

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in British Columbia, Alberta and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered under this prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States of America, its territories and possessions, any state of the United States or the District of Columbia (collectively, the “United States”) or U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act (“U.S. Persons”)), unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons. See “Plan of Distribution”.

PRELIMINARY PROSPECTUS

Initial Public Offering

June 26, 2024



Minimum \$2,200,140
12,942,000 Units
\$0.17 per Unit

This prospectus qualifies the distribution (the “**Offering**”) of units (the “**Offered Units**”) of Canary Gold Corp. (the “**Company**”) consisting of an initial public offering of a minimum of 12,942,000 Offered Units (the “**Minimum Offering**”) by the Company at a price of \$0.17 per Offered Unit (the “**Offering Price**”).

Each Offered Unit consists of one common share of the Company (a “**Share**”) and one whole transferable common share purchase warrant (each a “**Warrant**”). Each Warrant will entitle its holder to purchase one common share in the capital of the Company (a “**Warrant Share**”) at a price of \$0.25 at any time prior to 4:30 p.m. (Vancouver time) on the date that is 12 months following the closing of the Offering (the “**Closing**”), subject to the Acceleration Right (as defined herein). Following completion of the Offering, if the closing price of the Shares on the Canadian Securities Exchange (the “**CSE**”) is at or above \$0.50 per Share for a period of 30 consecutive trading days, the Company may elect to accelerate the expiry date of the Warrants to a date that is 30 calendar days from the date when written notice of such new expiry date is provided by the Company to the Warrant holders (the “**Acceleration Right**”). The Warrants will be issued pursuant to the terms of a warrant indenture (the “**Warrant Indenture**”) to be entered into between

the Company and Endeavor Trust Corporation (the “**Warrant Agent**”), as warrant agent. The Shares and the Warrants comprising the Offered Units will separate immediately at Closing. The Offered Units are being offered for sale by Haywood Securities Inc. (the “**Agent**”). The Offering Price was determined by arm’s length negotiation between the Company and the Agent.

	Price to public	Agent’s Fees⁽¹⁾⁽²⁾⁽³⁾	Net Proceeds to the Company⁽⁴⁾⁽⁵⁾
Per Unit.....	\$0.17	\$0.01	\$0.16
Minimum Offering.....	\$2,200,140	\$132,008	\$2,068,132

Notes:

- (1) The Agent will receive a cash fee equal to 6.0% of the gross proceeds from the sale of the Units (the “**Agent’s Commission**”) offered hereby (including any Additional Units (as defined herein) sold upon exercise of the Agent’s Option (as defined herein)), other than in respect of gross proceeds from the sale of Units or Additional Units to purchasers on the President’s List (as defined herein), for which the Agent will receive the President’s List Commission (as defined herein) equal to 2.0%.
- (2) In addition to the Agent’s Commission, the Agent will receive compensation warrants (the “**Compensation Warrants**”) entitling the Agent to subscribe for that number of Common Shares (“**Compensation Warrant Shares**”) as is equal to 6.0% of the aggregate number of Units sold pursuant to the Offering (including any Additional Units sold upon exercise of the Agent’s Option), other than in respect of Units sold to purchasers on the President’s List, for which the Agent will receive President’s List Warrants (as defined herein) entitling the Agent to receive that number of Compensation Warrant Shares equal to 2.0% of the number of Units sold to purchasers on the President’s List. Each Compensation Warrant and President’s List Warrant is exercisable to purchase one Compensation Warrant Share at \$0.17 for a period of 12 months following the Closing. The Agent will also receive a corporate finance fee (the “**Corporate Finance Fee**”) in the amount of \$50,000, of which \$25,000 is payable in cash and \$25,000 in Corporate Finance Shares (as defined herein) at an issue price of \$0.17 per Corporate Finance Share. This Prospectus qualifies the distribution of the Compensation Warrants, President’s List Warrants and the Corporate Finance Shares. The Company will also pay the Agent’s expenses, including legal fees and disbursements. See “*Plan of Distribution*”.
- (3) Assumes no President’s List Commission. See “*Plan of Distribution*”.
- (4) Before deducting the expenses of the Offering, estimated at \$300,000, payable by the Company, which includes the cash portion of the Corporate Finance Fee and the Agent’s legal fees and expenses. These expenses will be paid from the proceeds of this Offering.
- (5) The Company has granted the Agent an option (the “**Agent’s Option**”), exercisable, in whole or in part, by the Agent giving written notice to the Company at any time up to 48 hours prior to the Closing Date, to sell up to an additional 15% of Offered Units sold under the Offering (the “**Additional Units**” and, together with the Offered Units, the “**Units**”) at the Offering Price. The Additional Units will have the same terms as the Offered Units. This Prospectus also qualifies the grant of the Agent’s Option and the distribution of the Additional Units.

The following table sets out the number of securities issuable pursuant to the Agent’s Option, the Compensation Warrants and the Corporate Finance Fee based on the Minimum Offering:

Agent’s Position	Maximum Number of Securities Available for Minimum Offering	Exercise Period or Acquisition Date	Exercise Price or Issue Price
Agent’s Option	1,941,300 Additional Units	Up to 48 hours prior to the Closing Date	\$0.17 per Additional Unit
Compensation Warrants	776,520 Compensation Warrant Shares ⁽¹⁾⁽²⁾⁽³⁾	Up to 12 months following the Closing	\$0.17 per Compensation Warrant Share

Agent's Position	Maximum Number of Securities Available for Minimum Offering	Exercise Period or Acquisition Date	Exercise Price or Issue Price
Corporate Finance Shares	147,059 Corporate Finance Shares	On Closing	\$0.17

Notes:

- (1) Each Compensation Warrant is exercisable to acquire one Compensation Warrant Share.
- (2) Assumes no Units are sold to subscribers on the President's List.
- (3) Assumes no exercise of Agent's Option. If the Agent's Option is exercised, an aggregate of 892,998 Compensation Warrant Shares will be issuable (assuming no Units are sold to subscribers on the President's List).

There is currently no market through which the Units, the Shares, the Warrants and the Warrant Shares may be sold, and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the Shares in the secondary market; the transparency and availability of trading prices; the liquidity of the Shares; and the extent of issuer regulation. An investment in a natural resource issuer involves a significant degree of risk. The degree of risk increases substantially where the issuer's properties are in the mineral exploration stage as opposed to the development stage, as in the present instance. See "Risk Factors".

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Cboe Canada, a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the NEX Exchange operated by NEX Group plc).

The Company has applied to list the Shares, the Warrant Shares, the Corporate Finance Shares and the Compensation Warrant Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including without limitation, the distribution of Shares to a minimum number of public shareholders and the Company meeting certain financial and other requirements. The Company does not intend to apply for listing of the Warrants on any securities exchange or for inclusion in any automated quotation system.

The Agent, as agent of the Company for the purposes of the Offering, conditionally offers the Units (including any Additional Units) for sale on a best efforts basis and subject to prior sale, if, as and when issued by the Company and accepted by the Agent, in accordance with the conditions contained in the Agency Agreement (as hereinafter defined and referred to under "*Plan of Distribution*").

The Offering is subject to the receipt by the Agent of subscriptions for the Minimum Offering in the amount of \$2,200,140. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. If the Minimum Offering is not completed within 90 days of the issuance of a receipt for the final prospectus, or if a receipt has been issued for an amendment to the final prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for the final prospectus, the distribution will cease, and all subscription monies will be returned to the purchasers without interest or deduction, unless the purchasers have otherwise instructed the Agent.

An investment in the Units is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading "*Risk Factors*".

Certain legal matters relating to the securities offered hereby and as to tax matters will be passed upon by Cozen O'Connor LLP, Vancouver, British Columbia, on behalf of the Company and by MLT Aikins LLP, on behalf of the Agent. No person is authorized by the Company to provide any information or make any representations other than those contained in this Prospectus in connection with the issue and sale of the securities offered hereunder.

The Company's head office is located at 200-551 Howe Street, Vancouver, British Columbia, V6C 2C2 and its registered and records office is located at Cozen O'Connor LLP at 2501-550 Burrard Street, British Columbia, V6C 2B5. No person is authorized to provide any information or to make any representation in connection with this Offering other than as contained in this Prospectus.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if such person has appointed an agent for service of process.

The following persons reside outside of Canada or, in the case of companies, are incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, and have appointed an agent listed below for service of process in Canada:

Name of Person	Name and Address of Agent
Rodrigo Mello, FAusIMM	N/A
Lima e Martins Sociedade de Advogados Brazilian legal counsel to the Company	N/A

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, or resides outside of Canada, even if the party has appointed an agent for service of process.

AGENT

Haywood Securities Inc.
700 – 200 Burrard Street
Vancouver, BC V6C 3L6

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GLOSSARY OF DEFINED TERMS

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the Financial Statements and also appearing in the documents attached as schedules to the Prospectus may be defined separately and the terms and abbreviations defined below may not be used therein, except where otherwise indicated. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

Acceleration Right	The Company's right to accelerate the expiry date of the Warrants to a date that is 30 calendar days from the date when written notice of such new expiry date is provided by the Company to the Warrant holders, if the closing price of the Shares on the CSE is at or above \$0.50 per Share for a period of 30 consecutive trading days.
Agency Agreement	The agency agreement dated [●], 2024, between the Company and the Agent.
Agent	Haywood Securities Inc.
Agent's Option	The Agent's Option to sell up to an additional 15% of the Offered Units sold under the Offering, exercisable in whole or in part, by the Agent giving written notice to the Company up to 48 hours prior to the Closing Date.
Agent's Commission	The cash fee payable to the Agent equal to 6.0% of the proceeds from the sale of Units sold pursuant to the Offering, subject to the President's List Commission.
Additional Units	The Units issuable at the Offering Price upon exercise of the Agent's Option, each Additional Unit consisting of one Share and one Warrant, each Warrant entitling its holder to purchase one Share at a price of \$0.25 at any time prior to 4:30 p.m. (Vancouver time) on the date that is 12 months following the Closing, subject to the Acceleration Right.
AGU	The Brazilian Office of the Attorney General.
Amended and Restated Option Agreement	The amended and restated option agreement dated April 1, 2024, amending and restating the Option Agreement dated March 6, 2023, between the Company and New Frontiers, pursuant to which the Company may acquire up to a 70% indirect undivided right, title and interest in and to the Rio Madeira Property.
ANM	The Mining National Agency, which is the mining regulator in Brazil.
Annual Financial Statements	The audited financial statements of the Company for the fiscal period ended June 30, 2023, together with the auditor's report thereon and the notes thereto, attached as Schedule "B" hereto.
Annual MD&A	The Company's management's discussion and analysis of the financial condition and results of operations for the period ended June 30, 2023, attached as Schedule "C" hereto.
Anti-Corruption Legislation	Brazil's Anti-Corruption Act, Law No. 12,846, also known as the Clean Company Act, and Canada's <i>Corruption of Foreign Officials Act</i> .

Audit Committee	The Company's audit committee comprised of Al Kanji, Hein Poulus and Andrew Lee Smith, with Al Kanji acting as Chair.
BACEN	The Central Bank of Brazil.
BCBCA	The <i>Business Corporations Act</i> , S.B.C. 2002, c. 57 including the regulations thereunder, as amended.
Board	The board of directors of the Company.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CGU	The Brazilian Office of the Comptroller General.
Closing	The closing of the Offering.
Closing Date	The date of closing of the Offering, which shall be on or before June 30, 2024, or such other date as mutually agreed to by the Company and the Agent.
Common Shares	The common shares without par value in the capital of the Company.
Company	Canary Gold Corp., a British Columbia company incorporated under the BCBCA on May 9, 2022.
Compensation Warrants	The compensation warrants to be issued to the Agent as partial consideration for acting as agent in the Offering equal to 6.0% of Units sold, subject to a reduced percentage for the President's List Warrants. Each Compensation Warrant will entitle the Agent to purchase one Compensation Warrant Share at a price of \$0.17 at any time prior to 4:30 p.m. (Vancouver time) on the date that is 12 months following the Closing.
Compensation Warrant Shares	The Common Shares issuable upon exercise of the Compensation Warrants, including the President's List Warrants.
Corporate Finance Fee	The corporate finance advisory fee in the amount of \$50,000 payable to the Agent in connection with the Offering, of which \$25,000 is payable in cash and \$25,000 in Corporate Finance Shares.
Corporate Finance Shares	The 147,059 Common Shares issuable to the Agent at a deemed issue price equal to the Offering Price per Corporate Finance Share, partially comprising the Corporate Finance Fee.
Corporate Governance and Compensation Committee	The Company's corporate governance and compensation committee comprised of Hein Poulus, Al Kanji and Andrew Lee Smith, with Hein Poulus acting as Chair.
CPA	Chartered Professional Accountant.

CSE	Canadian Securities Exchange.
DSU	A deferred share unit of the Company issued pursuant to the Omnibus Plan, entitling the holder thereof to acquire Common Shares.
DSU Agreement	An agreement evidencing DSUs granted under the Omnibus Plan.
Escrow Agent	Endeavor Trust Corporation.
Escrow Agreement	The escrow agreement dated [●], 2024 between the Company, the Escrow Holders and the Escrow Agent.
Escrow Holders	Andrew Lee Smith and certain seed shareholders.
Exploration License	A license granted by the ANM, which allows its holder to conduct exploration activities such as geological mapping, sampling, and drilling in the granted concession, but not to conduct commercial mining.
Exploration License Application	The application for an Exploration License.
FAUSIMM	Fellow of the Australasian Institute of Mining and Metallurgy, which is accepted as a foreign association membership designation under NI 43-101.
Financial Statements	The Annual Financial Statements and the Interim Financial Statements.
First Instalment	First Instalment as defined in the Amended and Restated Option Agreement, which is the first of two instalments of the Amended and Restated Option Agreement, pursuant to which the Company may acquire an initial 49% undivided interest in and to the Rio Madeira Property.
Grant Agreement	An agreement evidencing an Omnibus Plan Award.
IFRS	International Financial Reporting Standards.
INCRA	The National Institute for Colonization and Agrarian Reform.
Installation License	A license issued by the Brazilian Institute of Environment and Renewable Natural Resources and the State Environmental Agencies after a satisfactory evaluation of the proposed installations and infrastructures, including, but not limited to, mining methods, recovery methods, tailings dam design and dam break study. The Installation License also expands and updates the environmental and social/community studies that were included in the Preliminary License terms of reference and conditions. The holder of the license may begin earthworks and mine construction.
Interim Financial Statements	The unaudited interim financial statements of the Company for the three and nine months ended March 31, 2024, and 2023 and the notes thereto, attached as Schedule “D” hereto.

Interim MD&A	The Company's management's discussion and analysis of the financial condition and results of operations for the three and nine months ended March 31, 2024, and 2023, attached as Schedule "E" hereto.
IPO	This initial public offering of the Company.
IT	Information technology.
Joint Venture	Joint Venture as defined in the Amended and Restated Option Agreement, which is a joint venture between New Frontiers, which shall have an initial 51% interest, and the Company, which shall have an initial 49% interest.
Joint Venture Agreement	Joint Venture Agreement to be entered into between the Company and New Frontiers, which will be a customary form of joint venture agreement governing the terms and conditions of the Joint Venture, and will supersede the terms and conditions of the bylaws of New Frontiers and include the material terms and conditions set out in Schedule "B" of the Amended and Restated Option Agreement.
JV Operator	Initial operator of the Joint Venture, being New Frontiers, as more particularly described in and subject to the terms and conditions set out in the Amended and Restated Option Agreement.
KC	King's Counsel.
Listing	The listing of the Common Shares on the CSE.
Listing Date	The date on which the Common Shares are listed for trading on the CSE.
MD&A	The Annual MD&A and the Interim MD&A.
Minimum Offering	The Company's offering of a minimum of 12,942,000 Offered Units at a price of \$0.17 per Offered Unit.
Mining License	A license granted by the ANM which allows its holder to start production and commercial mining activities.
New Frontiers	New Frontiers Gold Mineração Ltda.
NI 43-101	National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> .
NI 52-110	National Instrument 52-110 – <i>Audit Committees</i> .
NP 46-201	National Policy 46-201 – <i>Escrow for Initial Public Offerings</i> .
Offering	The Company's initial public offering of Units at a price of \$0.17 per Unit for gross proceeds of a minimum of \$2,200,140 to be conducted by the Agent concurrently with the Listing.
Offering Price	The price of \$0.17 per Unit.

Omnibus Plan	The 20% rolling omnibus equity incentive plan of the Company.
Omnibus Plan Award	An Option, RSU, DSU, PSU or Other Share-Based Award granted pursuant to the Omnibus Plan.
Operating License	A license issued by the Brazilian Institute of Environment and Renewable Natural Resources and the State Environmental Agencies after a satisfactory evaluation of the proposed operating activities to ensure it was constructed according to the detail provided in the Installation License. The holder of the license may begin operating activities.
Option	A stock option of the Company issued pursuant to the Omnibus Plan, entitling the holder thereof to acquire Common Shares.
Option Agreement	The option agreement dated March 6, 2023, between the Company and New Frontiers, pursuant to which the Company may acquire up to a 70% indirect undivided right, title and interest in and to the Rio Madeira Property, as amended by the Amended and Restated Option Agreement.
Other Share-Based Award	An award of the Company issued pursuant to the Omnibus Plan, entitling the holder thereof to acquire Common Shares.
Other Share-Based Award Agreement	An agreement evidencing an Other Share-Based Award granted under the Omnibus Plan.
Plan Administrator	The administrator of the Omnibus Plan, being the Board or a committee of the Board.
Preliminary License	A license issued by the Brazilian Institute of Environment and Renewable Natural Resources and the State Environmental Agencies after a satisfactory evaluation of the proposed location and overall design of the project, environmental impact, social/community impact and establish terms of reference for future development.
President's List	The list of purchasers of the Offering provided by the Company to the Agent accounting for a maximum of \$250,000 of the gross proceeds raised under the Offering.
President's List Commission	The cash fee payable to the Agent equal to 2.0% of the proceeds from the sale of Units sold to purchasers on the President's List.
President's List Warrants	The Compensation Warrants to be issued to the Agent equal to 2.0% of Units sold to purchasers on the President's List.
Prospecting License	A license granted by the ANM which allows its holder to perform artisanal mining activities.
Prospectus	This prospectus dated as of the date on the cover page.

