therein and the following management discussion and analysis (“MD&A”) are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).*

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

This Management’s Discussion and Analysis may include forward-looking statements with respect to business plans, activities, prospects, opportunities and events anticipated or being pursued by the Company and the Company’s future results. Although the Company believes the assumptions underlying such statements to be reasonable, any of the assumptions may prove to be incorrect. The anticipated results or events upon which current expectations are based may differ materially from actual results or events. Therefore, undue reliance should not be placed on such forward-looking information. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions in North America and internationally, (2) the uncertainty as to property development and exploration milestones, (3) the uncertainty as to the regulatory approval of the Company’s properties, (4) the risk that the Company does not execute its business plan, (5) inability to retain key employees, (6) inability to finance exploration and growth, and (7) other factors beyond the Company's control.

Forward-looking statements speak only as of the date of this MD&A and actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based may not occur. The Company does not assume responsibility for the accuracy and completeness of the forward-looking statements set out in this MD&A and, subject to applicable securities laws, does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

### **Overview**

The Company was incorporated on February 18, 2021 under the laws of the province of Ontario. Auric is engaged in the identification, acquisition, exploration and development of mineral projects. The Company holds the exclusive option to acquire a 100% interest in the Goodeye Property which is located approximately 13 km to 16 km southwest of the town of Rossland, British Columbia, Canada. The property

consists of three contiguous Mineral Claims covering approximately 1,906.95 hectares located in the Trail Creek Mining Division of British Columbia.

Auric commissioned and filed via SEDAR independent technical reports prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) with respect to the Goodeye Property. As of the year ended October 31, 2023, no Phase 1 work program recommended in the NI 43-101 reports has been started.

The Company’s authorized capital consists of an unlimited number of Common Shares, of which only 3,415,000 Common Shares are issued and outstanding as at October 31, 2023 as fully paid and non-assessable. 3,165,000 common shares were issued to four Directors of the Company and 250,000 common shares were issued in connection with the purchase of the Trail Creek mineral property.

Between March 24 and April 30, 2021, the Company issued 7,405,000 special warrants of the Company at a price of \$0.02 per share for gross proceeds of \$148,100. Between May 5 and June 4, 2021, the Company issued 3,787,500 special warrants of the Company at a price of \$0.04 per share for gross proceeds of \$151,500. Between September 14 and October 15, 2021, the Company issued 665,000 special warrants of the Company at a price of \$0.10 per share for gross proceeds of \$66,500. The Company received a total of \$366,100 from the issuance of the Special Warrants.

On December 5, 2023, the Company’s prospectus in connection with the issuance of special warrants was approved by Ontario Securities Commission. On December 8, 2023, the Company’s 11,857,500 special warrants were exercised, at no additional consideration, in return for 11,857,500 common shares. As of the filing date, there were 15,272,500 common shares issued and outstanding.

### **Summary of Properties and Projects**

On June 21, 2021, the Company entered into an option agreement to acquire 100% interest in three mineral claims covering approximately 1,906.95 hectares, located in the Trail Creek Mining Division, British Columbia, from Geomap Exploration Inc. and Afzaal Pirzada in exchange for:

- (i) \$85,000 cash - paid \$40,000 on June 21, 2021; and the remaining \$45,000 payable was paid on November 16, 2021;
- (ii) 250,000 common shares of Auric Minerals Corp. - issued on June 21, 2021;
- (iii) 2.0% net smelter returns (“NSR”) royalty on the mineral claims where the Company may purchase 1% for \$1,000,000 at any time;
- (iv) fund exploration and development at least \$100,000 by October 31, 2022;
- (v) fund additional exploration and development at least \$200,000 by October 31, 2023.

The fair value of the 250,000 shares of Auric Minerals Corp. was estimated at \$10,000 based on their price of \$0.04 per share, on the date the agreement was signed. The cash payment of \$95,000 and issuance of 250,000 common shares valued at \$10,000 are capitalized accordingly.

The funding requirements under (iv) and (v) have been extended from October 31, 2022 and 2023 to May 31, 2023 and 2024 on November 14, 2022, then extended to October 31, 2023 and 2024 on April 4, 2023 and further extended to October 31, 2024 and 2025 on August 23, 2023.

The Goodeye property is situated in the Trail Creek Mining District in southern British Columbia. The Property can be accessed by a logging road from Rossland by travelling south towards the USA border. The claims cover an area of over 19 square kilometres at the headwaters of Goodeve Creek; 10 air kilometres

southeast of the town of Rossland, B.C. and 16 road kilometres north of Northport, Washington, USA. Access to the claims is provided by the Goodeve Creek logging road which intersects state route 25 three km north of Northport. The logging roads traversing the Property are rough and needs ATV or foot traverses in certain sections. Trail and Castlegar airports are located approximately 5 km and 43 km respectively from the town of Rossland. Claim data is summarized in the Table 1

**Table 1: Claim Data**

Title Number	Claim Name	Owner	Title Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
1075626	GOOD EYE	260370 (100%)	Mineral Claim	082F	2020/APR/08	2025/DEC/31	Good	402.67
1075685	GOOGEYE 2	260370 (100%)	Mineral Claim	082F	2020/APR/11	2025/DEC/31	Good	614.51
1083116	GOODEYE 3	260370 (100%)	Mineral Claim	082F	2021/JUN/18	2024/DEC/31	Good	889.77
<b>Total Area Hectares</b>								<b>1,906.95</b>

The Company intends to use its available funds to carry out the Phase 1 of the exploration program for the Property, which is budgeted for \$113,878 and scheduled to begin in spring 2024. No work or expenditures have been made yet. Based on the results of Phase 1 program, a trenching, channel sampling and geophysical surveying is recommended to be executed on the targets if identified for further work on the Property. Scope of work, location of trenching areas and budget for Phase 2 will be prepared after reviewing the results of Phase 1 program. The Company does not own an interest in any other mineral properties.

### **Overall Performance**

Because Auric is involved in the exploration of mineral properties without any known economic quantities of mineralization, it has not generated any revenue to date and is unlikely to realize revenue in the foreseeable future. Management anticipates that it will incur expenses in connection with the exploration of its mineral properties, compliance with applicable securities rules and continuous disclosure requirements, and general and administrative costs.

In the year ended October 31, 2023, the Company incurred a net loss of \$140,059 compared to a net loss of \$31,691 during the same period in fiscal 2022. The increase in net loss in the most recently completed period is primarily due to filing expenses to the OSC and CSE, legal fees, compensation to the director as well as accounting expenses and auditors' fees. The Company anticipates that it will incur increasing expenses in fiscal 2023 as it continues filings with the OSC and CSE, and plan to fund exploration and development at the Goodeye property.

### **Summary of Yearly Results**

The following is selected financial information from the Company's two most recent fiscal years:

	<b>Year Ended October 31, 2023</b>	<b>Year Ended October 31, 2022</b>

Total Revenues	Nil	Nil
Operating Loss	\$140,059	\$31,691
Total Net Loss	\$140,059	\$31,691
Total Net Loss Per Share	\$0.04	\$0.01

Factors causing significant variations in yearly results are as follows:

- The company had filing expenses to the OSC and CSE in the fiscal year ended October 31, 2023 in the amount of \$29,180 compared to \$12,806 in the fiscal year ended October 31, 2022.
- In the fiscal year ended October 31, 2023, the Company's compensation to the directors and officers was \$26,500 compared to \$7,000 in the fiscal year ended October 31, 2022.
- The professional fees increased to \$83,399 in the fiscal year ended October 31, 2023 compared to \$11,585 in the fiscal year ended October 31, 2022.

The following comparative analysis on operating expenses was based primarily on the comparative financial statements, footnotes and related information for the periods identified below and should be read in conjunction with the audited financial statements and the notes to those statements for the years ended October 31, 2023, and 2022.

Expenses	Year Ended October 31, 2023 \$	Year Ended October 31, 2022 \$	Change \$	Change %
Bank charges and interest	429	62	367	592%
Filing fees	29,180	12,806	16,374	128%
Office and admin	551	238	313	132%
Professional fees	83,399	11,585	71,814	620%
Director fee	26,500	7,000	19,500	279%
<b>Net loss and comprehensive loss for the year</b>	<b>140,059</b>	<b>31,691</b>	<b>99,368</b>	

### Summary of Quarterly Results

The following is selected financial information from the Company's four most recent fiscal quarters:

	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Total Revenues	Nil	Nil	Nil	Nil
Operating Loss	\$29,879	\$32,297	\$7,602	\$70,281

Total Net Loss	\$29,879	\$32,297	\$7,602	\$70,281
Total Net Loss Per Share	\$0.01	\$0.01	\$0.00	\$0.02

During the three months ended January 31, 2023 (“**Q1 2023**”), operating loss was \$29,879 consisting of \$2,000 director’s fee, \$12,543 of the professional fees, \$15,250 of filing fees, \$50 of bank charges and interest, and \$36 of office and administrative expenses.