PSU	A performance share unit of the Company issued pursuant to the Omnibus Plan, entitling the holder thereof to acquire Common Shares.
PSU Agreement	An agreement evidencing PSUs granted under the Omnibus Plan.
Qualified Person or QP	A qualified person as defined under NI 43-101.
RBM	RBM Consultoria Mineral Ltda also known as RBM Consulting Ltda.
RSU	A restricted share unit of the Company issued pursuant to the Omnibus Plan, entitling the holder thereof to acquire Common Shares.
RSU Agreement	An agreement evidencing RSUs granted under the Omnibus Plan.
Rio Madeira Property	The Rio Madeira Property is the Company's gold exploration project and is subject to the Amended and Restated Option Agreement. It consists of an aggregate of eight Exploration License Applications covering an area of 68,445 hectares in Rondônia State, Brazil.
Second Instalment	Second Instalment as defined in the Amended and Restated Option Agreement, which is the second of two instalments of the Amended and Restated Option Agreement, pursuant to which the Company may acquire an additional 21% indirect undivided interest (70% interest in total pursuant to the First Instalment and the Second Instalment) in and to the Rio Madeira Property.
Shares	The Common Shares comprising the Units.
Stock Option Agreement	An agreement evidencing Options granted under the Omnibus Plan.
Tax Act	The <i>Income Tax Act</i> (Canada) and the regulations thereunder.
Technical Report	The independent NI 43-101 technical report dated effective July 30, 2023, and issued August 31, 2023, entitled "Technical Report on the Rio Madeira Exploration Project, Rondônia, Brazil Report for NI 43-101" prepared by Rodrigo Mello (FAUSIMM) of RBM Consulting Ltda.
Units	Collectively, the Offered Units and Additional Units, each Unit consisting of one Share and one Warrant.
Warrant Agent	Endeavor Trust Company.
Warrants	Common share purchase warrants of the Company comprising the Units, with each whole Warrant entitling its holder to purchase one Warrant Share at a price of \$0.25 at any time prior to 4:30 p.m. (Vancouver time) on the date that is 12 months following the Closing, subject to the Acceleration Right.
Warrant Share	The Common Shares issuable upon exercise of the Warrants.

TECHNICAL INFORMATION

The scientific and technical information contained in this Prospectus is supported by or derived from the Technical Report. The scientific and technical information contained in this Prospectus not derived from the Technical Report was prepared by or under the supervision of Rodrigo Mello (FAUSIMM) of RBM Consulting Ltda, who is a “qualified person” within the meaning of NI 43-101 and is an independent consultant of the Company. Reference should be made to the full text of the Technical Report which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company’s profile on SEDAR+ at www.sedarplus.ca.

The Company is a mineral exploration company, and its Rio Madeira Property is in the mineral exploration stage only. The degree of risk increases substantially where an issuer’s properties are in the mineral exploration stage as opposed to the development or operational stage. An investment in the Units is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Prospective investors should consider the risk factors in connection with an investment in the Company as set out under the heading “Risk Factors”.

GLOSSARY OF GEOLOGICAL AND SCIENTIFIC TERMS

The following is a glossary of certain geological and scientific terms used in this Prospectus:

Ag	Silver.
Alkalic	Igneous rocks having elevated concentrations alkali metals such as sodium and potassium.
Alteration	Chemical changes in the original composition of rocks and rock-forming minerals when affected by Hydrothermal Solutions often associated with plutonic or volcanic activity.
Au	Gold.
Breccia	A type of rock that is comprised of fragments of itself and/or other rock units, and which can be formed either by extrusive or intrusive volcanic processes, sedimentary processes, or by deformation.
Cu	Copper.
Fault	A structural dislocation in bedrock along which there has been movement, usually along a roughly planar surface.
g/t	Grams per Tonnes.
Geochemical Survey	A type of mineral exploration survey that involves collection and chemical analysis of rock, soil, sediment, water, or biologic (e.g., tree bark) samples to assist in the identification of prospective areas for mineralization.
Geophysical Survey	A type of mineral exploration survey that involves measuring electrical, magnetic and other physical properties of the rocks underlying the surveyed area to identify areas of anomalous response that may help identify prospective mineral exploration targets. Geophysical Surveys can be completed on the ground or by aircraft-mounted survey equipment.
Hydrothermal Solutions	The heated, typically acidic solutions within the earth’s crust that are known to transport and precipitate minerals.

IP	Induced Polarization, a method of ground geophysical surveying using an electrical current to determine indications of mineralization.
Jurassic	The geologic Period spanning from 201.6 to 145.5 Ma before the present.
km	Kilometre.
Ma	One million years.
Pb	Lead.
ppb	Parts per billion.
ppm	Parts per million.
Pyrite	A common iron Sulphide mineral.
Regolith	The layer of loose, uncompacted material sitting on top of bedrock. Soil is that portion of the regolith that is able to support plant life.
Soil Geochemistry	A type of Geochemical Survey that involves collecting samples of soil at regular intervals. Chemical analysis of the collected samples serves to identify areas of anomalous mineral concentrations, which may be indicative of underlying bedrock.
Stockwork	A rock consisting of narrow, closely spaced, mineralized veins, which in some cases comprise mineral deposits that may be bulk mined in open pits or underground.
Sulphide	A mineral made up of sulphur and one or more metals.
Tonne	A metric ton, equal to 2,240 pounds.
Triassic	The geologic period spanning from 251.0 to 201.6 Ma before the present.
Zn	Zinc.

CURRENCY PRESENTATION

In this Prospectus, references to “\$” are to Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this Prospectus constitute forward-looking statements. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Prospectus should not be unduly relied upon. These statements are current only as of the date of this Prospectus or as of the date specified in the documents incorporated by reference into this Prospectus. The Company does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws.

In particular, this Prospectus contains forward-looking statements pertaining to the following:

- completion of exploration program on the Rio Madeira Property as recommended in the Technical

Report;

- capital and general expenditures;
- expectations regarding the ability to raise capital;
- treatment under governmental regulatory regimes;
- expectations generally about the Company's business plans;
- use of available funds;
- the Company's need for and ability to raise capital in the future;
- the completion of the Offering;
- market price of precious and base metals; and
- other statements that are not statements of historical fact.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including expectations and assumptions underlying the expected nature and cost of the exploration programs on the Rio Madeira Property (see "*Mineral Projects – Rio Madeira Property*"); expectations and assumptions concerning the success of the operations of the Company, including the ongoing and planned exploration activities; assumptions underlying the Company's working capital requirements; projected costs of operating a junior mineral exploration company; assumptions that the Offering will be completed; assumptions regarding the global economic environment and the market price and demand for gold; and the Company's ability to manage its property interests and operating costs. Assumptions underlying the Company's working capital requirements are based on management's experience with other public companies in the junior mineral exploration sector. Forward-looking statements pertaining to the Company's need for and ability to raise capital in the future are based on the projected costs of operating a junior mineral exploration company, and management's experience with raising funds in current market circumstances. Forward-looking statements regarding treatment by governmental authorities, assumes no material change in regulations, policies, or the application of the same by such authorities.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Prospectus:

- liabilities inherent in the Company's operations;
- uncertainties associated with mineral exploration;
- weather and working conditions;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- fluctuations in metal prices and stock market volatility; and
- the other factors discussed under "*Risk Factors*".

This list of factors is not, and should not be construed as, exhaustive.

MARKETING MATERIALS

The template version of a corporate presentation dated June 26, 2024 (the "**Corporate Presentation**") has been filed with the securities commissions in each of British Columbia, Alberta and Ontario and is specifically incorporated by reference into this Prospectus. The Corporate Presentation is not part of this Prospectus to the extent that the contents of the Corporate Presentation have been modified or superseded by a statement contained in this Prospectus.

Any template version of any marketing materials filed on SEDAR+ (www.sedarplus.ca) after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Corporate Presentation or any other template version of any marketing materials) is deemed to be incorporated by reference into this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cozen O'Connor LLP, Canadian counsel to the Company, based on the provisions of the Tax Act as of the date hereof, the Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be “qualified investments” under the Tax Act for a trust governed by a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”), deferred profit sharing plan, registered education savings plan (“RESP”), registered disability savings plan (“RDSP”), first home savings account (“FHSA”), and tax-free savings account (“TFSA”) (collectively, “Deferred Plans”) provided that (i) the Shares and Warrant Shares, as the case may be, are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the CSE) or the Company is otherwise a “public corporation” (as such term is defined in the Tax Act), and (ii) in the case of the Warrants, the Warrant Shares are qualified investments as described in (i) and neither the Company, nor any person with whom the Company does not deal at arm’s length, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Deferred Plan.

The Shares are not currently listed on a designated stock exchange and the Company is not currently a “public corporation”, as that term is defined in the Tax Act. The Company has applied to list the Shares on the CSE as of the day before the Closing of the Offering, followed by an immediate halt in trading of the Shares in order to allow the Company to satisfy the conditions of the CSE and to have the Shares listed and posted for trading prior to the issuance of the Shares on the Closing of the Offering. The Company must rely on the CSE to list the Shares on the CSE and have them posted for trading prior to the issuance of the Shares on the Closing of the Offering and to otherwise proceed in such manner as may be required to result in the Shares being listed on the CSE at the time of their issuance on Closing. If the Shares are not listed on the CSE at the time of their issuance on the Closing of the Offering and the Company is not otherwise a “public corporation” at that time, the Shares, Warrants and Warrant Shares will not be “qualified investments” for the Deferred Plans at that time.

Notwithstanding that the Shares, Warrants and Warrants Shares may be a “qualified investment” for a Deferred Plan, an annuitant under an RRSP or RRIF, a holder of a TFSA, RDSP or FHSA, or a subscriber of a RESP will be subject to a penalty tax if such Shares, Warrants and Warrant Shares are a “prohibited investment” (as defined in the Tax Act) for the RRSP, RRIF, TFSA RDSP, FHSA or RESP. The Shares, Warrants and Warrant Shares will generally not be a “prohibited investment” for a particular RRSP, RRIF, TFSA, RDSP, FHSA or RESP provided that the annuitant under the RRSP or RRIF, the holder of the TFSA, RDSP or FHSA, or the subscriber of the RESP, as the case may be, deals at arm’s length with the Company for purposes of the Tax Act and does not have a “significant interest” (as defined in the Tax Act) in the Company. In addition, the Shares and Warrant Shares will not be a prohibited investment if such securities are “excluded property” (as defined in the Tax Act for purposes of these rules) for the particular, RRSP, RRIF, TFSA, RDSP, FHSA or RESP.

Persons who intend to hold Shares, Warrants and Warrant Shares in a trust governed by a Deferred Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Purchasers should carefully consider, among other things, the matters discussed under “Risk Factors”.

The Company

The Company was incorporated pursuant to the BCBCA under the name “Canary Gold Corp.” on May 9, 2022. The Company’s head office is located at 200-551 Howe Street, Vancouver, British Columbia, V6C 2C2 and its registered and records office is located at 2501-550 Burrard Street, Vancouver, British Columbia, V6C 2B5. The Company has one wholly-owned subsidiary, Canary Gold Mineração Ltda, which was incorporated pursuant to the laws of Brazil. See “*Corporate Structure*”.

The Company is not a reporting issuer in any jurisdiction and its Common Shares are not listed or posted for trading on any stock exchange. The Company has applied, concurrent with the filing of this Prospectus, to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

Principal Business

The Company is a mineral exploration company whose principal business is the acquisition and exploration of gold mineral exploration properties, with a focus in Rondônia, Brazil.

The Company may acquire up to a 70% undivided right, title and interest in one gold mineral property in Brazil, the Rio Madeira Property, in accordance with the Amended and Restated Option Agreement (as defined herein). The Rio Madeira Property consists of an aggregate of eight applications for exploration licenses (“**Exploration License Applications**”) covering an area of 68,445 hectares in Rondônia, Brazil.

The Company intends to explore the Rio Madeira Property pursuant to the recommendations set forth in the Technical Report, of which the exploration program is subject to completion of the Minimum Offering.

See “*General Development of the Business*” and “*Description of the Business*”.

Business Objectives

The Company’s business objectives over the next 12 months are to (i) complete the Offering and concurrently obtain a listing of its Common Shares on the CSE and (ii) complete the exploration program on the Rio Madeira Property, as recommended in the Technical Report.

The Offering

- Issue:** This Prospectus qualifies the distribution of a minimum of 12,942,000 Offered Units. Each Offered Unit is comprised of one Share and one Warrant.
- Agent’s Option:** This Prospectus qualifies the grant of the Agent’s Option, which is exercisable in whole or in part at any time up to 48 hours prior to the Closing Date. See “*Plan of Distribution*”. The Additional Units have the same terms as the Offered Units.
- Offering Price:** \$0.17 per Unit.
- Warrant Features:** Each Warrant will entitle its holder to purchase one Warrant Share at an exercise price of \$0.25 per Warrant Share at any time prior to 4:30 p.m. (Vancouver time)

on the date that is 12 months following the Closing, subject to the Acceleration Right.

Offering Amount: Minimum of \$2,200,140.

Directors and Executive Officers

Andrew Lee Smith – CEO, Executive Chair & Director

Oliver Foeste – CFO

Sherry Siu – Corporate Secretary

Hein Poulus, KC – Director

Al Kanji, CPA – Director

Risk Factors

The activities of the Company are subject to risks inherent in the mining industry as well as the risks normally encountered in a newly established business, including but not limited to: negative cash flow; lack of adequate capital; liquidity concerns and future financing requirements to sustain operations; dilution; no history of operations and revenues and no history of earnings or dividends; competition; economic changes; and uninsured risks. The Company's property has no history of revenues, earnings or dividends. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment. Investors should consult with their professional advisors to assess an investment in the Company's securities.

There is currently no public market for the Shares and there can be no assurance that an active market for the Shares will develop or be sustained after the Listing. The value of the Shares is subject to volatility in market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. See "Risk Factors".

Summary of Selected Financial Information

The table below summarizes selected financial data for the periods indicated and should be read in conjunction with the Financial Statements and MD&A.

	As at Mar 31, 2024 (unaudited) (\$)	As at Jun 30, 2023 (audited) (\$)
Financial positions		
Current assets	457,710	514,240
Exploration and evaluation assets (net)	100,000	100,000
Total assets	557,710	614,240
Current liabilities	400,731	62,856
Share capital	1,661,115	1,099,970
Reserves	19,014	-
Accumulated other comprehensive income	(5,972)	-

	As at Mar 31, 2024 (unaudited) (\$)	As at Jun 30, 2023 (audited) (\$)
Deficit	(1,517,178)	(548,586)
Number of shares outstanding	30,288,502	26,186,669

Financial results	For the Nine Months ended Mar 31, 2024 (unaudited) (\$)	For the Year ended Jun 30, 2023 (audited) (\$)
Consulting fees	45,000	11,000
Director and management fees	174,000	137,500
Exploration and evaluation expenditures	290,953	167,164
General and administrative expenditures	45,888	9,588
Marketing fees	47,025	25,000
Professional fees	329,902	125,586
Net loss and comprehensive loss	(974,564)	(548,586)
Net loss per share – basic and diluted	(0.03)	(0.04)

See Schedule “B” – Annual Financial Statements, Schedule “C” – Annual Management’s Discussion and Analysis, Schedule “D” – Interim Financial Statements and Schedule “E” – Interim Management’s Discussion and Analysis.

Available Funds

The Company’s estimated working capital as at May 31, 2024 was a deficit of \$87,302. The Company estimates that the net proceeds from the Minimum Offering, together with the working capital as at May 31, 2024, will be approximately \$1,680,830, after deducting the Agent’s Commission (assuming no subscribers on the President’s List and no exercise of the Agent’s Option), and estimated expenses of \$300,000, including the cash portion of the Corporate Finance Fee. The funds expected to be available to the Company upon completion of the Minimum Offering and the expected principal purposes for which such funds will be used are described below:

<u>Funds Available</u>	<u>Minimum Offering</u>
Estimated working capital (deficit) as of May 31, 2024.....	(\$87,302)
Net proceeds of the Minimum Offering ⁽¹⁾	\$1,768,132
Net Funds Available	\$1,680,830

Notes:

(1) Includes the estimated expenses of the Minimum Offering.

Use of Proceeds

The net proceeds of the Minimum Offering, together with the Company’s estimated working capital as at May 31, 2024, is intended to be used as follows:

<u>Principal Purpose</u>	<u>Minimum Offering</u>
Exploration program as recommended in the Technical Report ⁽¹⁾	\$828,728
Amended and Restated Option Agreement – IPO Payment	\$125,000
Rio Madeira Property Administration – Maintenance of claims, permitting costs, etc.	\$100,000
Annual estimated general and administrative costs ⁽²⁾	\$520,500
Unallocated Working Capital.....	\$106,602
Total	\$1,680,830⁽³⁾

Notes:

(1) As of March 31, 2024, the Company has prepaid \$278,436 of drilling services under the exploration program as recommended in the Technical Report. The Company also deducted \$79,112 from the exploration program budget as recommended in the Technical Report, which were payable to Jonathan Hill prior to his resignation from the Company on May 28, 2024. See “*Executive Compensation – Compensation Discussion and Analysis*”.

(2) The estimated general and administrative costs for the next 12 months are as follows:

Office & Administration	\$42,000
Professional Fees (legal & audit)	\$40,000
Management & Consultants ⁽¹⁾	\$354,000
Investor Relations and Communications ⁽²⁾	\$84,000
Miscellaneous	\$500
Total G&A	\$520,500

(1) Assumes payment of \$120,000 to Iron Mask for services of Andrew Lee Smith as CEO of the Company and \$78,000 to Invictus for services of Oliver Foeste as CFO of the Company and for financial reporting and bookkeeping services. See “*Management’s Discussion and Analysis*” and “*Executive Compensation – Compensation Discussion and Analysis*”.

(2) The Company engages 622738 BC Ltd. for investor relations services at a cost of \$7,000 per month.

(3) Any additional funds available from the exercise of the Agent’s Option and reduction in Agent’s Commission due to subscriptions from the President’s List will be used for general working capital purposes.

The objectives that the Company expects to accomplish using its estimated working capital as at May 31, 2024 and net proceeds from the Minimum Offering, are as follows:

- Complete the Offering and concurrently obtain a listing of its Common Shares on the CSE; and
- Complete the exploration program recommended in the Technical Report. The exploration program remains subject to the approval of the ANM for the Exploration License Applications for the Rio Madeira Property. If the applications for the Exploration License Applications are approved, the title to such claims will not be challenged or impugned.

See “*Use of Proceeds and Available Funds*”.

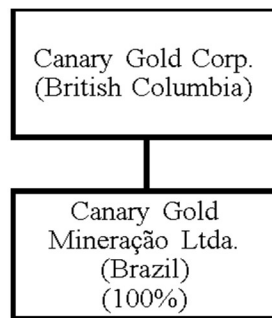
CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated pursuant to the BCBCA under the name “Canary Gold Corp.” on May 9, 2022. The Company’s head office is located at 200-551 Howe Street, Vancouver, British Columbia, V6C 2C2 and its registered and records office is located at 2501-550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

Intercorporate Relationships

The Company has one subsidiary. On July 11, 2023, Canary Gold Mineração Ltda. was incorporated in Brazil as a wholly owned subsidiary of the Company.



GENERAL DEVELOPMENT OF THE BUSINESS

The Company is a mineral exploration company whose principal business is the acquisition and exploration of gold mineral exploration properties, with a focus in Rondônia, Brazil. The Company currently has an option to acquire up to a 70% indirect undivided right, title and interest in one gold mineral property in Brazil, the Rio Madeira Property, in accordance with the Amended and Restated Option Agreement. The Rio Madeira Property consists of an aggregate of eight Exploration License Applications covering an area of 68,445 hectares in Rondônia, Brazil.

Three Year History

The Company was incorporated pursuant to the BCBCA on May 9, 2022. The Company has not yet conducted any commercial operations. Since incorporation, the Company has taken the following steps to develop its business:

- (1) sought out the Rio Madeira Property, a prospective gold property in Brazil (see “*Significant Acquisitions*” below), negotiated the terms and conditions of a letter of intent with New Frontiers and subsequently entered into a letter of intent with New Frontiers on September 19, 2022;
- (2) negotiated the main terms of the Option Agreement between Fall 2022 and Spring 2023 and entered into the Option Agreement on March 6, 2023;
- (3) entered into the Amended and Restated Option Agreement on April 1, 2024;
- (4) recruited directors and officers with the skills required to operate a publicly listed junior mineral exploration company, as noted below under “*Directors and Officers*”;
- (5) raised aggregate gross proceeds of \$1,681,275.15 through private placements by selling an

aggregate of 10,000,000 Common Shares issued at a price of \$0.005 per Common Share, 9,900,000 Common Shares issued at a price of \$0.02 per Common Share, 1,000,000 Common Shares issued at a price of \$0.10 per Common Share, 8,888,501 Common Shares issued at a price of \$0.15 per Common Share during the period from incorporation to as of the date of this Prospectus. The funds raised have provided sufficient capital to carry on the Company's business to date, and to cover the costs associated with the Offering. See "*Prior Sales*"; and

- (6) engaged the Agent to assist the Company in making an application for listing on the CSE, and to complete the Offering.

See "*Use of Proceeds*" and "*Material Contracts*".

Directors and Officers

The Company was incorporated by Craig Engelsman, who was the initial director and President of the Company from May 9, 2022 to February 6, 2024. Andrew Lee Smith became the second director effective November 22, 2022, as well as CEO and Executive Chair effective August 28, 2023. Sherry Siu joined the Company as Corporate Secretary on April 1, 2023 and Oliver Foeste joined the Company as CFO on June 1, 2023. On February 6, 2024, Hein Poulus, Al-Noor Kanji and Jonathan Hill joined the Board of Directors. Jonathan Hill was also appointed the VP of Exploration and Mine Geology on the same day. Jonathan Hill subsequently resigned from his position as director on February 17, 2024 and as the VP of Exploration and Mine Geology on May 28, 2024.

Significant Acquisitions

Rio Madeira Property

On March 6, 2023, the Company entered into the Option Agreement with New Frontiers, who is currently an unrelated party to the Company and an unrelated party at the time of entrance into the Option Agreement, to acquire up to a 70% undivided interest in the Rio Madeira Property for cash and Common Share consideration, as amended by the amended and restated option agreement (the "**Amended and Restated Option Agreement**") on April 1, 2024. In order to acquire the 70% interest in the Rio Madeira Property, the Company must take the following actions:

1. To acquire an initial 49% undivided interest in and to the Rio Madeira Property, being the First Instalment, the Company must:
 - (i) on the execution of the Option Agreement, pay \$25,000 in cash and issue 500,000 Common Shares to New Frontiers, which the Company has completed under the terms of the Option Agreement;
 - (ii) in connection with this IPO and no later than within ten (10) business days of the completion of the IPO:
 - (a) pay \$125,000 to New Frontiers;
 - (b) issue that number of Common Shares to New Frontiers equal to an aggregate deemed value of \$100,000; and
 - (iii) on or before April 1, 2026:
 - (a) pay \$200,000 to New Frontiers;

- (b) issue that number of Common Shares to New Frontiers equal to an aggregate deemed value of \$200,000; and
 - (c) incur \$2,500,000 in exploration expenditures;
 - (iv) on or before April 1, 2027:
 - (a) pay \$500,000 to New Frontiers;
 - (b) issue that number of Common Shares to New Frontiers equal to an aggregate deemed value of \$500,000;
 - (c) incur \$2,500,000 in exploration expenditures; and
 - (d) provide a technical report prepared in accordance with NI 43-101 that includes a mineral resource estimate in respect of the Rio Madeira Property; and
2. To acquire the Second Instalment, the Company must fund (or reimburse New Frontiers) 100% of the costs associated with a development program required to deliver a “preliminary economic assessment” (as such term is defined in NI 43-101) in respect of the Rio Madeira Property within two years of completing the First Instalment.

For compliance purposes with the Brazil Frontiers Zone Law, the Company acknowledges that it will be limited to a 49% direct equity participation in the Rio Madeira Property, however, it will be entitled to a 70% indirect equity participation under a separate agreement. Alternatively, the Company and New Frontiers may agree to a contractual structure whereby (i) the Company will be capped at a 49% direct equity participation (representing a 70% indirect equity participation under a separate agreement) in the Border Zone Claims (as defined in the Amended and Restated Option Agreement), and (ii) a 70% direct equity participation in the Outside the Border Zone Claims (as defined in the Amended and Restated Option Agreement). The definitive contractual structure will be defined in meetings between New Frontiers and the Brazilian Mining Agency, which result will be subject to the final approval of Brazil’s National Defense Council as far as the Border Zone Claims are concerned.

The Company may, in its sole discretion, accelerate the exercise of the First Installment and/or the Second Instalment by issuing the applicable Common Shares pursuant to the First Installment and incurring the requisite exploration expenditures set forth above, respectively, prior to the respective due date.

Proposed Joint Venture

Once the First Instalment is exercised, the Joint Venture will be immediately constituted, in which New Frontiers will have an initial 51% interest and the Company an initial 49% interest for the further exploration, development and mining of the Rio Madeira Property. In connection with the Joint Venture, the Company and New Frontiers will (i) amend the bylaws of New Frontiers and (ii) negotiate in good faith and execute a customary form of joint venture agreement (the “**Joint Venture Agreement**”) governing the terms and conditions of the Joint Venture which shall supersede the terms and conditions of the bylaws of New Frontiers and include the material terms and conditions set out in Schedule “B” of the Amended and Restated Option Agreement, a copy of which will be available on the SEDAR+ profile of the Company.

The material terms of the Joint Venture as set out in the Amended and Restated Option Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by (i) reference to the provisions of the Amended and Restated Option Agreement, and (ii) the terms and conditions of the Joint Venture Agreement to be entered into by the Company and New Frontiers:

- (a) Upon completion of the Second Instalment, the Company will have a 70% interest in the Joint Venture and New Frontiers will have a 30% interest;
- (b) In the event that the Company does not exercise the option to acquire the Second Instalment, the Company will be responsible for funding 100% of the first \$1,000,000 of the expenditures in the Joint Venture pursuant to one or more approved exploration programs, so that New Frontiers' interest is a carried interest respecting such amount. Thereafter, each party will contribute its proportionate share to the Joint Venture;
- (c) New Frontiers will be the JV Operator under the Joint Venture and will remain in this position unless its interest is reduced below 30% or New Frontiers resigns, in which event the Company will have the right to appoint senior individuals as officers of the JV Operator;
- (d) The JV Operator must keep the properties in good standing and free from encumbrances, comply with applicable laws and maintain proper books and accounts and adequate insurance in respect of the Joint Venture;
- (e) The JV Operator will provide the parties with quarterly progress reports and semi-annual lists of expenditures, and duplicates of all documents created, received or acquired on the properties including maps, assays, analysis, invoices, statements, communications, applications, or otherwise in a timely manner but in any event not more than 60 days from the date of the JV Operator's receipt thereof;
- (f) The JV Operator will be entitled to receive a management fee equal to 15% of the exploration expenditures of the Joint Venture in consideration for its efforts and services as JV Operator;
- (g) Each party to the Joint Venture will be responsible for its proportionate share of the costs and expenses of the Joint Venture including, but not limited to, any lease, purchase and/or royalty payments and other monies due to arm's length third parties;
- (h) The Joint Venture will constitute a management committee comprised of two representatives of each party (the "**Management Committee**"), with the representatives of each party being entitled to cast collectively that number of votes which is equal to the percentage interest of the party that they represent. The chair of the Management Committee (the "**Committee Chair**") will initially be a representative of the Company, who will have a casting vote in matters that the Management Committee is unable to resolve. The Committee Chair and casting vote will remain in favour of the Company provided that the Company tables a development program that advances the properties to commercial production, and further provided that the Company agrees to fund 100% of the costs associated with creating and implementing the development program;
- (i) Subject to the terms of the Joint Venture as set out in the Amended and Restated Option Agreement, on or before February 1 of each calendar year during the joint venture period, the JV Operator will submit to the Management Committee for approval a complete exploration program to be carried out during that calendar year. Any party not intending to participate in an approved exploration program pursuant to its pro rata share for a particular calendar year will advise the other party in writing on or before March 1 of that year. A non-participating party will be deemed to have forfeited all of its rights to enter, work, explore and develop the properties during any calendar year that it elects to be non-participating until such time as the participating party has incurred all of the expenditures that were set out in the exploration program for that calendar year; and
- (j) In the event that the Company fails to, or is unwilling or unable to table a development program

within two years of completing the First Instalment, New Frontiers will have the option to create a competing development program, which it will promptly deliver to the Company, and, in doing so, will have the right to appoint one of its representatives as Committee Chair, who will then hold the casting vote. The Company will have a period of 90 days to consider the competing development program and agree to fund its 49% share of the associated costs or have their interests in the Joint Venture diluted according to the dilution formula set out in the Amended and Restated Option Agreement, as will be further described in a Joint Venture Agreement.

DESCRIPTION OF THE BUSINESS

General

The Company is a mineral exploration company whose principal business is the acquisition and exploration of gold mineral exploration properties, with a focus in Rondônia, Brazil. The Company currently has an option to acquire up to a 70% undivided right, title and interest in one gold mineral property in Brazil, the Rio Madeira Property. The Rio Madeira Property consists of an aggregate of eight Exploration License Applications covering an area of 68,445 hectares in Rondônia, Brazil.

The Company plans to actively explore the Rio Madeira Property using systematic exploration techniques consistent with industry standards in Brazil. The Company intends to explore the Rio Madeira Property pursuant to the recommendations set forth in the Technical Report, of which the exploration program is subject to completion of the Offering.

Attached as Schedule “A” to this Prospectus is a summary of the technical disclosure concerning the Rio Madeira Property, which contains information summarized, compiled or extracted from the Technical Report.

Gold

The Company’s principal product is gold and, if successful, gold production will form nearly all of the Company’s revenue. If produced, there is a global gold market into which the Company can sell its gold and, as a result, the Company will not be dependent on a particular purchaser with regard to the sale of the gold that it produces. At the time of this Prospectus, the Company does not have any agreements with gold buyers.

Brazil

The Company’s only material property, the Rio Madeira Property, is located in Rondônia, Brazil, so the Company is entirely dependent on its foreign operations for the exploration and development of the Rio Madeira Property. See “*Description of the Business – Foreign Operations*”.

Skills and Knowledge

All aspects of the Company’s business require specialized skills and knowledge and the nature of its business requires technical expertise. Such skills and knowledge include permitting, geology, drilling, metallurgy, logistical planning, engineering and implementation of exploration programs, as well as legal compliance, environmental monitoring and compliance, finance, public reporting and accounting. The Company engages local consultants and employees for operations on the Rio Madeira Property. The Company believes it has the necessary skilled employees and consultants to carry on its business as conducted and believes it will continue to be able to retain such employees and consultants.

Competitive Conditions

The Company competes with other exploration companies for the acquisition of mineral claims and other mineral interests, as well as for the recruitment and retention of qualified consultants. There is significant competition for the limited number of acquisition opportunities and, as a result, the Company may be unable to acquire precious and base metal mineral exploration properties in the future on terms it considers acceptable for all its stakeholders. Competition is also high for the recruitment of experienced and qualified consultants and personnel. See “*Risk Factors – Risks Related to Company’s Industry – Competition*”.

Intangible Property

The Company does not have any need for nor does it use any brand names, circulation lists, patents, copyrights, trademarks, franchises, licenses, software (other than commercially available software), subscription lists, or other intellectual property in its business.

Business Cycle and Seasonality

The Company’s business is not cyclical but is restricted by seasonal changes to the extent that may be unable to carry out exploration due to onerous seasonal conditions.

Economic Dependence

The Company’s business is not substantially dependent on any one contract but depends on the aggregate of the various option and mining lease agreements respecting its properties.

Changes to Contracts

No part of the Company’s business is reasonably expected to be affected in the current financial year by either the renegotiation or termination of any contract.

Government Regulation

Mining operations and exploration activities are subject to various laws and regulations which govern prospecting, exploration, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, protection of the environment, mine safety, hazardous substances and other matters. See “*Description of the Business – Foreign Operations*”.

Environmental Protection

All phases of the Company’s operations are subject to environmental regulation in the jurisdiction in which it operates. Environmental legislation is evolving in a manner which requires increasingly strict standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for corporations and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company’s operations, including its capital expenditures, earnings and competitive position. See “*Description of the Business – Foreign Operations*”.

Employees

As of the date of this Prospectus, the Company has three officers and executives, two non-executive directors and two consultants. The Company has no employees.

Foreign Operations

Brazil is a mining-friendly jurisdiction with a long history of mining and a skilled labour force. Brazil is a member of the Multilateral Investment Guarantee Agency and was ranked among the top 10 most attractive countries in Latin America for mining investment by the Fraser Institute Annual Survey of Mining Companies 2022⁽¹⁾. The Company's operations are subject to Brazilian regulations pertaining to environmental protection, the use and development of mineral properties and the acquisition or use of rural properties by foreign investors or Brazilian companies under foreign control and various other Brazilian regulatory frameworks.

Corporate Structure Controls

The risks of the corporate structure of the Company and its subsidiaries are risks that are typical and inherent for issuers who have material assets and property interests held indirectly through foreign subsidiaries and located in foreign jurisdictions. As a result, the Company's business and operations are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction such as difference in laws, business cultures and practices, banking systems and internal control over financial reporting.

Such risks are mitigated by the use of local experts (legal, accounting, tax and directors), by maintaining local bank accounts with "as needed cash balances" with accredited banking institutions and exercising controls over the use of cash, performing regular reviews of the consolidated books and records at the Company's head office and frequent personal inspection and visits to the offices and project location of the foreign subsidiaries by the Company's key management on a regular basis.

Management Experience in Emerging Market Countries

Andrew Lee Smith and Oliver Foeste of the Company's officers have experience conducting business in emerging market countries.

Andrew Lee Smith, CEO and a director of the Company, is a Professional Geologist with over 30 years' experience of successfully exploring, developing and operating African and North American base and precious metals mining projects. Mr. Smith has held senior management positions in companies operating in Ethiopia and Tanzania since 2004.

Oliver Foeste, CFO of the Company, is a Chartered Professional Accountant, and Managing Partner of Invictus Accounting Group LLP, a Vancouver based accounting advisory firm with specialization in listed issuer financial reporting and internal controls compliance. Both Mr. Foeste and Invictus Accounting Group LLP have significant experience providing services to companies with mineral exploration and production in Latin American emerging markets. Specifically, Invictus Accounting Group LLP has two team members who are from Brazil and fluent in both Portuguese and Spanish.

Business Language in Brazil

The business language in Brazil is Portuguese and English. The primary language used in meetings of management and the Board is English. Material documents relating to the Company that are provided to the Board are in English. To the extent that any original documentation is in Portuguese, the respective directors, officers and consultants of the Company assist with any translation needs. The following individuals and companies, who are engaged by the Company, are fluent in Portuguese: (i) Lima e Martins

¹ <https://www.fraserinstitute.org/studies/annual-survey-of-mining-companies-2022>.

Sociedade de Advogados, the Company's local counsel in Brazil, (ii) certain staff members of Invictus Accounting Group LLP, (iii) Rodrigo Mello, the author of the Technical Report, and (iv) local geologists located in Brazil.

Internal Control Over Financial Reporting

The Company maintains internal control over financial reporting with respect to its Brazilian operations by taking various measures. Differences in banking systems and controls between Brazil and Canada are addressed by having controls over cash in both locations; particularly over access to cash, cash disbursements, appropriate authorization levels, and performing and reviewing bank reconciliations on a monthly and quarterly basis. The CFO of the Company reviews and approves the financial statements of the Company on a monthly basis.

The Company maintains various cash and investment accounts with Brazilian and Canadian banks and have extensive finance and treasury functions, based in Brazil, under the direction of the CFO of the Company. Payments to Brazilian and Canadian creditors are reviewed and approved by the CFO of the Company, who has the appropriate level of approval authority. All expenditures that are unbudgeted or outside the normal course of business are referred to the Company's management in Canada for approval and/or payment where appropriate.

The difference in cultures and practices between the two countries is addressed by employing competent staff and consultants in both countries who are familiar with the local laws, business culture and standard practices, have local language proficiency, are experienced in working in the respective jurisdictions and dealing with the local government authorities, and have experience and knowledge of the local banking systems and treasury requirements. The Company documents and assesses the design of internal controls over financial reporting on an annual basis. Furthermore, key controls for the accounts in scope are tested across the Company on an annual basis. This process is undertaken by the CFO of the Company.

The Company has adopted formal policies and procedures for the evaluation of related party transactions, including, but not limited to, forming committees comprised entirely of independent directors for the evaluation of related party transactions; ensuring that *in camera sessions* are held at Board meeting with only independent directors present on an ad hoc basis; and establishing a process for independent vetting by the audit committee of any related party arrangements or transactions.

Regulations and Use and Development of Mineral Properties

The following summary has been prepared by Lima e Martins, Brazilian legal counsel to the Company.

Brazilian Mining Legislation, Administration and Rights are governed by the Brazil Mining Code (Federal Law Decree No. 227/1967), which regulates exploration and development of mineral resources and mining projects in Brazil.

Mineral tenements in Brazil are generally comprised of Prospecting Licenses, Exploration Licenses and Mining Licenses. These are granted subject to various conditions including an annual fee per hectare payment and reporting requirements. Each tenement is granted subject to standard conditions that regulate the holder's activities and regulations that are designed to protect the environment.

The holder of a granted Prospecting License, Exploration License or Mining License is not required to spend a set annual amount per hectare in each tenement on exploration or mining activities. There is no statutory or other minimum expenditure requirement in Brazil. However, annual rental payments are made to the Brazilian Mining National Agency (the "ANM") and the holder of an Exploration License must pay rates and taxes ranging, based on current exchange rate. The Company estimates paying \$100,000 over the

next twelve months in connection with maintenance of the claims. See “*Use of Proceeds and Available Funds*”.

A Prospecting License is granted for individuals who intend to perform artisanal mining activities. It entitles the holder, to the exclusion of all others, to explore for minerals in the area of the Prospecting License, but not to conduct commercial mining. A Prospecting License may cover a maximum area of 50 hectares and remains in force for up to 5 years. The holder may apply for a renewal of the Prospecting License, which is subject to approval by ANM. The period of renewal may be up to a further 5 years. A Prospecting License is not required in respect of the Rio Madeira Property since the Company does not intend to perform artisanal mining activities.