Operating loss increased during the three month ended April 30, 2023 (“**Q2 2023**”) by \$2,418 compared to Q1 2023. Even though professional and filing fees decreased by \$4,803 and \$6,386 respectively in Q2 2023 compared to the Q1 2023, the Director’s compensation increased by \$13,500.

There was a significant decrease by \$24,695 in operating loss during the three months ended July 31, 2023 (“**Q3 2023**”), compared to Q2 2023. Factors causing significant variations these quarterly results are as follows:

- The filing expenses in Q3 2023 decreased by \$8,549 compared Q2 2023. This decrease is attributed to the fact that the company had paid for filing expenses in Q2 2023.
- The professional fees in Q3 2023 decreased by \$5,084 compared to Q2 2023 due to the lower accounting expenses and auditors’ fees owing to the completion of the carve-out audit in Q2 2023.
- The directors’ fees in Q3 2023 decreased by \$11,000 compared to Q2 2023. This decrease is attributed to the fact that there were arrears in directors' fees in Q2 2023, but no arrears in Q3 2023.

During the three months ended October 31, 2023 (“**Q4 2023**”), operating loss significantly increased by \$62,679 compared to Q3 2023. Factors causing significant variations these quarterly results are as follows:

- The professional fees in Q4 2023 increased significantly and amounted to \$60,460. This increase was primarily due to higher legal costs, as there were many filings and correspondences with the CSE and OSC during this period.
- The filing expenses in Q4 2023 increased by \$4,751 compared to the Q3 2023. This increase was primarily due to extensive filings with the CSE and OSC during this period.
- The directors’ fees in Q4 2023 increased by \$4,500 compared to Q3 2023. This increase is attributed to the directors’ compensation during the Q4 2023.

## Liquidity

As at October 31, 2023, the Company had current assets of \$222,545 and current liabilities of \$13,608, resulting in a working capital of \$208,937. Total shareholders’ equity was \$315,218 as at October 31, 2023.

As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis. This has permitted the Company to carry out limited operations and to commission geological reports Goodeye

Property. The Company anticipates that its cash on hand of \$222,497 will be sufficient to cover expected administrative and exploration expenses for the next twelve-month period.

### **Capital Resources**

The Company will require US\$100,000 to make the property option payment that will be due on October 31, 2024 respecting the Goodeye Property. The Company also anticipates spending \$119,151 to cover anticipated general and administrative costs and legal, audit and office overhead expenses for the next 12-month period. At October 31, 2023, the Company had cash of \$222,497, which is sufficient to cover all expected exploration, operations and administrative expenses for the next twelve months. The Company cannot offer any assurance that expenses will not exceed management's expectations. The Company may require additional funds and will be dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured.

Although the Company currently has limited capital resources, the Company anticipates that additional funding will come from equity financing from the sale of the Company's shares or through debt financing. The Company may also seek loans.

### **Off Balance Sheet Arrangements**

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

### **Management and Related Party Transactions**

The Company's Board of Directors consists of Dimitri Lakutin, Michail Bukshpan, Aizhan Chigertkeeva, and Jaime C. Zafra. Currently, Dimitri Lakutin acts as President and Chief Executive Officer and Kirill Samokhin acts as Chief Financial Officer of the Company. Aizhan Chigertkeeva acts as Secretary of the Company.

Since its inception on February 18, 2021, the Company has entered into the following transactions with its directors and officers:

1. The Company issued an aggregate of 3,165,000 common shares to its directors and officers for consideration of \$0.01 per share;
2. The Company will grant 125,000 shares to Jaime C. Zafra on March 31, 2024; and
3. As at October 31, 2023, the Company owed \$6,986 (October 31, 2022 - \$4,878) for reimbursements owed to the Directors of the Company. The amount owing is unsecured, non-interest bearing, and due on demand.
4. During the year ended October 31, 2023, the Company received a \$59,000 loan (October 31, 2022 - \$Nil) from a Director of the Company. The amount owing is unsecured, non-interest bearing, and was originally due on October 31, 2024. However, the maturity date of the loan has been extended to October 31, 2025.