Exploration Licenses are granted during the exploration phase and the federal department responsible for issuing Exploration Licenses is the ANM. Exploration Licenses are typically granted for 3 years and can be extended for an additional 3 years maximum, subject to ANM approval. An Exploration License allows the holder to conduct exploration activities such as geological mapping, sampling, and drilling in the granted concession, but not to conduct commercial mining. To obtain an Exploration License, the applicant must file an Exploration License Application. Once the application is reviewed and approved by the ANM, the holder will be granted an Exploration License. As at the date of this Prospectus, the Company’s application is under review.

The Rio Madeira Property comprises eight Exploration License Applications, totaling 69,911 hectares. Three of them have a temporary blocking, due to interference with power lines. This restriction is considered easy to resolve through existing procedures available through the ANM. In general, correspondence with the ANM stating that the Company will respect a security limit around the power lines suffices for the granting of an Exploration License. Alternatively, the Company may apply for a reduction in area, corresponding to the zone possibly affected by the power lines. The possible reduction in the area due to power lines restrictions is not considered materially significant.

The ANM will typically approve the Exploration License Applications within six to twelve months of the application submission if there are no Border Zone or other interferences identified. However, considering that three of the Exploration License Applications have “temporary blocking” status due to power line interference and five of the Exploration License Applications are for titles within the Border Zone, the ANM’s review of those Exploration License Applications is expected to take longer.

The Company is working with its Brazilian counsel to resolve the temporary blocking on the three Exploration License Applications. Relying on Brazilian legal opinion no. 500/2008 from the Brazilian Federal Attorney issued on September 30, 2008, which opined that power and mineral projects have similar constitutional protections, the Company submitted a waiver and an option for reduction of the areas that are affected by the power lines. Even considering the reduction of the areas affected, the Company will still maintain the majority of its prospective areas. The Company does not consider any potential reduction in the area due to power lines to be material and the Company is hopeful that the ANM will accept the Exploration License Applications as the applicable mining legislation and legal opinion no. 500/2008 are strictly followed.

Below are tables showing the title number, title name and application date for the Exploration License Applications submitted outside of the Border Zone and within the Border Zone:

CLAIMS OUTSIDE OF THE BORDER ZONE		
Title	Titleholder	Application
886.009/2023	New Frontiers Gold Mineração Ltda	11/02/2023
886.010/2023	New Frontiers Gold Mineração Ltda	11/02/2023
886.012/2023	New Frontiers Gold Mineração Ltda	16/01/2023

CLAIMS WITHIN THE BORDER ZONE		
Title	Titleholder	Application
886.196/2017	New Frontiers Gold Mineração Ltda	16/08/2017
886.197/2017	New Frontiers Gold Mineração Ltda	16/08/2017
886.198/2017	New Frontiers Gold Mineração Ltda	16/08/2017
886.199/2017	New Frontiers Gold Mineração Ltda	16/08/2017
886.011/2023	New Frontiers Gold Mineração Ltda	11/02/2023

Once the exploration phase has concluded, the holder must present an exploration technical report to the ANM. If the report is positive and the mineral resources are deemed to be potentially economically viable, the holder can apply for a Mining License. If the holder does not find any mineral resources during the exploration phase, they can submit a negative final report and relinquish the Exploration License. Once the report is approved, the holder has a one-year deadline to apply for the Mining License. The Mining License allows the start of production and commercial mining activities.

Mining Licenses are granted for an indefinite period of time. However, the license holder must meet certain conditions to keep the license valid. These conditions include paying government annual licensing fees and meeting environmental regulations.

Development of mining projects in Brazil are governed by three phases in the course of a company's review of whether it meets environmental regulations: Preliminary License, Installation License and Operating License. Issuance of these licenses is governed by the Brazilian Institute of Environment and Renewable Natural Resources and the State Environmental Agencies, which are the Pará State Environmental Agency for the Rio Madeira Property, or the Municipality Authorities.

- **Preliminary License:** Receipt of the Preliminary License requires the licensing agency to evaluate the location and overall design of the project, environmental impact, social/community impact and establish terms of reference for future development. The Rio Madeira Property occurs on predominantly privately owned, cleared land and there are no Indigenous communities within the property boundary. However, the ANM Processes 886.197/2017, 886.198/2017, 886.199/2017, 886.011/2023 and 886.012/2023 are located less than 10 km from the Karitiana Indigenous Community. Therefore, consultation will be required under the National Foundation of the Indigenous (FUNAI), the federal agency that establishes and manages policies relating to Indigenous communities.
- **Installation License:** Receipt of the Installation License allows earthworks and mine construction to start. Application for the Installation License must include layout of the mine, processing plant, tailings dam and all associated infrastructure. It also includes detail on mining methods, recovery methods, tailings dam design (and dam break study). The Installation License also expands and

updates the environmental and social/community studies that were included in the Preliminary License terms of reference and conditions.

- Operating License: Receipt of the Operating License allows operating activities to start and is essentially a review of the operation to ensure it was constructed according to the detail provided in the Installation License.

Environmental Protection

There is no evidence that the Company and New Frontiers have caused any environmental liabilities. The deforestation in the area is mostly due to agriculture, specifically cattle grazing. Timber extractions were also observed. Artisanal mining has been observed in the neighbourhood, but it has had a limited impact.

The exploration activities developed by New Frontiers were of low impact on the environment. Therefore, no past environmental liabilities are expected to affect the Rio Madeira Property.

In regard to the areas outside the Brazilian border zone (the “**Border Zone**”), a 150 km strip bordering the international frontier in Brazil, the single permitting process necessary is the permit to drill, a process usually simple, except if deforestation is required. The initial drilling activities will be planned for deforested areas. According to the results, deforestation requests will be filled, to construct access roads and drilling pads. The deforestation will be kept as minimum as possible, and any areas impacted will be remediated promptly.

According to preliminary assessment, the surface ownership is held by a number of individuals. Each one will be contacted and an agreement with them is necessary to have access to the area. Brazilian law assures access to the title owner, however a judicial path is the last resort, since it can delay significantly the exploration work. Usually, this type of agreement is reached without problem. For the areas inside the border zone, besides the requirements listed above, a special approval is necessary from the National Security Council.

Acquisition or Use of Rural Properties by Foreign Investors or Brazilian Companies Under Foreign Control

The following summary has been reviewed and approved by Lima e Martins, Brazilian legal counsel to the Company.

Non-resident individuals and non-domiciled foreign legal entities are subject to restrictions on the acquisition or lease of rural properties in Brazil. Limitations also apply to legal entities domiciled in Brazil and controlled by foreign investors. Such limitations are set forth mainly in Law No. 5709/1971 and in Decree No. 74965/1974.

Until 2010, it was interpreted that limitations imposed on the acquisition or lease of rural property did not apply to Brazilian companies under foreign control. However, on August 23, 2010, a new opinion from the Brazilian Office of the CGU and the AGU and the Brazilian President, Opinion CGU/AGU, issued by the General Counsel of the Federal Government Office (CGU/AGU No. 01/2008-RVJ), was published in the Official Gazette. Opinion CGU/AGU, based on the principle of Brazilian sovereignty, significantly changed the interpretation of the applicable laws at the time. Accordingly, Brazilian companies that have the majority of their capital stock owned by foreign individuals and legal entities domiciled abroad are deemed “foreign investors” for the purposes of application of the restrictions on the acquisition or lease of rural property in Brazil. The legality of Opinion CGU/AGU has been and is currently being challenged. However, prior challenges to the opinion have been unsuccessful.

Under current rules, a foreign investor or a Brazilian company under foreign control may only acquire or lease rural property in Brazil without breaching Opinion CGU/AGU if certain conditions are met, including approval by the INCRA and by the Ministry of Agriculture (after consulting the relevant federal authorities) or by the Ministry of Industry and Trade (for industrial projects), and others, such as the following:

- foreign entities may only acquire or lease rural properties designed for the implementation of agricultural activities, cattle raising, industrial or colonization projects that are encompassed by their corporate purposes, provided that such projects must be approved by the Ministry of Agriculture, after hearing the competent federal agency in charge of regional development in the relevant area; industrial projects shall be submitted to, and approved by, the Ministry of Industry and Trade;
- the aggregate of the rural areas of property held by foreign legal entities may not exceed 25% of the total surface area of the municipality in which they are located, evidenced by a certificate issued by the Real Estate Registry Office; the acquisition of areas exceeding this limit is subject to prior approval of the President of Brazil;
- foreign legal entities and/or individuals of the same nationality may not own, in each municipality, more than 40% of the limit set forth in the second bullet above (therefore, 10% of the total area of each municipality);
- in the case of rural real estate ranging from three to 100 indefinite exploitation modules (the size of each is variable and defined for each region in Brazil), the approvals mentioned above are required, in addition to approval from the Brazilian Institute of Settlement and Land Reform – INCRA for land registration;
- the acquisition of areas in excess of 100 indefinite exploitation modules will be subject to the prior approval by the Brazilian Congress, in addition to the other approvals mentioned above;
- the acquisition must be formalized by means of a public deed of sale and purchase; and
- the acquisition of rural properties located at the country's border area (a strip of up to 150 km of length along the country's terrestrial borders, which is deemed essential to the defense of Brazilian territory) is subject to the fulfillment of additional requirements, such as that the equity interest of such companies be majority Brazilian owned.

Any corporate changes, such as mergers or corporate reorganizations, must be carefully considered. Pursuant to the applicable legislation, any agreements regarding the lease and/or direct or indirect ownership of rural properties by foreign individuals or entities, as well as any agreements regarding corporate changes which might imply indirect acquisition or lease of rural properties by foreign individuals or entities, may be considered null and void. The Company may avoid these restrictions by keeping its properties within the ownership of a company, which is controlled by Brazilian nationals.

The risk associated with having a Brazilian citizen holding over 51% of New Frontiers after the option is exercised is that, in theory, the majority shareholder would have control over the Company's assets and could encumber, sale or trade assets and rights. This can be mitigated by introducing a prohibition in the Company's Acts (Article of Association) demanding qualified or unanimous previous approval from all shareholders to allow the Company to encumber, sale or trade mineral rights and other assets.

Business Permits and Other Requirements

Requirements for a company carrying out business operations in Brazil through a subsidiary or controlled company include the following:

- Brazilian subsidiaries and their foreign shareholders must be registered with the Central Bank of Brazil (the “BACEN”) and comply with regulations regarding foreign direct investment. In particular, all international transfers of funds or foreign direct investments related to Brazilian subsidiaries must be registered with BACEN. The Company’s subsidiaries and their respective shareholders have completed such registrations and are in compliance with such regulations.
- Each Brazilian subsidiary must be registered with the boards of trade of the states in which such subsidiary is incorporated and has a branch office. A board of trade is a governmental authority responsible for the approval, registration, filing and publication of certain corporate information and functions as the Brazilian registry of commerce. The Company is registered in the states of Minas Gerais, at the Municipality of Belo Horizonte.
- Each Brazilian subsidiary’s foreign shareholders must appoint a legal representative, who is resident in Brazil, including to receive service of process and subpoenas, as well as to administer the Company’s assets in Brazil. A power of attorney or equivalent document in respect of such appointment must be filed with the (i) BACEN, (ii) the Brazilian IRS (Receita Federal do Brasil – RFB) and (iii) the board of trade of the state in which a Brazilian subsidiary is incorporated. The document appointing such representative must be apostilled in jurisdictions in which this is possible or certificated by the Brazilian consulate in the foreign shareholder’s jurisdiction of residence or incorporation, where apostilling is not permitted, and translated into Portuguese by an official translator. In the case of the Company, a Brazilian resident has been appointed to act as the legal representative on behalf of the Company.
- Registration with the federal and state tax authorities. In the Company’s case, it is registered in the State of Minas Gerais.

Lending

The Company does not engage in any lending activities.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against the Company or its subsidiary, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by the Company or its subsidiary as of the date of this Prospectus.

Reorganizations

The Company has not completed any material reorganization within the three most recently completed financial years and no reorganization is proposed for the current financial year.

Social or Environmental Policies

Given the early stage of its business and operations and the “grass-roots” nature of its exploration activities, the Company has not yet implemented social or environmental policies that are fundamental to its operations.

RISK FACTORS

An investment in the Units should be considered highly speculative due to the nature of the Company's business and the present stage of development. An investment in the Units should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment. Potential investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to other information contained in this Prospectus, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations.

The following are certain factors relating to the Company's business, which prospective investors should carefully consider before deciding whether to purchase Units. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information set out elsewhere in this Prospectus. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of operations could be materially adversely affected.

Risks Related to the Company's Financial Position

Speculative Nature of Investment Risk

An investment in the Shares carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The Company is subject to many of the risks that are common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Liquidity and Future Financing Risk

The Company is in the early stages of its business and has no source of operating revenue. The Company will likely operate at a loss until the Company puts the Rio Madeira Property into production. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional Common Shares from treasury, control may change, and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operating.

Negative Cash Flow

The Company has a limited history of operations, and no history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's inception, and the Company will continue to have negative operating cash flow for the foreseeable future. All of the Company's mineral properties are at the Exploration License Application stage only. The Company has no source of operating cash flow and no assurance that additional funding will be available for further exploration and development of the Rio Madeira Property when required. No assurance can be given that the Company will ever attain positive cash flow or profitability.

Uncertainty of Additional Funding

With the net proceeds from the Minimum Offering, the Company will have sufficient financial resources to complete the exploration program on the Rio Madeira Property as recommended in the Technical Report. Upon the successful completion of this work, the Company may not have sufficient financial resources to complete further work. There is no assurance that the Company will be successful in obtaining the required financing(s) or that such financing(s) will be available on terms acceptable to the Company. Any future financing(s) may also be dilutive to the Company's existing shareholders.

Going-Concern Risk

The Company's Financial Statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The Financial Statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Dividend Risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain earnings to finance further growth and, where appropriate, retire debt.

Risks Related to the Company's Industry

Exploration and Development

The Company's mineral project is in the exploration stage and is without a known body of commercial ore and requires extensive expenditures during this exploration stage. See "*Mineral Projects*". Mineral exploration and development involve a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations is in part directly related to the cost and success of the Company's exploration programs, which may be affected by a number of factors.

Surface Rights

The Company does not control the surface rights over the claims which comprise its mineral properties. If a significant mineralized zone is identified, detailed environmental impact studies will need to be completed prior to initiation of any advanced exploration or mining activities. There is no guarantee that areas needed for mining activities, including potential mine waste disposal, heap leach pads, or areas for processing plants, will be available. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective. If the development of a mine on the Rio Madeira Property becomes justifiable it will be necessary to acquire surface rights for mining, plant, tailings and mine waste disposal. There can be no assurance that the Company will be successful in acquiring any such rights.

The surface rights of the Property's tenements located outside the Border Zone are held by a number of

individuals. Each individual will be contacted to form an agreement to access the tenements. As of the date of this Prospectus, the Company has not contacted any such individual, there is no guarantee that an agreement with such individual can be reached on commercially reasonable terms or if at all. While Brazilian law assures access to the title owner and agreements are typically reached without problems, if an agreement cannot be reached, legal action may be required. Any legal action may significantly delay the exploration work.

Community Groups

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations, who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined or explored for. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond the Company's control may affect the marketability of any minerals discovered. The prices of base and precious metals have experienced volatile and significant price movements over short periods of time and are affected by numerous factors beyond the Company's control. The market price of metals and minerals is volatile and cannot be controlled by the Company. Metal prices have fluctuated widely, particularly in recent years. Factors beyond the control of the Company may affect the marketability of minerals or concentrates produced, including quality issues, impurities, deleterious elements, government regulations, royalties, allowable production and regulations regarding the importing and exporting of minerals, the effect of which cannot be accurately predicted.

Fluctuations in the prices of copper, gold and/or silver metal prices may adversely affect the Company's financial performance and results of operations. Further, if the market price of copper, gold and/or silver falls or remains depressed, the Company may experience losses or asset write-downs and may curtail or suspend some or all of the Company's exploration, development and mining activities.

Estimates of Mineral Deposits

There is no assurance given by the Company that any estimates of mineral deposits or resources will materialize.

No assurance can be given that any identified mineralization will be developed into a coherent mineralized deposit, or that such deposit will even qualify as a commercially viable and mineable ore body that can be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of ore ultimately mined may differ from that indicated by drilling results and other exploration and development work. There can be no assurance that test work and results conducted and recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of mineral projects. The existence of mineralization or mineralized deposits should

not be interpreted as assurances of the future delineation of ore reserves or the profitability of any future operations.

Dependent on the Success of the Rio Madeira Property

The Rio Madeira Property is the Company's only mineral property, and its current business activities are focused on the exploration and development of the Rio Madeira Property, which has no current mineral reserve or mineral resource estimate. The exploration and development of the Rio Madeira Property will require the commitment of substantial financial resources for capital expenditures and operating expenses, which may increase in subsequent years as needed, and for consultants, personnel and equipment associated with additional exploration and development of such a property. As a result, the Company's success will be dependent to a significant degree on the successful exploration and development of the Rio Madeira Property and any adverse changes, results or developments in respect of the Rio Madeira Property could have a material adverse effect on the Company's business, financial condition and prospects as a whole.

Substantial Capital Expenditures Required

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Large amounts of capital are required to build production facilities and the long-term viability of a gold company is capital intensive with respect to exploration and production. Actual capital costs may differ significantly from those the Company has anticipated and there are no assurances that any future development activities will result in profitable mining operations. Capital costs and other estimates contained in studies or estimates prepared by or for the Company may differ significantly from those anticipated by the Company's current studies and estimates, and there can be no assurance that the Company's actual capital costs will not be higher than currently anticipated. As a result of higher capital costs, production and economic returns may differ significantly from those the Company has anticipated.

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 the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the Company's control. In addition, because of these risks, there is no certainty that the expenditures to be made by the Company on the exploration of the Company's mineral properties as described herein will result in the discovery of commercial quantities of ore.

Management Experience and Dependence on Key Personnel and Employees

The Company's success is currently largely dependent on the performance of the Company's directors and officers. The Company's management team has experience in the resource exploration business. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The Company will initially be relying on the Company's board members, as well as independent consultants, for certain aspects of the Company's business. The amount of time and expertise expended on the Company's affairs by each of the Company's management team and the Company's directors will vary according to the Company's needs. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the Company's board, or any key employee or consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in the

Company's securities.

Future Acquisitions

In the future, the Company may seek to grow by acquiring companies and/or assets or establishing joint ventures that the Company believes will complement the Company's current or future business. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for the Company's business. The Company cannot guarantee that the Company can complete any acquisition the Company pursues on favourable terms, or that any acquisitions completed will ultimately benefit the Company's business.

Reliability of Historical Information

The Company has relied on, and the disclosure from the Technical Report, is based, in part, upon historical data compiled by previous parties involved with the Rio Madeira Property. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Operating Hazards and Risks

Mineral exploration and development involve risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage.

The Company does not currently carry any liability insurance for such risks, electing instead to ensure the Company's contractors have adequate insurance coverage. The nature of these risks is such that liabilities might exceed any insurance policy limits; the liabilities and hazards might not be insurable or the Company might not elect to insure ourselves against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

Risks Inherent in Legal Proceedings

In the course of its business, the Company may from time to time become involved in various claims, arbitration and other legal proceedings, with and without merit. The nature and results of any such proceedings cannot be predicted with certainty. Any potential future claims and proceedings are likely to be of a material nature. In addition, such claims, arbitration and other legal proceedings can be lengthy and involve the incurrence of substantial costs and resources by the Company, and the outcome, and the Company's ability to enforce any ruling(s) obtained pursuant to such proceedings, are subject to inherent risk and uncertainty. The initiation, pursuit and/or outcome of any particular claim, arbitration or legal proceeding could have a material adverse effect on the Company's financial position and results of operations, and on the Company's business, assets and prospects. In addition, if the Company is unable to resolve any existing or future potential disputes and proceedings favorably, or obtain enforcement of any favorable ruling, if any, that may be obtained pursuant to such proceedings, it is likely to have a material adverse impact on the Company's business, financial condition and results of operations and the Company's assets and prospects as well as the Company's share price.

Fluctuations in Currency Exchange Rates

Fluctuations in the Canadian dollar and Brazilian real exchange rates may significantly impact the Company's financial position and results. The Company currently pays for goods and services and pays salaries and consulting fees in a number of currencies, including the Brazilian real and the Canadian dollar.

The Company reports its financial position in Canadian dollars and also raises money Canadian dollars. Adverse fluctuations in these currencies relative to each other and relative to the currencies in which the Company incurs expenditures and reports its financial results could have a materially adverse effect on the Company's financial position and the costs of the exploration and development activities carried out by the Company on the Property. The level of the financial risk exposure related to currency and exchange rate fluctuations will depend on the Company's ability to hedge such risk or use another protection mechanism.

Competition

The mining industry is intensely and increasingly competitive, and the Company competes for exploration and exploitation properties and personnel with the necessary technical expertise to find, develop, and operate such properties. The Company must compete for these resources with many companies possessing greater financial resources and technical facilities than the Company does. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration in the future.

Title Matters

The Company does not own the mineral rights pertaining to the Rio Madeira Property. Rather it holds an option to acquire up to a 70% undivided right, title and interest in and to the Rio Madeira Property, which title is currently held by New Frontiers. Upon such option being exercised, title to such property may be held by the Company's foreign subsidiaries and New Frontiers. To the best of the Company's knowledge, each Exploration License Application comprising the Rio Madeira Property is in good standing, and requests from the ANM are being currently addressed by New Frontiers and the Company to secure the issuance of the Exploration Licenses. There is no guarantee that Exploration License Application for the Rio Madeira Property will be approved by the ANM, or that if the applications are approved that title to such claims will not be challenged or impugned. The Rio Madeira Property may be subject to prior unregistered agreements of transfer or aboriginal land claims, and title for each property may be affected by undetected defects.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated its title to the Rio Madeira Property for which it holds certain titles or an option to acquire concessions or other mineral leases or licenses and the Company is satisfied with its review of the title to the Rio Madeira Property, the Company cannot give an assurance that title to the Rio Madeira Property will not be challenged or impugned. New Frontiers does not carry title insurance on the Rio Madeira Property. A successful claim that New Frontiers does not have title could cause New Frontiers to lose its rights to the Rio Madeira Property, perhaps without compensation for its prior expenditures relating to the Rio Madeira Property. The Company's interest in the Rio Madeira Property is by way of an option only, and the Company does not own all interest in the Rio Madeira Property. Rather the Company has the right to acquire up to a 70% interest in the Rio Madeira Property by making payments in accordance with the Amended and Restated Option Agreement. Should the Company not comply with its obligations under the Amended and Restated Option Agreement, the Company's interest in the Rio Madeira Property may be lost. There is no guarantee the Company will be able to raise sufficient funding in the future to make the required payments by the deadlines as set out in the Amended and Restated Option Agreement. In addition, the Rio Madeira Property may be subject to prior unregistered agreements of transfer or aboriginal land claims, and title for each property may be affected by undetected defects.

Approval of Exploration License Applications

While the ANM will typically approve an Exploration License Application within six to twelve months of the application submission if there are no Border Zone or other interferences identified, three of the

Company's Exploration License Applications have a "temporary blocking" status due to power line interference and five of the Exploration License Applications are for titles within the Border Zone. As such the ANM's review of those Exploration License Applications is expected to take longer. There is no guarantee as to the timeline of the ANM's review of the Exploration License Applications nor any guarantee of the outcome of their review.

Environmental Risks and Other Regulatory Requirements

The Company's current or future operations, including exploration or development activities and commencement of production on the Company's properties require permits from various federal, state and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mineral project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions 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 upon them for violation of applicable laws or regulations.

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

Industry Regulation

The Company currently operates the Company's business in a regulated industry. There can be no assurances that the Company may not be negatively affected by changes in the applicable legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

The Company's only material property is located in Brazil and, as such, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to: extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Brazil may adversely affect the operations or potential profitability of the Company.

Failure to strictly comply with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Government approvals and permits are currently, and may in the future be, required in connection with the Rio Madeira Property, including approval from the National Defence Council of Brazil and the Brazilian Mining Agency. To the extent such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities.

Uninsured or Uninsurable Risks

The Company may become subject to liability for cave-ins, pollution or other hazards against which the Company cannot insure or against which the Company may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for exploration and mining activities. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position.

Risks Related to the Offering and the Company's Securities

Net Proceeds of Offering

As set out under "Use of Proceeds" in this Prospectus, the Company intends to use the net proceeds of the Minimum Offering to further the advancement of the Rio Madeira Property and for general working capital. Although these allocations are based on the current expectations of management of the Company, there may be circumstances where, for business reasons, a reallocation of funds may be necessary as may be determined at the discretion of the Company, and there can be no assurance as of the date of this Prospectus as to how those funds may be reallocated.

No Active Market for Common Shares

There is currently no market for the securities offered by the Company and there can be no assurance that an active market will develop or be sustained after the Offering. The lack of an active public market could have a material adverse effect on the price of the Company's Common Shares. The Offering Price of the Units to the public was established by arm's length negotiation between the Company and the Agent and may not be indicative of fair market value or future market prices.

If an active trading market does not develop, the trading price of the Common Shares may decline, and investors may have difficulty selling any of the Common Shares that they purchase or acquire by way of the Offering. Prior to the Offering, there has been no public trading market for the Common Shares, and the Company cannot offer assurances that one will develop or be sustained after the Offering. The Company cannot predict the prices at which the Common Shares will trade. The Offering Price was determined through negotiations among the Company and the Agent and may not bear any relationship to the market price at which the Common Shares will trade after the Offering, or to any other established criteria of the Company's value. Shares of companies often trade at a discount to the initial offering price due to sales loads and related offering expenses.

The market price for the Common Shares could be subject to significant volatility. Factors such as commodity prices, government regulation, interest rates, share price movements of the Company's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Common Shares. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

The Warrants Will Not be Listed for Trading

The Company does not intend to apply for listing of the Warrants on any securities exchange and there is no public market for the Warrants. There can be no assurance that any secondary market for the Warrants will develop or be sustained after the Closing. Even if a market develops for the Warrants, there can be no assurance that it will be liquid or that the trading price of the Warrants will be the same as any price allocated to the Warrants. If an active market for the Warrants does not develop, the liquidity of an investor's investment in the Warrants may be limited and the trading price may not correspond to the portion of the Offering Price allocated to the Warrants.

The Warrants are Speculative in Nature and May Not Have Any Value

The Warrants do not confer any rights of Common Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Warrant Shares at a fixed price for a limited period of time. Holders of the Warrants may exercise their right to acquire Warrant Shares at any time prior to the expiry of such warrants, after which any unexercised Warrants will expire and have no further value.

Future Price of Common Shares Unrelated to Performance

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the CSE in the future cannot be predicted.

Share Price Volatility Risk

The Company has applied to list its Common Shares, including the Shares, the Warrant Shares and the Compensation Warrant Shares on the CSE. In the event of such listing, external factors outside of the Company's control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward mining sector stocks, may have a significant impact on the market price of the Shares. Global stock markets, including the CSE, have experienced extreme price and volume fluctuations from time to time. The same applies to companies in the mining sector. There can be no assurance that an active or liquid market will develop or be sustained for the Shares. In addition, the possible sale of Common Shares released from escrow on each release date as set out in this Prospectus, could negatively affect the market price of the Company's Common Shares and also result in an excess of sellers to buyers of Common Shares and seriously affect the liquidity of the Common Shares.

Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not continue to follow the Company's securities; the lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; and the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities. Global capital markets have continued to display increased volatility in response to global events, including the COVID-19 virus pandemic and the Russian invasion of Ukraine. The extent to which a possible resurgence of COVID-19 impacts the market for the Company's securities will depend on future developments, which are highly uncertain and cannot be predicted at this time. The continuance or escalation of the military conflict between Ukraine and Russia and the economic sanctions imposed on Russia in connection therewith may result in increased volatility in the market for the Company's securities and could have other long-term effects which are currently unknown.

Dilution

After the issuance of securities by this Prospectus and prior to the exercise of any Common Share purchase warrants or Options, the Company will have an undiluted post-Offering capitalization per Common Share of \$0.090 (\$0.093 if the Agent's Option is exercised). Accordingly, purchasers of the securities under this Prospectus will experience an immediate and substantial dilution of \$0.080 (\$0.077 if the Agent's Option is exercised) per Common Share (52.8% and 54.9% if the Agent's Option is exercised) in the net tangible book value of their investment.

Future Issuances

In order to finance future operations, the Company may raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares.

General Business Risks

Increased Costs of Being a Reporting Issuer and Publicly Traded Company

As the Company will become a reporting issuer in Canada and have publicly-traded securities, significant legal, accounting and filing fees will be incurred that are not presently being incurred. Securities legislation and the rules and policies of the CSE require publicly listed companies to, among other things, adopt corporate governance policies and related practices and to continuously prepare and disclose material information, all of which will significantly increase legal, financial and securities regulatory compliance costs.

Conflicts of Interest

Certain of the Company's directors and officers are, and may continue to be, involved in the mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the Company's interests. Directors and officers of the Company with conflicts of interest will be subject to and must follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies. Notwithstanding this, there may be corporate opportunities which the Company is not able to procure due to a conflict of interest of one or more of the Company's directors or officers.

Inability to Provide Absolute Assurance of the Reliability of Financial Reporting and Financial Statement Preparation

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Foreign Operations

The Rio Madeira Property is located, and the Company's operations are carried out in Brazil. The banking system and controls, legal and regulatory requirements applicable to companies conducting mineral

exploration activities, local business culture and practices in Brazil are different from those in Canada. Although some members of management and the Board have previous experience working and conducting business in Brazil, the officers and directors of the Company must rely, to a great extent, on the Company's Brazilian legal counsel and local consultants retained by the Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist the Company with its governmental relations. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing and tax matters in Brazil. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices in Brazil are beyond the control of the Company and may adversely affect its business.

Enforcement of Legal Rights

The Company may enter into a joint venture organized under the laws of Brazil and certain of the Company's directors, management and personnel are located in foreign jurisdictions. Given that the majority of the Company's material assets and certain of its directors, management and personnel are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, or its directors and officers, any judgments issued by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada. Similarly, in the event a dispute arises in connection with the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

Anti-Corruption Legislation

The Company is subject to the Anti-Corruption Legislation, which prohibits the Company or any officer, director, employee or agent of the Company or any shareholder of the Company on its behalf from paying, offering to pay, or authorizing the payment of anything of value to any government official, government staff member, political party, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The Anti-Corruption Legislation also requires public companies to make and keep books and records that accurately and fairly reflect their transactions and to devise and maintain an adequate system of internal accounting controls. The Company's business activities create the risk of unauthorized payments or offers of payments by its employees, consultants, service providers or agents, even though they may not always be subject to its control. The Company prohibits these practices by its employees, consultants, service providers and agents. However, the Company's existing safeguards and any future improvements may prove to be less than effective, and its employees, consultants, service providers and agents may engage in conduct for which it might be held responsible. Any failure by the Company to adopt appropriate compliance procedures and ensure that its employees, consultants, service providers and agents comply with the Anti-Corruption Legislation could result in substantial penalties or restrictions on the Company's ability to conduct business, which may have a material adverse impact on the Company and the price of the Common Shares.

Dependence on Information Technology ("IT") Systems

Information systems and other technologies, including those related to the Company's financial and operational management, and its technical and environmental data, are an integral part of the Company's business activities. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate

the risks of failures. Any of these and other events could result in information system failures, delays or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Global Economy Risk

Global financial conditions continue to be characterized as volatile. In recent years, global markets have been adversely impacted by various credit crises and significant fluctuations in fuel and energy costs and metals prices, including as a result of the COVID-19 virus pandemic and due to significant fluctuations in commodity prices as a result of the ongoing military conflict between Ukraine and Russia and the economic sanctions imposed on Russia in connection therewith. Many industries, including the mining industry, have been impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to international events, as government authorities may have limited resources to respond to future crises. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability (such as the Russian invasion of Ukraine), changes to energy prices or sovereign defaults. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on commodity prices, demand for metals (including gold), availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Company's securities.

The volatility of global capital markets has generally made the raising of capital by equity or debt financing more difficult. The Company may be dependent upon capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility persist or if there is a further economic slowdown, the Company's operations, the Company's ability to raise capital and the trading price of the Shares could be adversely impacted.

Future Negative Effects Due to Changes in Tax Regulations Cannot be Excluded

The Company strives to run its business in as tax efficient a manner as possible. The Company is incorporated in Canada and will enter into a joint venture under the laws of Brazil and holds assets in Brazil, and therefore may be subject to taxation in multiple jurisdictions. The tax systems in certain of the jurisdictions where the Company and its subsidiaries are incorporated and where the Company does business are complicated and subject to change. For this reason, the possibility of future negative effects on the results of the Company due to changes in tax regulations cannot be excluded. Repatriation of any

future earnings to Canada from other jurisdictions may be subject to withholding taxes. The Company has no control over withholding tax rates.

Climate Change

Due to changes in local and global climatic conditions, many analysts and scientists predict an increase in the frequency of extreme weather events such as floods, droughts, forest and brush fires and extreme storms. Such events could materially disrupt the Company's operations, particularly if they affect the Company's sites, impact local infrastructure or threaten the health and safety of the Company's employees and contractors. Any such event could result in material economic harm to the Company. The Company is focused on operating in a manner designed to minimize the environmental impacts of its activities; however, environmental impacts from mineral exploration and mining activities are inevitable. Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts, such as additional taxes levied on activities deemed harmful to the environment, could have a material adverse effect on the Company's financial condition or results of operations.

AS A RESULT OF THESE RISK FACTORS, THE OFFERING IS SUITABLE ONLY FOR THOSE PURCHASERS WHO ARE WILLING TO RELY ON MANAGEMENT OF THE COMPANY AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT IN THE OFFERED SECURITIES.

MINERAL PROJECTS

The Company is a mineral exploration company whose principal business is the acquisition and exploration of gold mineral exploration properties, with a focus in Rondônia, Brazil. The Company has an option to acquire up to a 70% undivided right, title and interest in and to one gold mineral property in Brazil, the Rio Madeira Property, in accordance with the Amended and Restated Option Agreement. The Rio Madeira Property consists of an aggregate of eight Exploration License Applications covering an area of 68,445 hectares in Rondônia, Brazil, which is the subject of the Technical Report.

The technical information in this Prospectus, including the MD&A, was reviewed and approved by Rodrigo Mello, FAUSIMM, of RBM Consulting Ltda., a "qualified person" as defined under NI 43-101.

See also "*General Development of the Business – Significant Acquisitions*".

Rio Madeira Property

The Rio Madeira Property consists of an aggregate of eight Exploration License Applications covering an area of 68,445 hectares in Rondônia, Brazil. See "*General Development of the Business – Significant Acquisitions*" for a summary of the ownership of the Rio Madeira Property.

The Rio Madeira Property is the subject of the Technical Report prepared by Rodrigo Mello, FAUSIMM, of RBM Consulting Ltda., a "qualified person" as defined under NI 43-101. A summary of the relevant technical disclosure, which contains information summarized, compiled or extracted from the Technical Report, concerning the Rio Madeira Property is attached as Schedule "A" to this Prospectus.

For readers to fully understand the technical information in this Prospectus, they should read the Technical Report (available on SEDAR+ at www.sedarplus.ca under the Company's profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Prospectus. The Technical Report is intended to be read as a whole, and sections should not be read or

relied upon out of context. The technical information in the Technical Report is subject to the assumptions and qualifications contained in the report.

USE OF PROCEEDS AND AVAILABLE FUNDS

Funds Available

The Company's estimated working capital as at May 31, 2024 was a deficit of \$87,302. The Company estimates that the net proceeds from the Minimum Offering, together with the working capital as at May 31, 2024, will be approximately \$1,680,830, after deducting the Agent's Commission (assuming no subscribers on the President's List and no exercise of the Agent's Option), and estimated expenses of \$300,000, including the cash portion of the Corporate Finance Fee. The funds expected to be available to the Company upon completion of the Minimum Offering and the expected principal purposes for which such funds will be used are described below:

<u>Funds Available</u>	<u>Minimum Offering</u>
Gross proceeds	\$ 2,200,140
Less: Agent's Commission.....	\$132,008
Less: Estimated expenses of the Minimum Offering ⁽¹⁾	\$300,000
Net proceeds of the Minimum Offering	\$1,768,132
Working capital (deficit) as at May 31, 2024	(\$87,302)
Net Funds Available	\$1,680,830

Notes:

(1) Includes cash portion of Corporate Finance Fee.

Use of Proceeds

The net proceeds of the Minimum Offering, together with the Company's estimated working capital as at May 31, 2024, is intended to be used as follows:

<u>Principal Purpose</u>	<u>Minimum Offering</u>
Exploration program as recommended in the Technical Report ⁽¹⁾	\$828,728
Amended and Restated Option Agreement – IPO Payment	\$125,000
Rio Madeira Property Administration – Maintenance of claims, permitting costs, etc.	\$100,000
Annual estimated general and administrative costs ⁽²⁾	\$520,500
Unallocated Working Capital.....	\$106,602
Total	\$1,680,830⁽³⁾

Notes:

(1) As of March 31, 2024, the Company has prepaid \$278,436 of drilling services under the exploration program as recommended in the Technical Report. The Company also deducted \$79,112 from the exploration program budget as recommended in the Technical Report, which were payable to Jonathan Hill prior to his resignation from the Company on May 28, 2024. See "Executive Compensation – Compensation Discussion and Analysis".

(2) The estimated general and administrative costs for the next 12 months are as follows:

Office & Administration	\$42,000
Professional Fees (legal & audit)	\$40,000
Management & Consultants ⁽¹⁾	\$354,000
Investor Relations and Communications ⁽²⁾	\$84,000
Miscellaneous	\$500
Total G&A	\$520,500

(1) Assumes payment of \$120,000 to Iron Mask for services of Andrew Lee Smith as CEO of the Company and \$78,000 to Invictus for services of Oliver Foeste as CFO of the Company and for financial reporting and bookkeeping services. See “*Management’s Discussion and Analysis*” and “*Executive Compensation – Compensation Discussion and Analysis*”.