### **Critical Accounting Estimates**

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the audited financial statements for the fiscal year ended October 31, 2023.

### **Basis of presentation**

The Company's financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS interpretations committee ("IFRIC") in effect at October 31, 2023. The Company's financial statements have been prepared on a historical cost basis and presented in Canadian dollars, which is the Company's functional and presentation currency.

### **Use of accounting estimates and judgments**

The preparation of the Company's financial statements, in conformity with IFRS, requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the reporting period. Actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods. Assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting year, relate to:

(i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. There is a material uncertainty regarding the Company's ability to continue as a going concern. The Company's principal source of cash is from private placements. The Company is dependent on raising funds in order to have sufficient capital to be able to identify, evaluate and then acquire an interest in assets or a business.

(ii) The recoverability and measurement of deferred tax assets and liabilities

Tax interpretations, regulations, and legislation are subject to change. The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

### **Financial instruments**

The Company follows IFRS 9, Financial Instruments, which applies a single approach to determine whether a financial asset is measured at amortized cost or fair value. The classification is based on two criteria: the Company's business objectives for managing the assets; and whether the financial instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI test"). Financial assets are required to be reclassified only when the business model under which they are managed has changed. All reclassifications are to be applied prospectively from the reclassification date. Financial liabilities under IFRS 9 are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.



### *Financial assets*

The Company initially recognizes financial assets at fair value on the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Classification and measurement under IFRS 9, requires financial assets to be initially measured at fair value. In the case of a financial asset not categorized as fair value through profit or loss (“FVTPL”), transaction costs are included. Transaction costs of financial assets carried at FVTPL are expensed in net income (loss). Subsequent classification and measurement of financial assets depends on the Company’s business objective for managing the asset and the cash flow characteristics of the asset:

- (i) Amortized cost – Financial assets held for collection of contractual cash flows that meet the SPPI test are measured at amortized cost. Interest income is recognized as Other Income (expense) in the financial statements, and gains/losses are recognized in net income (loss) when the asset is derecognized or impaired.
- (ii) Fair value through other comprehensive income (“FVOCI”) – Financial assets held to achieve a particular business objective other than short-term trading are designated at FVOCI. IFRS 9 also provides the ability to make an irrevocable election at initial recognition of a financial asset, on an instrument-by-instrument basis, to designate an equity investment that would otherwise be classified as FVTPL and that is neither held for trading nor contingent consideration arising from a business combination to be classified as FVOCI. There is no recycling of gains or losses through net income (loss). Upon derecognition of the asset, accumulated gains or losses are transferred from other comprehensive income (“OCI”) directly to Deficit.
- (iii) FVTPL – Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL.

The Company measures cash and deposits at amortized cost.

### *Financial liabilities*

The Company initially recognizes financial liabilities at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The subsequent measurement of financial liabilities is determined based on their classification as follows:

- (i) FVTPL Derivative financial instruments entered into by the Company that do not meet hedge accounting criteria are classified as FVTPL. Gains or losses on these types of financial liabilities are recognized in net income (loss).
- (ii) Amortized cost – All other financial liabilities are classified as amortized cost using the effective interest method. Gains and losses are recognized in net income (loss) when the liabilities are derecognized as well as through the amortization process.

The Company measures accounts payable and accrued liabilities at amortized cost.

### *Classification of financial instruments*

IFRS 7, *Financial instruments: disclosures*, establishes a fair value hierarchy that reflects the significance of inputs in measuring fair value as the following:

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

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### **Exploration and evaluation assets**

Exploration and evaluation assets include the costs of acquiring mineral concession and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of loss and comprehensive loss. Once a license or other right to explore an area has been secured, all direct costs related to the acquisition, exploration and evaluation of mineral property interests are capitalized into intangible asset on a property-by-property basis until such time that technical feasibility and commercial viability of extracting a mineral resource has been determined for a property, in which case the capitalized exploration and evaluation costs are transferred and capitalized into property, plant and equipment. The Company records expenditures on exploration and evaluation activities at cost. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property. Proceeds received from a partial sale or option of any interest in a property are credited against the carrying value of the property. When the proceeds exceed the carrying costs, the excess is recorded in profit or loss in the period the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the period the transfer takes place.