(2) The Company engages 622738 BC Ltd. for investor relations services at a cost of \$7,000 per month.

(3) Any additional funds available from the exercise of the Agent’s Option and reduction in Agent’s Commission due to subscriptions from the President’s List will be used for general working capital purposes.

The Company estimates that proceeds from the Minimum Offering will fund operations for at least 12 months. The estimated total operating costs necessary for the Company to achieve its business objectives for the next 12 months are outlined above.

Any additional funds available from the exercise of the Agent’s Option and reduction of Agent’s Commission due to subscriptions from the President’s List will be used for general working capital purposes.

While the Company intends to spend its current working capital and the net proceeds of the Minimum Offering as stated above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or advisable.

Business Objectives and Milestones

The objectives that the Company expects to accomplish using its estimated working capital as at May 31, 2024 and net proceeds from the Minimum Offering, are as follows:

- Complete the Offering and concurrently obtain a listing of its Common Shares on the CSE; and
- Complete the exploration program recommended in the Technical Report. The exploration program remains subject to the approval of the ANM for the Exploration License Applications for the Rio Madeira Property. If the applications for the Exploration License Applications are approved, the title to such claims will not be challenged or impugned.

The Company expects to complete the Offering and concurrently obtain a listing of its Common Shares on the CSE by the second quarter of 2024. To accomplish this, the Company will need to satisfy the requirements to be a reporting issuer in British Columbia, Alberta and Ontario. The Company will need to satisfy the listing requirements of the CSE and obtain approval for the listing of the Common Shares on the CSE. The Company will also need to raise the minimum amount of the Offering to satisfy this business objective. The expected cost of this business objective, including the costs of the Offering, is \$380,000.

The Company expects to complete the exploration program on the Rio Madeira Property as recommended in the Technical Report by the fourth quarter of 2024. To accomplish this, the Company will need to complete the Offering and concurrently obtain a listing of its Common Shares on the CSE to finance the exploration program. The Company will also need the Exploration License Applications for the Rio Madeira Property to be approved by the ANM. Timeline and costs of the exploration program is described in the Technical Report, a summary of which is attached as Schedule “A” to this Prospectus.

The Company has had negative operating cash flow since the Company’s inception, and the Company anticipates that it will have negative operating cash flow for the foreseeable future in light of its nature as a mineral exploration company. The net proceeds from the Offering will be used to fund the Company’s operations in future periods; however, the Company may require additional financing in the future. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all. See “*Risk Factors*”.

The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including those listed under the heading “*Risk Factors*”. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Use of Proceeds from Private Placements

The Company raised gross proceeds of approximately \$1,681,275 from private placements since incorporation. To date, the Company estimates having used the funds as follows:

Use of Proceeds	Estimated Amount Expended
Exploration of the Rio Madeira Property (including advances made to Royal Eijkelkamp B.V to secure access to drilling equipment when required)	\$736,553
Professional fees such as legal, accounting, audit and advisory fees to support Company’s upcoming listing	\$240,829
Broker commission paid in connection with private placements	\$76,146
General working capital	\$627,747
Total	\$1,681,275

DIVIDENDS OR DISTRIBUTIONS

The Company has not paid dividends since its incorporation. While there are no restrictions in the Company’s articles or pursuant to any agreement or understanding which could prevent the Company from paying dividends or distributions, the Company has limited cash flow and anticipates using all available cash resources to fund working capital and grow its business. As such, there are no plans to pay dividends in the foreseeable future. Any decisions to pay dividends in cash or otherwise in the future will be made by the Board on the basis of the Company’s earnings, financial requirements and other conditions existing at the time a determination is made.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Company’s Annual Financial Statements and Annual MD&A are included as schedules to this Prospectus as Schedule “B” and Schedule “C” respectively. The Company’s Interim Financial Statements

and Interim MD&A are included as schedules to this Prospectus as Schedule “D” and Schedule “E” respectively.

The Financial Statements and the financial data derived therefrom and included in this Prospectus have been prepared in accordance with IFRS.

The Company’s MD&A included herein should be read in conjunction with the Financial Statements and the disclosure contained in this Prospectus.

Payments to Related Parties

As noted in the Financial Statements, the Company made payments to related parties for management, exploration and professional fees. The Company’s related party transactions involve consulting fees paid and payable pursuant to the Smith Agreement, Foeste Agreement, to Exploration Outcomes & Participacoes Ltda. for services from Jonathan Hill (former VP, Exploration and Mine Geology), to Concord Venture Partners Inc. for services from Craig Engelsman (former President and Director).

Andrew Lee Smith is paid for his services as CEO through the Smith Agreement (as defined herein) pursuant to which the Company pays him \$10,000 per month. Oliver Foeste is paid for his services as CFO and financial reporting services through the Foeste Agreement (as defined herein) pursuant to which the Company pays him between \$5,000 to \$7,000 per month, depending on the services provided by Mr. Foeste and Invictus (as defined herein) in any given month.

Jonathan Hill was paid for his services as VP, Exploration and Mine Geology of the Company through an agreement with Exploration Outcomes & Participacoes Ltda., (“**Exploration Outcomes**”) pursuant to which the Company paid him US\$10,000 per month. Mr. Hill oversaw and managed the Company’s operations in Brazil. The contract with Exploration Outcomes expired on August 31, 2023. On October 1, 2023 the Company’s wholly owned subsidiary in Brazil entered into a contract with Exploration Outcomes, pursuant to which the Company paid Mr. Hill Brazilian Real \$50,000 a month to act as administrator of the Company’s subsidiary and for technical services to administer the Company’s exploration programs. The contract was terminated effective May 28, 2024.

Craig Engelsman was paid for his services as President of the Company through an agreement with Concord Venture Partners Inc. (“**Concord Venture**”), pursuant to which the Company paid him \$7,500 per month. The contract with Concord Venture terminated on Mr. Engelsman’s resignation as President and Director of the Company on February 6, 2024.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Offering

The Offering consists of Units, each of which is comprised of one Share and one whole Warrant. The Units will separate into Shares and Warrants immediately upon the closing of the Offering. The Units are offered at the Offering Price of \$0.17 per Unit. This Prospectus qualifies, among others, the distribution of the Units, including the Shares and the Warrants.

Common Shares

The Company’s authorized capital consists of an unlimited number of Common Shares, of which 30,288,502 Common Shares are issued and outstanding as at the date of this Prospectus. Holders of the Common Shares are entitled to one vote per share at all meetings of the holders of common shares of the Company and, subject to the rights of holders of any shares ranking in priority to or on a parity with the

Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or wind-up.

The Common Shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

The holders of Common Shares are entitled to receive dividends as and when declared by the Board in respect of the Common Shares on a pro rata basis. The Board is not obligated to declare a dividend. Any future dividends will be subject to the discretion of the Board and will depend upon, among other things, future earnings, the operating and financial condition of the Company, its capital requirements, general business conditions and other pertinent factors. The Company does not anticipate that dividends will be paid in the foreseeable future. See "*Dividends or Distributions*".

For a description of Corporate Finance Shares being distributed under the Offering, see "*Plan of Distribution*".

Warrants

As of the date hereof, the Company has issued an aggregate of 234,110 finder's warrants, of which (i) 60,000 finder's warrants are exercisable at a price of \$0.15 until September 15, 2025, (ii) 107,000 finder's warrants are exercisable at a price of \$0.15 until November 17, 2025, (iii) 27,210 finder's warrants exercisable at a price of \$0.15 until December 21, 2025, and (iv) 39,900 finder's warrants exercisable at a price of \$0.15 until February 28, 2026. Each such warrant is exercisable to acquire one Common Share. The Company has no other warrants outstanding. See "*Prior Sales*".

For a description of the Warrants being distributed under the Offering, see "*The Offering – Warrants*". For a description of Compensation Warrants being distributed under the Offering, see "*Plan of Distribution*".

Options

As at the date of this Prospectus, the Company has granted no Options. For a description of the Options, see "*Options to Purchase Securities*". In connection with the Closing, the Company anticipates issuing an aggregate of 4,532,500 Options to directors, officers and consultants of the Company, each exercisable to acquire one Common Share at a price per share of \$0.17 for a period of five years from the date of grant. The 4,532,500 Options will vest immediately on the date of grant. See "*Options to Purchase Securities*".

RSUs, PSUs and DSUs

As at the date of this Prospectus, the Company has granted no RSUs, PSUs or DSUs. For a description of the RSUs, PSUs or DSUs, see "*Options to Purchase Securities*".

CONSOLIDATED CAPITALIZATION

The following tables provide information about capitalization as of March 31, 2024, and as at the date of this Prospectus:

Description of security	Number authorized to be issued	Amount outstanding as of Mar 31, 2024	Amount outstanding as of the date of this Prospectus	Assuming completion of the Minimum Offering
Common Shares	No maximum	30,288,502	30,288,502 ⁽⁴⁾⁽⁵⁾	43,377,561 ⁽⁶⁾
Options	20% of issued and outstanding Shares	Nil	Nil	4,532,500 ⁽⁷⁾
Warrants	N/A	234,110 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	234,110 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	13,952,630 ⁽⁸⁾

Notes:

- (1) On September 15, 2023, the Company closed a private placement consisting of 1,000,000 Common Shares issued at \$0.15 per Common Share. In connection therewith, the Company also issued 60,000 finder's warrants with each such finder's warrant entitling the holder thereof to acquire one Common Share at a price of \$0.15 per Common Share until September 15, 2025.
- (2) On November 17, 2023, the Company closed a private placement consisting of 1,783,333 Common Shares issued at \$0.15 per Common Share. In connection therewith, the Company also issued 107,000 finder's warrants with each such finder's warrant entitling the holder thereof to acquire one Common Share at a price of \$0.15 per Common Share until November 17, 2025.
- (3) On December 21, 2023, the Company closed a private placement consisting of 453,500 Common Shares issued at \$0.15 per Common Share. In connection therewith, the Company also issued 27,210 finder's warrants with each such finder's warrant entitling the holder thereof to acquire one Common Share at a price of \$0.15 per Common Share until December 21, 2025.
- (4) On February 28, 2024, the Company closed a private placement consisting of 665,000 Common Shares issued at \$0.15 per Common Share. In connection therewith, the Company also issued 39,900 finder's warrants with each such finder's warrant entitling the holder thereof to acquire one Common Share at a price of \$0.15 per Common Share until February 28, 2026.
- (5) On March 8, 2024, the Company closed a private placement consisting of 200,000 Common Shares issued at \$0.15 per Common Share.
- (6) Includes the 147,059 Corporate Finance Fee Shares.
- (7) On closing of the IPO, the Company will grant 4,532,500 Options to the directors, officers and consultants of the Company, which will vest immediately on the date of grant.
- (8) Includes the 776,520 Compensation Warrants.

As at the date of this Prospectus, and after giving effect to the intended issuance of securities under the Minimum Offering (excluding exercise of the Agent's Option), it is anticipated that the capitalization of the Company will be as follows:

Description of Security	Assuming Minimum Offering
Issued and outstanding Common Shares as at the date of this Prospectus	30,288,502
Issued and outstanding warrants as at the date of this Prospectus	234,110
Options to be granted as part of Closing ⁽¹⁾	4,532,500
Shares sold under the Minimum Offering as part of the Units	12,942,000

Description of Security	Assuming Minimum Offering
Warrants sold under the Minimum Offering as part of the Units	12,942,000
Corporate Finance Fee Shares	147,059
Compensation Warrants ⁽²⁾	776,520
Total Fully Diluted Capitalization after the Listing	61,862,691

Notes:

- (1) To be granted pursuant to the Omnibus Plan. See “Options to Purchase Securities” and “Prior Sales”.
- (2) Assuming no subscribers on the President’s List and no exercise of the Agent’s Option.

OPTIONS TO PURCHASE SECURITIES

Options

As of the date of this Prospectus, the Company has no Options outstanding. In connection with the Closing, the Company anticipates issuing an aggregate of 4,532,500 of Options to directors, officers, employees or consultants as set out below. The 4,532,500 Options will vest immediately on the date of grant.

Group	Number of Options
Executive Officers and Past Executive Officers (3 persons)	2,190,000 ⁽¹⁾
Directors and Past Directors who are not also Executive Officers (2 persons)	1,642,500 ⁽²⁾
Employees (0 person)	Nil
Consultants (2 persons)	700,000 ⁽³⁾

Notes:

- (1) Andrew Lee Smith will hold Options exercisable for 1,460,000 Common Shares at \$0.17 per Common Share until five years from the date of grant; Oliver Foeste will hold Options exercisable for 365,000 Common Shares at \$0.17 per Common Share until five years from the date of grant; and Sherry Siu will hold Options exercisable for 365,000 Common Shares at \$0.17 per Common Share until five years from the date of grant.
- (2) Hein Poulus will hold Options exercisable for 730,000 Common Shares at \$0.17 per Common Share until five years from the date of grant; and Al Kanji will hold Options exercisable for 912,500 Common Shares at \$0.17 per Common Share until five years from the date of grant.
- (3) The Company anticipates issuing an aggregate of 700,000 Options exercisable for 700,000 Common Shares at \$0.17 per Common Share until five years from the date of grant to two consultants.

RSUs, PSUs and DSUs

As of the date of this Prospectus, the Company has no RSUs, PSUs or DSUs outstanding.

Omnibus Plan

The Company adopted the Omnibus Plan, which is a 20% “rolling” or “evergreen” equity incentive plan. The information below should be read in conjunction with the Omnibus Plan. A copy of the Omnibus Plan will be accessible on the Company’s SEDAR+ profile at www.sedarplus.ca.

Purpose

The purposes of the Omnibus Plan are to (a) advance the interests of the Company by enhancing the ability of the Company to attract, motivate and retain employees, officers, directors, and consultants, which either of directors or officers may be consultants or employees, (b) reward such persons for their sustained contributions, and (c) encourage such persons to take into account the long-term corporate performance of the Company.

Eligible Participants

Pursuant to the terms of the Omnibus Plan, individuals who are: (a) employees of the Company or any of its subsidiaries, (b) persons who work on a full time, part-time or on a regular weekly basis for the Company or any of its subsidiaries providing services normally provided by an employee and who are under the control and direction of the Company or a subsidiary, (c) non-employee directors of the Company, and (d) a consultant, employee or director of a consultant, who is engaged to provide *bona fide* services to The Company or any of its subsidiaries, other than in relation to a distribution of securities, and who provides such services under a written contract and who spends or will spend a significant amount of time and attention on the affairs and business of the Company or a subsidiary, are eligible to participate in the Omnibus Plan.

Types of Awards

The Omnibus Plan provides for the grant of:

- (a) Options, which will be granted by an agreement evidencing the Options granted under the Omnibus Plan (a “**Stock Option Agreement**”);
- (b) RSUs, which will be granted by an agreement evidencing the RSUs granted under the Omnibus Plan (an “**RSU Agreement**”);
- (c) DSUs, which will be granted by an agreement evidencing the DSUs granted under the Omnibus Plan (a “**DSU Agreement**”);
- (d) PSUs, which will be granted by an agreement evidencing the PSUs granted under the Omnibus Plan (a “**PSU Agreement**”); and
- (e) Other Share-Based Awards, which awards would include the grant of common shares, and which will be granted by an Other Share-Based Award Agreement (together with the Stock Option Agreement, RSU Agreement, DSU Agreement and PSU Agreement, the “**Grant Agreements**”).

The Options, RSUs, DSUs, PSUs and Other Share-Based Awards granted pursuant to the Omnibus Plan are collectively referred to as “**Omnibus Plan Awards**” in this Prospectus.

Plan Administration

The Omnibus Plan will be administered by the Board, or to the extent the administration of the Omnibus Plan is delegated by the Board to any committee, the committee (the “**Plan Administrator**”). The initial Plan Administrator is the Corporate Governance and Compensation Committee of the Board. The Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the eligibility for Omnibus Plan Awards to be granted and the individuals to whom grants of Omnibus Plan Awards may be made;
- (b) make grants of Omnibus Plan Awards, in such amounts, to such persons and, subject to the provisions of the Omnibus Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Omnibus Plan Awards may be granted;
 - (ii) the conditions under which: (A) Omnibus Plan Awards may be granted to participants; or (B) Omnibus Plan Awards may be forfeited to the Company, including any conditions relating to the attainment of specified performance goals;
 - (iii) the number of Common Shares subject to the Omnibus Plan Awards;
 - (iv) the price, if any, to be paid by a participant in connection with the purchase of Common Shares covered by any Omnibus Plan Awards;
 - (v) whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any Omnibus Plan Awards, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability, vesting, or waiver of termination regarding any Omnibus Plan Awards, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Grant Agreements;
- (d) cancel, amend, adjust or otherwise change the type of or the terms and conditions of any Omnibus Plan Awards under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Omnibus Plan;
- (e) construe and interpret the Omnibus Plan and all Grant Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Omnibus Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Omnibus Plan.

Common Shares Available for Awards

Subject to adjustments as provided for under the Omnibus Plan, the maximum number of common shares issuable pursuant to Omnibus Plan Awards outstanding at any time under the Omnibus Plan shall not exceed

20% of the aggregate number of Common Shares outstanding from time to time on a non-diluted basis, provided that the acquisition of Common Shares by the Company for cancellation shall not constitute non-compliance with the Omnibus Plan for any Omnibus Plan Awards outstanding prior to such purchase of Common Shares for cancellation. The Omnibus Plan is considered to be an “evergreen” plan, since the Common Shares covered by Omnibus Plan Awards which have been exercised or terminated will be available for subsequent grants under the Omnibus Plan and the total number of Omnibus Plan Awards available to grant increases as the number of issued and outstanding Common Shares increases. In accordance with the policies of the CSE, shareholders of the Company must approve the Omnibus Plan every three years.

Blackout Period

If a date of grant occurs or an Omnibus Plan Award expires during, or within 10 business days after, a routine or special trading blackout period imposed by the Company to restrict trades in the Company’s securities, then, notwithstanding any other provision of the Omnibus Plan, unless the delayed expiration would result in tax penalties, the Omnibus Plan Award shall expire or the effective date of grant will be, 10 business days after the trading blackout period is lifted by the Company. The Market Price (as defined below) with respect to any such Omnibus Plan Award shall be calculated based on the five business days immediately preceding the effective date of grant.

Options

An Option entitles a holder thereof to purchase a Common Share at an exercise price set at the time of the grant, which exercise price must in all cases be not less than the Market Price on the date of grant (the “**Exercise Price**”).

The “**Market Price**” at any date in respect of Common Shares shall be the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of the grant, and (b) the date of grant, provided that with respect to an Omnibus Plan Award made to a U.S. Taxpayer (as defined in the Omnibus Plan), such participant and the number of Common Share subject to such Omnibus Plan Award shall be identified by the Board prior to the start of the applicable trading day period. In the event that such Common Share are not listed and posted for trading on any exchange, the Market Price shall be the fair market value of such Common Share as determined by the Board in its sole discretion and, with respect to an award made to a U.S. Taxpayer, in accordance with Section 409A of the Code (as defined in the Omnibus Plan).