### **Taxes**

Tax expense comprises current and deferred tax. Current tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement

of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset. The Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

### **Functional currency**

The Company follows IAS 21 *The effect of Changes in Foreign Exchange Rates* when accounting for foreign Exchange Rates and has determined that its functional currency is the Canadian dollar.

### **Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

### **Share capital**

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### **Warrants**

When the Company issues private placement units, the value attributed to the warrants is measured using the residual method. This method allocates value first to the more easily measurable component based on fair value and the residual to the less easily measurable component, if any. The Company considers the fair value of its shares to be the more easily measurable component and is valued with reference to the market price. The residual value is attributed to the warrants, if any is recorded as a separate component of equity.

### **Earnings (Loss) per share**

The Company presents basic and diluted earnings per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method.

Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the reporting periods. However, in periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive and as a result diluted loss per share is equal to the basic loss per share.

### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

## **Disclosure of Outstanding Security Data**

### *Common Shares*

As at October 31, 2023 and the date of this MD&A, the Company had 3,415,000 common shares issued and outstanding.

### *Escrow Shares*

As at October 31, 2023 and this MD&A, the Company had 3,165,000 of its common shares held in escrow, which are all held by the Company's directors and officers.

### *Special Warrants*

As at October 31, 2023 and the date of this MD&A, the Company has 11,857,500 Special Warrants issued and outstanding.

## **Risk Factors**

### *General*

The Company is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavor. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities offered hereunder should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective investors should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities offered hereunder.

### *Going concern*

The assessment of the Company's ability to execute its strategy by funding future working capital involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. There is a material uncertainty regarding the Company's ability to continue as a going concern. The Company is dependent on raising funds in order to have sufficient capital to be able to identify, evaluate and then acquire an interest in assets or a business.

### *Limited Operating History*

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on

any properties optioned by the Company. There is no guarantee that economic quantities of mineral reserves will be discovered on the Property by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

### *Dilution*

Common Shares, including special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Common Shares from time to time. The issuance of these Common Shares will result in dilution to holders of Common Shares.

### *Speculative Nature of Mineral Exploration*

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

### *Acquisition of Additional Mineral Properties*

If the Company abandons the exploration and development of the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

### *Commercial Ore Deposits*

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

### *Uninsurable Risks*

In the course of exploration, development and production of mineral properties, certain risks, and in

particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

#### *Permits and Government Regulations*

The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Property. Because phase 1 and 2 recommended exploration programs on the Goodeye property will consist of prospecting, mapping, sampling, trench channel sampling, and geophysical surveys, and because these techniques involve minimal land disturbance, no permits or licenses will be required at these stages.

#### *Environmental and Safety Regulations and Risks*

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

#### **Land Reclamation**

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents, treat ground and surface water to pre-established standards, and reasonably re-establish pre-disturbance landforms and vegetation and address impacts on biodiversity, communities and Indigenous land and resource rights. Proper environmental assessments, stakeholder engagement and risk management strategies are critical to ensure the long-term sustainability and success of land reclamation projects. In order to carry out reclamation obligations imposed on the Issuer in connection with its potential exploration activities, the Company must allocate financial resources that might otherwise be spent on further exploration and development programs. The Issuer plans to set up a provision for its reclamation obligations on its properties, as appropriate, but this provision may not be adequate. If the Company is required to carry out unanticipated reclamation projects, its financial position could be adversely affected.

### *Key Person Insurance*

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

### *Mineral Titles*

The Company is satisfied that evidence of title to the Property is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the Property. The Company may face challenges to the title the Property or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Company's business plan. The Company relies on title information and/or representations and warranties provided by the Company's grantors. If the Company loses a commercially viable property, such a loss could lower the Company's future revenues or cause the Company to cease operations if the property represented all or a significant portion of the Company's Ore reserves at the time of loss. Mineral titles in British Columbia are acquired and maintained through Mineral Titles Online (MTO), a computerized system that provides map-based staking. The Company undertook a search of the tenure data on the MTO website which confirms the geospatial locations of the claim boundaries title information. No assurances can be given that title defects to the GoodEye Property or any future properties in which the Company may seek to acquire an interest do not exist. The Goodeye Property has not been surveyed and may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. Such property is also subject to annual compliance with reporting and/or filing requirements and the payment of property taxes and/or assessment or maintenance fees. Other parties may dispute the Company's title to the GoodEye Property or other properties. While the Company has investigated title to the GoodEye Property, this should not be construed as a guarantee of title. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title, estate and interest in and to the GoodEye Property or future properties, when and if earned, to which the title defect relates.