The term of each Option will be fixed by the Plan Administrator but may not exceed 10 years from the grant date. Pursuant to the policies of the CSE, the terms of an Option may not be amended once issued. If an Option is cancelled prior to its expiry date, the Company cannot not grant new Options or Omnibus Plan Awards to the same participant until 30 days have elapsed from the date of cancellation.

Restricted Share Units

An RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company. The Plan Administrator has the authority to determine any vesting terms applicable to the grant of RSUs. No RSUs shall vest until at least four months following the date of grant. Upon settlement of RSUs, in each case as determined by the Plan Administrator, holders will redeem each vested RSU for (a) one fully paid and non-assessable Common Share issued from treasury, (b) a cash payment, or (c) a combination of Common Shares and cash as contemplated by paragraphs (a) and (b). The cash payment is determined by multiplying the number of RSUs redeemed for cash by the Market Price on the date of settlement.

The number of RSUs granted at any particular time will be calculated by dividing (i) the amount of any compensation that is to be paid in the RSUs, as determined by the Plan Administrator, by (ii) the Market Price of a Common Share on the date of grant.

Deferred Share Units

A DSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company, which can be used to pay a portion of compensation payable to a director of the Company. No DSUs shall vest until at least four months following the date of grant. Upon settlement of DSUs, in each case as determined by the Plan Administrator, holders will redeem each vested DSU for (a) one fully paid and non-assessable Common Share issued from treasury, (b) a cash payment, or (c) a combination of Common Shares and cash as contemplated by paragraphs (a) and (b). The cash payment is determined with reference to the Market Price in the same manner as with RSUs.

The number of DSUs granted at any particular time will be calculated by dividing (i) the amount of any compensation that is to be paid in the DSUs, as determined by the Plan Administrator, by (ii) the Market Price of a Common Share on the date of grant.

Performance Share Units

A PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company, which entitles the holder to receive one Common Share for each PSU on a future date, generally upon the achievement of certain performance goals within the Company as determined by the Plan Administrator. The Plan Administrator has the authority to determine any vesting terms applicable to the grant of PSUs. No PSUs shall vest until at least four months following the date of grant. Upon settlement of PSUs, in each case as determined by the Plan Administrator, holders will redeem each vested PSU for (a) one fully paid and non-assessable Common Share issued from treasury, (b) a cash payment, or (c) a combination of Common Shares and cash as contemplated by paragraphs (a) and (b). The cash payment is determined with reference to the Market Price in the same manner as with RSUs. No settlement date for any PSU can occur, and no Common Share will be issued, or cash payment will be made by the Company in respect of any PSU any later than the final business day of the third calendar year following the year in which the PSU is granted.

Dividend Equivalents

Unless otherwise determined by the Plan Administrator and set forth in the particular Grant Agreement, RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Vesting and Exercisability

The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Omnibus Plan Awards. The vesting schedule of any Omnibus Plan Awards granted pursuant to the Omnibus Plan shall be stated in the Grant Agreement for such Omnibus Plan Awards.

Cashless Exercise

A participant may, in lieu of exercising an Option for cash, elect to surrender such Option to the Company (a “**Cashless Exercise**”) in consideration for an amount from the Company equal to (a) the Market Price of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (b) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such common shares, (the “**In-the-Money Amount**”) divided by the Market Price per Common Share as of the date such Option (or portion thereof) is exercised. The Company shall satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount.

Term

Although the Omnibus Plan does not stipulate a term for Omnibus Plan Awards granted thereunder, other than Options, they must vest and settle in accordance with the provisions of the Omnibus Plan and any applicable Grant Agreement, which Grant Agreement may include an expiry date for a specific Omnibus Plan Award.

Effect of Termination on Awards

At such time that a participant ceases to be a director, employee, consultant or officer of the Company, which either of directors or officers may be consultants or employees, or any subsidiary of the Company due to the voluntary resignation or termination of a participant’s employment with the Company with cause, all unexercised Omnibus Plan Awards held by the participant shall expire and immediately terminate for no consideration.

At such time that a participant ceases to be a director, employee, consultant or officer of the Company, which either of directors or officers may be consultants or employees, or any subsidiary of the Company due to the termination of a participant’s employment with the Company without cause, a portion of any unvested Omnibus Plan Awards shall immediately vest based on a pro-rata portion of the number of Omnibus Plan Awards held on the date of termination and how long such Omnibus Plan Awards would have taken to fully vest had the participant’s employment not been terminated. Vested Omnibus Plan Awards must be exercised or surrendered to the Company by the participant before the earlier of: (A) the expiry date of such Omnibus Plan Award (as agreed upon when the Omnibus Plan Award was granted); and (B) the date that is 90 days after the Termination Date (as defined in the Omnibus Plan). The Board may extend or shorten (B); however, any extension of (B) may not exceed 12 months after the Termination Date nor extend the period of exercise beyond the original expiry date of such Omnibus Plan Award (as agreed upon when the Omnibus Plan Award was granted).

Where a participant becomes disabled, any Option or other Omnibus Plan Award held by such participant that has not vested as of the date of the disability of such participant shall vest on such date and may be exercised or surrendered to the Company by the participant at any time until the earlier of (i) the expiry date of such Option or other Omnibus Plan Award; and (ii) one year following the date of the disability of such participant.

Where a participant’s employment, consulting agreement or arrangement is terminated by reason of death, any Option or other Omnibus Plan Award held by the participant that has not vested as of the date of the death of such participant shall vest on such date and may be exercised or surrendered to the Company by the participant at any time during the period that terminates the earlier of: (a) the expiry date of such award; and (b) one year from the date of death of such participant.

Where a participant's employment, consulting agreement or arrangement is terminated due to retirement, then any Option or other Omnibus Plan Award held by the participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms and may be exercised or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such Omnibus Plan Award; and (b) the first anniversary of the participant's date of retirement.

A participant's eligibility to receive further grants of Omnibus Plan Awards under the Omnibus Plan shall cease at such time that the Company or a subsidiary of the Company provides the participant with notification that the participant's employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date, or the date of death, disability or retirement of the participant.

Unless the Plan Administrator, in its discretion, otherwise determines, Omnibus Plan Awards shall not be affected by a change of employment or consulting agreement or arrangement or directorship within or among the Company or a subsidiary of the Company provided that the participant continues to be a director, employee or consultant, as applicable, of the Company or a subsidiary of the Company.

Notwithstanding the foregoing, the Plan Administrator may, in its discretion, at any time prior to or following the events contemplated above, or in an employment agreement, Grant Agreement or other written agreement between the Company or a subsidiary of the Company and the participant, permit the acceleration of vesting of any or all Omnibus Plan Awards or waive termination of any or all Omnibus Plan Awards, in the manner and on the terms as may be authorized by the Plan Administrator.

Change in Control

Except as may be set forth in an employment agreement, Grant Agreement or other written agreement between the Company or a subsidiary of the Company and the participant, the Plan Administrator may, without the consent of any participant, take such steps as it deems necessary or desirable, including to cause:

- (a) the conversion or exchange of any outstanding Omnibus Plan Awards into or for rights of substantially equivalent value, as determined by the Plan Administrator in its discretion, in and entity participating in or resulting from a Change in Control (as defined in the Omnibus Plan);
- (b) outstanding Omnibus Plan Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Omnibus Plan Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control;
- (c) the termination of any Omnibus Plan Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Omnibus Plan Award or realization of the participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the participant;
- (d) the replacement of such Omnibus Plan Award with other rights or property selected by the Board in its sole discretion; or
- (e) any combination of the foregoing.

In taking any of the foregoing actions, the Plan Administrator will not be required to treat all Omnibus Plan Awards similarly in the transaction (subject to applicable stock exchange approval, if required). Notwithstanding the foregoing, in the case of Omnibus Plan Awards held by a participant that is a resident

of Canada for the purposes of the Tax Act, the Plan Administrator may not cause the Canadian taxpayer to receive (pursuant to the terms of a change of control) any property in connection with a change of control other than rights to acquire shares of a corporation or units of a “mutual fund trust” (as defined in the Tax Act) of the Company or a “qualifying person” (as defined in the Tax Act) that does not deal at arm’s length (for the purposes of the Tax Act) with the Company, as applicable, at the time such rights are issued or granted.

Assignability

Except as required by law, the rights of a participant under the Omnibus Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged.

Amendment, Suspension or Termination of the Omnibus Plan

The Plan Administrator may from time to time, with the approval of the Board, other than directors who would receive, or would be eligible to receive, a material benefit resulting from the amendment, but without notice and without approval of the Company’s shareholders, amend, modify, change, suspend or terminate the Omnibus Plan or any Omnibus Plan Awards granted pursuant thereto as it, in its discretion, determines appropriate, provided however, that: (a) no such amendment, modification, change, suspension or termination of the Omnibus Plan or any Omnibus Plan Awards granted thereunder may materially impair any rights of a participant or materially increase any obligations of a participant under the Omnibus Plan without the consent of the participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or exchange requirements; and (b) any amendment that would cause an Omnibus Plan Award held by a U.S. taxpayer to be subject to the additional tax penalty under Section 409A(1)(B)(i)(11) of the Code (as defined in the Omnibus Plan) shall be null and void *ab initio* with respect to the U.S. taxpayer unless the consent of the U.S. taxpayer is obtained. Without limiting the generality of the foregoing, but subject to the below, the Plan Administrator may from time to time, with the approval of the Board, other than directors who would receive, or would be eligible to receive, a material benefit resulting from the amendment, but without notice and without approval of the Company’s shareholders, amend the Omnibus Plan for the purposes of making:

- any amendments to the general vesting provisions of each Omnibus Plan Award;
- any amendment regarding the effect of termination of a participant’s employment or engagement;
- any amendments to add covenants of the Company for the protection of participants, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the participants;
- any amendments consistent with the Omnibus Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the participants; or
- any such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the participants.

Notwithstanding the foregoing and subject to any rules of the CSE, in addition to the approval of a majority of the Company’s directors, approval of the Company’s shareholders will be required, excluding holders that would receive, or would be eligible to receive, a material benefit, for any amendment, modification or change that:

- increases the percentage of Common Shares reserved for issuance under the Omnibus Plan, except pursuant to the provisions in the Omnibus Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- increases or removes the 10% limits on Common Shares issuable or issued to Related Persons;
- reduces the Exercise Price of an Omnibus Plan Award except pursuant to the provisions of the Omnibus Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- extends the term of an Omnibus Plan Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period of the Company);
- permits an Omnibus Plan Award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period of the Company);
- increases or removes the non-employee director participation limits;
- permit Omnibus Plan Award to be transferred to a person other than for normal estate settlement purposes;
- changes the eligible participants of the Omnibus Plan; or
- deletes or reduces the range of amendments which require approval of the Company’s shareholders.

PRIOR SALES

Since the date of its incorporation on May 9, 2022, the Company has issued the following securities:

Date of Issue	Type of Securities	Reason for Issue	Number of Securities	Issue or Exercise Price per Security
May 9, 2022	Common Shares	Incorporation	1	\$0.05
Nov 15, 2022	Common Shares	Seed Round ⁽¹⁾	10,000,000	\$0.005
Nov 15, 2022	Common Shares	Seed Round ⁽¹⁾	9,900,000	\$0.02
Dec 8, 2022	Common Shares	Private Placement ⁽²⁾	1,000,000	\$0.10
Feb 3, 2023	Common Shares	Private Placement ⁽³⁾	4,786,668	\$0.15
Mar 7, 2023	Common Shares	Initial share issuance pursuant to Option Agreement	500,000	\$0.10
Sep 15, 2023	Common Shares	Private Placement ⁽⁴⁾	1,000,000	\$0.15

Date of Issue	Type of Securities	Reason for Issue	Number of Securities	Issue or Exercise Price per Security
Sep 15, 2023	Finder's Warrants	Private Placement ⁽⁴⁾	60,000	\$0.15
Nov 17, 2023	Common Shares	Private Placement ⁽⁵⁾	1,783,333	\$0.15
Nov 17, 2023	Finder's Warrants	Private Placement ⁽⁵⁾	107,000	\$0.15
Dec 21, 2023	Common Shares	Private Placement ⁽⁶⁾	453,500	\$0.15
Dec 21, 2023	Finder's Warrants	Private Placement ⁽⁶⁾	27,210	\$0.15
Feb 28, 2024	Common Shares	Private Placement ⁽⁷⁾	665,000	\$0.15
Feb 28, 2024	Finder's Warrants	Private Placement ⁽⁷⁾	39,900	\$0.15
March 8, 2024	Common Shares	Private Placement ⁽⁸⁾	200,000	\$0.15

Notes:

- (1) On November 15, 2022, the Company closed its seed round financing consisting of 10,000,000 Common Shares issued at \$0.005 per Common Share and 9,900,000 Common Shares at \$0.02 per Common Share.
- (2) On December 8, 2022, the Company closed a private placement consisting of 1,000,000 Common Shares issued at \$0.10 per Common Share.
- (3) On February 3, 2023, the Company closed a private placement consisting of 4,786,668 Common Shares issued at \$0.15 per Common Share.
- (4) On September 15, 2023, the Company closed a private placement consisting of 1,000,000 Common Shares issued at \$0.15 per Common Share. In connection therewith, the Company also issued 60,000 finder's warrants with each such finder's warrant entitling the holder thereof to acquire one Common Share at a price of \$0.15 per Common Share until September 15, 2025.
- (5) On November 17, 2023, the Company closed a private placement consisting of 1,783,333 Common Shares issued at \$0.15 per Common Share. In connection therewith, the Company also issued 107,000 finder's warrants with each such finder's warrant entitling the holder thereof to acquire one Common Share at a price of \$0.15 per Common Share until November 17, 2025.
- (6) On December 21, 2023, the Company closed a private placement consisting of 453,500 Common Shares issued at \$0.15 per Common Share. In connection therewith, the Company also issued 27,210 finder's warrants with each such finder's warrant entitling the holder thereof to acquire one Common Share at a price of \$0.15 per Common Share until December 21, 2025.
- (7) On February 28, 2024, the Company closed a private placement consisting of 665,000 Common Shares issued at \$0.15 per Common Share. In connection therewith, the Company also issued 39,900 finder's warrants with each such finder's warrant entitling the holder thereof to acquire one Common Share at a price of \$0.15 per Common Share until February 28, 2026.
- (8) On March 8, 2024, the Company closed a private placement consisting of 200,000 Common Shares issued at \$0.15 per Common Share.

**ESCROWED SECURITIES AND SECURITIES SUBJECT TO
CONTRACTUAL RESTRICTION ON TRANSFER**

Escrowed Securities

In the event that the Company's Common Shares become listed on the CSE, the Company anticipates that it will be classified as an "emerging issuer", as defined under NP 46-201 upon such listing. Andrew Lee Smith and Craig Engelsman fall within the definition of "principal" of an emerging issuer under NP 46-201 or would otherwise be treated in the same manner as a principal under NP 46-201. Common Shares held by principals of the Company, who will hold less than 1.0% of the issued and outstanding Common Shares

upon closing of the IPO, will not be subject to escrow. In addition, and pursuant to the policies of the CSE, the Common Shares of certain shareholders will also be subject to escrow as they qualify as “Builder Shares” as defined in the policies of the CSE as these were issued at a price of \$0.005 per Common Share. Andrew Lee Smith, Craig Engelsman and these certain shareholders are herein referred to as “**Escrow Holders**”.

In accordance with applicable securities rules and policies of the CSE, the Escrow Holders who hold securities of the Company that are subject to escrow have executed an escrow agreement with the Company and the Escrow Agent made as of [●], 2024 substantially in the form attached as an Appendix to NP 46-201 (Form 46-201F1) (the “**Escrow Agreement**”) in respect of an aggregate of 10,250,001 Common Shares. The Escrow Agreement will be filed under the Company’s SEDAR+ profile at www.sedarplus.ca upon the issuance of the final receipt for this Prospectus.

The following table sets out information on the number of securities that are subject to the terms of the Escrow Agreement among the Company, the Escrow Agent, and the Escrow Holders who hold securities of the Company that are subject to escrow:

Escrow Holders	Number of Escrowed Securities	Percentage of Class as at the date of this Prospectus⁽¹⁾
Andrew Lee Smith CEO, Executive Chair & Director	2,000,000 Common Shares	6.60%
Craig Engelsman Promoter	2,250,001 Common Shares	7.43%
Certain Seed Shareholders	6,000,000 Common Shares	19.81%
Total	10,250,001 Common Shares	33.84%

Notes:

(1) Based on 30,288,502 issued and outstanding Shares as at the date of this Prospectus.

Based on the escrow classification of the Company as an emerging issuer, the escrowed securities will be held in escrow by the Escrow Agent and will be released in accordance with the following schedule:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	10% of the escrowed securities
6 months after the Listing Date	15% of the remaining escrowed securities
12 months after the Listing Date	15% of the remaining escrowed securities
18 months after the Listing Date	15% of the remaining escrowed securities
24 months after the Listing Date	15% of the remaining escrowed securities
30 months after the Listing Date	15% of the remaining escrowed securities

Date of Automatic Timed Release	Amount of Escrowed Securities Released
36 months after the Listing Date	The remaining escrowed securities

PRINCIPAL SHAREHOLDERS

Other than as disclosed below, to the knowledge of the Company’s directors and officers, no person beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the issued and outstanding Common Shares.