### *Loss of Interest in Properties*

The Company depends on the Goodeye Project, and its ability to maintain an interest in the property will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Issuer being unable to make the periodic payments required to keep the Property in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the properties transferred to or optioned by the Company.

Failure to obtain additional financing may result in the Company being unable to complete the required work required to keep the Property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the Property.

### *Aboriginal Title*

The Property or other properties owned or optioned by the Company may 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 or owned 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 or purchased 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 or owned by the Company.

### *Fluctuating Mineral Prices*

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

### *Competition*

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

### *Management*

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

### *Financing Risks*

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its common shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by the Company, there is no assurance that any such funds will be available. At present it is impossible to determine what amounts of additional funds, if any, may be required.

### *Negative Cash Flows From Operations*

It is highly likely the Company may have negative cash flow in any future period and as a result, the Company will need to use available cash, including proceeds of future financings to fund any such negative cash flow.

### *Resale of Common Shares*

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of



the Common Shares purchased would be diminished.

#### *Price Volatility of Publicly Traded Securities*

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial purchase price.

#### *Lack of Market for the Securities and Listing on a Stock Exchange*

There is presently no public market in our shares. There can be no assurance that we will be successful at developing a public market or in having our common stock quoted on a quotation facility. There are risks associated with obtaining a quotation, including that broker dealers will not be willing to make a market in our shares, or to request that our shares be quoted on a quotation service. In addition, even if a quotation is obtained, a quotation services are often characterized by low trading volumes, and price volatility, which may make it difficult for an investor to sell our common stock on acceptable terms. If trades in our common stock are not quoted on a quotation facility, it may be very difficult for an investor to find a buyer for their shares in our Company.

#### *Risks Related to Potential Changes in the Issuer's Use of Funds*

Investors should consider the risks related to potential changes in the issuer's use of funds such as misuse of funds, change in business strategy, delays in project completion, market changes or political and regulatory risks. It is important for investors to carefully review the issuer's use of funds and the potential risks associated with any changes to the use of funds. Investors should also consider the issuer's track record and experience in executing similar projects or initiatives.

#### *Climate Change*

Climate change can result in physical risks such as flooding, sea-level rise, extreme weather events, and natural disasters. These risks can damage the issuer's assets and disrupt operations. Also, climate change-related risks could result in legal and regulatory action against the issuer. The issuer may face regulatory changes or increased costs associated with carbon pricing or emissions reductions. It is important for investors to carefully consider the potential impact of climate change on the issuer's operations and its ability to manage and mitigate these risks.

#### *Potential Litigation*

The Issuer may face litigation as a result of non-compliance with regulations, including environmental, safety, employment practices and financial regulations. Failure to comply with these regulations can lead to fines, legal fees, and reputational damage.

#### *Conflicts of Interest*

The company's directors and officers may be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct

competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the Business Corporations Act (Ontario). Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

- Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

#### *Public Health Crises*

The Company may be adversely affected by public health crises and other events outside its control. Public health crises, such as epidemics and pandemics, acts of terrorism, war or other conflicts and other events outside of our control, may adversely impact the activities of the Company as well as operating results. In addition to the direct impact that such events could have on the Company's facilities and workforce, these types of events could negatively impact capital expenditures and overall economic activity in impacted regions or, depending on the severity of the event, globally, which could impact the demand for and prices of commodities. The outbreak of the novel coronavirus known as COVID -19 has impacted access to and from, and overall economic activity in, Canada and globally. To date, the Company has not been materially adversely impacted by the outbreak. However, a prolonged continuance of this public health crisis, an increase in its breadth or in its overall severity, could adversely affect our workforce and ability to operate generally as well as cause significant investment decisions to be delayed or postponed. A prolonged continuance of this public health crisis could also have a material adverse effect on overall economic growth and impact the stability of the financial markets and availability of credit. Any of these developments could have a material adverse effect on the Company's business, financial position, liquidity and results of operations.

#### *Tax Issues*

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

#### *Dividends*

The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

#### **Additional Information**

Additional information relating to Auric Minerals Corp. is located at [www.sedar.com](http://www.sedar.com).