Name	Securities Beneficially Owned or Controlled	Number of Securities to Be Distributed to the Shareholder	Percentage of Securities Owned, Controlled or Directed as at the Date of this Prospectus	Percentage of Securities to be Owned, Controlled or Directed Post-Minimum Offering (Undiluted)	Percentage of Securities to be Owned, Controlled or Directed Post-Minimum Offering (Fully Diluted)	Ownership Type
Inclination Earth Sciences Inc. ⁽¹⁾	3,700,000 Common Shares	Nil	12.22% of Common Shares ⁽²⁾	8.53% of Common Shares ⁽³⁾	5.98% of Common Shares ⁽⁴⁾	Beneficial

Note:

- (1) The principal security holder of Inclination Earth Sciences Inc. (“**Inclination**”) is Mr. Michael Moore, who holds 100% interest in Inclination. Neither Inclination nor Mr. Michael have any involvement with the Company, apart from being investors through Inclination’s participation in the Company’s private placements.
- (2) Based on 30,288,502 Common Shares issued and outstanding as at the date of this Prospectus.
- (3) Assuming completion of the Minimum Offering, there will be 43,377,561 issued and outstanding Common Shares on an undiluted basis.
- (4) Assuming completion of the Minimum Offering, there will be 61,862,691 issued and outstanding Common Shares on a fully diluted basis.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Address, Occupation, and Security Holdings

The following table sets out the name; province and country of residence; position or offices held with the Company; date appointed; number and percentage of voting securities of the Company that each of the directors and executive officers beneficially owns directly or indirectly, or exercises control over as at the date of this Prospectus:

Name, Current Position, and Municipality and Province of Residence	Principal Occupation During Preceding 5 Years	Position Held Since	Common Shares Beneficially Owned or Controlled	Number of Convertible or Exchangeable Securities Outstanding ⁽³⁾	Total Ownership on an Undiluted Basis ⁽⁴⁾	Total Ownership on a Fully-diluted Basis ⁽⁵⁾
Andrew Lee Smith CEO, Executive Chair & Director ⁽¹⁾⁽²⁾ West Vancouver, BC Canada	Director and Officer of publicly listed companies. See “ <i>Management – Directors and Officers of the Company</i> ” below for further information.	Director since November 22, 2022; CEO & Executive Chair since August 28, 2023	2,000,000 ⁽⁶⁾	Nil	6.6%	3.2%
Oliver Foeste CFO Vancouver, BC Canada	Founder and Managing Partner of Invictus Accounting Group LLP. See “ <i>Management – Directors and Officers of the Company</i> ” below for further information.	CFO since June 1, 2023	None	Nil	0.0%	0.0%
Sherry Siu Corporate Secretary Vancouver, BC Canada	President of Aspen Consulting Inc. and Corporate Secretary of East Africa Metals Inc. See “ <i>Management – Directors and Officers of the Company</i> ” below for further information.	Corporate Secretary since April 1, 2023	None	Nil	0.0%	0.0%
Hein Poulus, KC Director ⁽¹⁾⁽²⁾ Vancouver, BC Canada	Partner at litigation boutique law firm Poulus Ensom Smith LLP. See “ <i>Management – Directors and Officers of the Company</i> ” below for further information.	Director since February 6, 2024	100,000	Nil	0.3%	0.2%
Al Kanji, CPA Director ⁽¹⁾⁽²⁾ Vancouver, BC Canada	Chartered Professional Accountant. See “ <i>Management – Directors and Officers of the Company</i> ” below for further information.	Director since February 6, 2024	100,000	Nil	0.3%	0.2%

Notes:

- (1) Member of the Audit Committee, of which Al Kanji is the Chair.
- (2) Member of the Corporate Governance and Compensation Committee, of which Hein Poulus is the Chair
- (3) The Company will award Options to certain directors, officer and consultants of the Company in connection with the Closing. See “*Options to Purchase Securities*”.
- (4) Based on 30,288,502 issued and outstanding Common Shares as at the date of this Prospectus.
- (5) Based on 61,862,691 issued and outstanding Common Shares on a fully-diluted basis, assuming exercise of all 18,485,130 to be issued or currently outstanding Options and Warrants.

- (6) Held through Brothers Creek Production Inc., which is owned by the Smith Family Trust of which Andrew Lee Smith is the Chief Executive Officer. Andrew Lee Smith is also the owner of Iron Mask Explorations Limited. See “*Executive Compensation – Compensation Discussion and Analysis*”.

Management – Directors and Officers of the Company

Below is a description of each of the directors and executive officers of the Company including: names; ages; positions and responsibilities; relevant educational background; principal occupations or employment during the five years preceding the date of this Prospectus; and relevant experience in the education industry.

Andrew Lee Smith (age: 67) – CEO, Executive Chair & Director

Mr. Smith is a Professional Geologist with over 30 years experience of exploring, developing and operating African and North American base and precious metals mining projects. He also holds directorships and management positions with a number of other junior exploration companies. He is currently director, CEO and president of East Africa Metals Inc. (TSXV) since April 2013, Nickel North Exploration Corp. (TSXV) since June 2014, and director of Ultra Lithium Inc. (TSXV) since December 2015. He was the director and CEO for Lithium One Metals Inc. (TSXV) from October 2019 to November 2022, the director, CEO and President of Tigray Resource Inc. (TSXV) from July 2011 to March 2014, and director for Polaris Northstar Capital Corp. (CSE) from March 2014 to February 2018, Scorpio Gold Corporation (TSXV) from June 2007 to October 2017, and West Mining Corp. (CSE) from October 2020 to January 2023. Mr. Smith was Director and interim CEO of True North Gems Inc. (TSXV) from December 2002 to March 2020, and director from June 2020 to December 2021. Mr. Smith holds a B.Sc in Earth Sciences from the University of Waterloo and is a professional geologist and a member of the Association of Professional Engineers and Geoscientists of British Columbia. In 2015, Mr. Smith competed in the International Corporate Directors Education Program and received the ICD. D accreditation.

Mr. Smith expects to devote approximately 20% of his time to the affairs of the Company or such other amount as may be required as needed. He is an independent contractor of the Company. He is not subject to a non-competition or non-disclosure agreement with the Company. Mr. Smith’s principal occupation is acting as an officer or director of companies other than the Company. The principal business of these companies is mineral exploration as set out above.

Oliver Foeste (age: 46) – Chief Financial Officer

Mr. Foeste is the founder and Managing Partner of Invictus Accounting Group LLP and has significant executive, director, finance, and public company compliance experience across a number of industry sectors including mining. Prior to Invictus, Mr. Foeste was in senior finance and accounting roles at TSX, TSXV, and NYSE listed issuers, and earned his CPA at Deloitte and a boutique tax advisory firm. He is currently Interim CFO of Torq Resources Inc. (TSXV) since January 2024, and CFO of CannapharmaRX Inc. (CSE) since October 2023, Arya Resources Ltd. (TSXV) since December 2022, Tectonic Metals Inc. (TSXV) since October 2022, POWR Lithium Corp. (CSE) since June 2022 and Rover Metals Corp. (TSXV) since March 2019. He was Interim CFO of Torq Resources Inc. (TSXV) from May 2023 to September 2023, and CFO of Interra Copper Corp. (TSXV) from July 2021 to June 2023, Adastra Holdings Inc. (CSE) from July 2021 to April 2023, and director of Quri-Mayu Developments Ltd. (CSE) from January 2019 to September 2019, and director and/or CFO of Inca One Gold Corp. from November 2010 to August 2017, and CFO of Pacific Cascade Minerals Inc. from April 2014 to November 2014.

Mr. Foeste expects to devote approximately 20% of his time to the affairs of the Company or such other amount as may be required as needed. He is an independent contractor of the Company. He is not subject to a non-competition or non-disclosure agreement with the Company. Mr. Foeste’s principal occupation is

acting as an officer of companies other than the Company. The principal business of these companies is mineral exploration and cannabis as set out above.

Sherry Siu (age: 57) – Corporate Secretary

Ms. Siu has over 30 years of experience working as a paralegal for a boutique law firm in Vancouver, specializing in securities, commercial and corporate matters, and has been corporate secretary of various junior resource companies since 2011. Ms. Siu has been the president of Aspen Consulting Inc., a private company providing corporate secretary and paralegal services to companies, since January 2016 and has served as Corporate Secretary of East Africa Metals Inc. (TSXV) from January 2013 to December 2018 and from May 2019 to present and Corporate Secretary of Zodiac Gold Inc. (TSXV) from January 2024 to present. She has worked on a variety of securities-related and corporate transactions, including M&A, spinouts and business combinations, reorganizations, and going public filings. Ms. Siu is a paralegal certified with the BC Paralegal Association.

Ms. Siu expects to devote approximately 20% of her time to the affairs of the Company or such other amount as may be required as needed. She is an independent contractor of the Company. She is not subject to a non-competition or non-disclosure agreement with the Company. Ms. Siu's principal occupation is acting as an officer of companies other than the Company. The principal business of these companies is mineral exploration as set out above.

Hein Poulus, KC (age: 77) – Director

Mr. Poulus is the first name partner at litigation boutique law firm Poulus Ensom Smith LLP. Prior to this, he was a partner, and the founder and head of the Vancouver litigation group, at national law firm Stikeman Elliott. He has been a King's Counsel since 2001. In the 1980s, Mr. Poulus interrupted his legal career to hold senior management positions with Kaiser Resources Ltd., the Denver Broncos and Southeastern Capital Corporation, a US private equity firm. He served as a director of Resinco Capital Partners Inc. (TSXV/CSE) from August 2005 to September 2018 (previously served as President and CEO for Resinco Capital Partners Inc. from June 2015 to November 2017), Finavera Solar Energy Inc. (TSXV) from December 2007 to September 2015, Terreno Resources Corp. (TSXV) from November 2007 to April 2015, Lions Gate Metals Inc. (CSE) from March 2011 to November 2016, and Teslin River Resources Corp. from November 2012 to February 2015. Mr. Poulus holds an undergraduate degree in economics, a law degree from the University of British Columbia, and an LLM from the London School of Economics. He has served on a number of corporate and non-profit boards.

Mr. Poulus expects to devote approximately 5% of his time to the affairs of the Company or such other amount as may be required as needed. He is an independent contractor of the Company. He is not subject to a non-competition or non-disclosure agreement with the Company.

Al Kanji, CPA (age: 72) – Director

Mr. Kanji is a Chartered Professional Accountant. He retired from KPMG Canada in September 2014, after a career spanning 33 years; 26 of which were as a Corporate Finance Partner focusing principally on acquisitions, divestitures, and financings. He has co-authored several publications, served as a member of a number of committees and private boards, as well as served for two three-year consecutive terms as a member of the Board of Directors of KPMG Canada. Since 2014, Mr. Kanji has been serving as a senior advisor to a family office with investment in several sectors, including mining.

Mr. Kanji expects to devote approximately 5% of his time to the affairs of the Company or such other amount as may be required as needed. He is an independent contractor of the Company. He is not subject to a non-competition or non-disclosure agreement with the Company.

Term of Office of Directors

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Board.

Aggregate Ownership of Securities

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control over 2,200,000 Common Shares collectively representing 7.3% of the 30,288,502 issued and outstanding Common Shares. Upon completion of the Minimum Offering, the directors and executive officers of the Company as a group will beneficially own, directly or indirectly, or exercise control over 2,200,000 Common Shares collectively representing 5.07% of the 43,377,561 issued and outstanding Common Shares on the Listing Date.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises, any director in a conflict will disclose his interest and abstain from voting on such matter at a meeting of the Board.

To the best of the Company's knowledge, and other than as disclosed in this Prospectus, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the Company's knowledge, no existing or proposed director or executive officer of the Company or promoter of the Company is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Company, that:

- (i) was subject to an order that was issued while the director or executive officer was acting in the capacity of a director, the chief executive officer or the chief financial officer thereof; or
- (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, the chief executive officer or the chief financial officer thereof and which resulted from an event that occurred while that person was acting in such capacity.

For the purposes of the above, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the Company's knowledge, no existing or proposed director or executive officer of the Company or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (i) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (ii) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the Company's knowledge, no existing or proposed director or executive officer of the Company or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (i) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement with a provincial and territorial securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

EXECUTIVE COMPENSATION

The Company was not a reporting issuer at any time during the Company's most recently completed financial year. Accordingly, and in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, the term “**Named Executive Officer**”, or “**NEO**”, means each Chief Executive Officer (“**CEO**”), each Chief Financial Officer (“**CFO**”) and the Company's most highly compensated executive officer, other than the CEO and the CFO, who was serving as an executive officer as at the end of the Company's most recently completed financial year and whose total compensation exceeds \$150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the Company's most recently completed financial year.

After becoming a reporting issuer, the Company will have two (2) Named Executive Officers, Andrew Lee Smith (CEO and Executive Chair) and Oliver Foeste (CFO).

Compensation Discussion and Analysis

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors. The Company uses no peer group to determine compensation.

Pursuant to a contractor agreement with Iron Mask Explorations Limited (“**Iron Mask**”) dated January 1, 2023 (the “**Smith Agreement**”), the Company pays Iron Mask a monthly fee of \$10,000 for Mr. Smith's

services as CEO of the Company. The Board of Directors is responsible for authorizing and approving payments to Mr. Smith for the technical services. At this stage, the Company does not anticipate engaging Mr. Smith for technical services as these are provided by Rodrigo Mello, the QP of the Company’s technical report. The Smith Agreement had an expiry date of December 31, 2023 and was extended to December 31, 2024. Iron Mask may terminate the Smith Agreement by providing 14 days advance notice to the Company. The Company may terminate the Smith Agreement without notice for just cause or the Company may pay any amounts outstanding to Iron Mask in order to terminate the Smith Agreement immediately.

Pursuant to a consulting agreement with Invictus Accounting Group LLP (“**Invictus**”) dated May 19, 2023 (the “**Foeste Agreement**”), the Company pays Invictus a monthly fee of \$5,000 to \$7,500 for Mr. Foeste’s services as CFO of the Company, and for financial reporting and bookkeeping services. Fees are based on a time and materials basis and are dependent upon access to information, complexity, and breadth of work required by the Company. The term of the Foeste Agreement continues until terminated in accordance with termination provisions therein. Either party may terminate the Foeste Agreement, with or without cause, by providing 90 days written notice to the other party. Invictus may invoice for time and expenses incurred up to the end of the notice period together with reason time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. In the event that Invictus is terminated without cause at any time during the period from the date that is three months prior to any Change of Control (as defined in the Foeste Agreement) to the date that is six months after any Change of Control, Invictus shall be entitled to a payment equal to three months of Invictus’ fees (based on the average fees charged for the three months prior to such termination).

On October 1, 2023 the Company’s wholly owned subsidiary in Brazil entered into a contract with Exploration Outcomes, pursuant to which the Company paid Mr. Hill Brazilian Real \$50,000 a month to act as administrator of the Company’s subsidiary and for technical services to administer the Company’s exploration programs. The contract was terminated by the parties effective May 28, 2024.

Stock Options and Other Compensation Securities

The Company currently has the Omnibus Plan in place in order to assist the Company in attracting, motivating and retaining directors, officers, employees and consultants of the Company and to closely align the interests of such service providers with the interests of the Company. As at the date of this Prospectus, the Company has not issued Options, RSUs, DSUs, or PSUs. The following table discloses all compensation securities of the Company to be granted to each NEO and director at Closing.

Compensation Securities

Name and Position	Type of compensation security	Number of compensation securities	Issue, conversion of exercise price	Expiry Date
Andrew Lee Smith CEO, Executive Chair and Director	Options	1,460,000	\$0.17	Five years from the date of grant
Oliver Foeste CFO	Options	365,000	\$0.17	Five years from the date of grant
Hein Poulus Director	Options	730,000	\$0.17	Five years from the date of grant
Al Kanji Director	Options	912,500	\$0.17	Five years from the date of grant

Defined Benefit Plans

The Company does not have any defined benefit or actuarial plan.

Termination and Change of Control Benefits

Except as noted below, the Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in an NEOs responsibilities.

Pursuant to the Invictus Agreement, in the event that Invictus is terminated without cause at any time during the period from the date that is three months prior to any Change of Control (as defined in the Foeste Agreement) to the date that is six months after any Change of Control, Invictus shall be entitled to a payment equal to three months of Invictus' fees (based on the average fees charged for the three months prior to such termination).

Director Compensation

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. The Board intends to compensate directors primarily through the grant of stock options, and reimbursement of expenses incurred by such persons acting as directors of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, officer or promoter of the Company is or has been indebted to the Company at any time.

AUDIT COMMITTEE

Audit Committee Charter

The text of the Company's audit committee charter is attached as Schedule "F" hereto.

Composition of Audit Committee and Independence

The following are the members of the Audit Committee:

Name	Independence ⁽¹⁾	Financial Literacy ⁽²⁾
Al Kanji, CPA ⁽³⁾	Independent	Financially literate
Hein Poulus, KC	Independent	Financially literate
Andrew Lee Smith	Not independent	Financially literate

Notes:

- (1) A member of an audit committee is independent if the member meets the meaning of that term as defined in section 1.4 of National Instrument 52-110 - *Audit Committees* ("NI 52-110").
- (2) As defined under NI 52-110.
- (3) Chair of the Audit Committee.

Relevant Education and Experience

In accordance with section 6.1.1(3) of NI 52-110 relating to the composition of the Audit Committee for venture issuers, a majority of the members of the Audit Committee are not executive officers, employees or control persons of the Company.

All members of the Audit Committee are financially literate as required by section 1.6 of NI 52-110.

Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financing statements and will seek clarification from the Company's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in preparing, auditing analyzing or evaluating financial statements similar to those of the Company.

See also "*Directors and Executive Officers*" and "*Management of the Company*" concerning the education and experience of each member of the Audit Committee.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110; or
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110; or
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110; or
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table sets out the fees billed by MNP LLP to the Company during the last fiscal year:

Financial Year Ending	Audit Fees ⁽²⁾	Audit Related Fees ⁽³⁾	Tax Fees	All Other Fees
June 30, 2023 ⁽¹⁾	\$30,000	\$1,120	Nil	Nil

Note:

- (1) Information is only provided for one year as June 30, 2023, was the Company's first fiscal year end.

- (2) “*Audit Fees*” relates to the audit costs for the audit of the Company’s annual financial statements for the year ended June 30, 2023.
- (3) “*Audit Related Fees*” relates to the the administrative expenses charged by the Company’s auditors, MNP LLP.

Exemption

The Company is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Company’s Board consists of three directors, one of whom is not independent based upon the tests for independence set forth in NI 52-110. Andrew Lee Smith is not independent as he is the CEO of the Company. The independent directors of the Board are Al Kanji and Hein Poulus.

Directorships

The following director of the Company also currently serves as a director of other reporting issuers:

Name of Director	Other Reporting Issuer	Name of Exchange or Market
Andrew Lee Smith	East Africa Metals Inc.	TSXV
	Nickel North Exploration Corp.	TSXV
	Ultra Lithium Inc.	TSXV

Orientation and Continuing Education

The Corporate Governance and Compensation Committee is responsible for, among other things, providing suitable programs, with the assistance of management, for the orientation of new directors and the continuing education of incumbent directors. Each new director is given an outline of the nature of the Company’s business, its corporate strategy, and current issues within the Company. New directors are encouraged to review the Company’s public disclosure records and are also required to meet with management of the Company to discuss and better understand the Company’s business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to attend related industry seminars and visit the Company’s operations. Board members have full access to the Company’s records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Business Conduct and has instructed its directors, management, employees and consultants to abide by the Code. A copy of the Code of Business Conduct will be accessible on the Company’s SEDAR+ profile at www.sedarplus.ca.

Nomination of Directors

The Corporate Governance and Compensation Committee is responsible for, among other things, identifying and qualified candidates for appointment, election and re-election to the Board and its committees. The Corporate Governance and Compensation Committee is comprised of Hein Poulus, Al Kanji and Andrew Lee Smith with Hein Poulus acting as the Chair. In identifying candidates for appointment to the Board, the committee considers, among other factors and in the context of the needs of the Board, potential conflicts of interest, professional experience, personal character, diversity, outside commitments and particular areas of expertise. The Company's management is continually in contact with individuals involved with public sector issuers. From these sources management has made numerous contacts and if the Company requires any new directors, such individuals will be brought to the attention of the Corporate Governance and Compensation Committee. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

Compensation

The Corporate Governance and Compensation Committee oversees the compensation of the Company's executive officers and senior management. The committee is responsible for, among other things, reviewing and recommending to the Board all compensation arrangements for the executive officers and directors of the Company, including grants of Omnibus Plan Awards. The Corporate Governance and Compensation Committee consists of Andrew Lee Smith, Hein Poulus and Al Kanji, with Hein Poulus acting as the Chair. These directors have the responsibility for approving compensation for executive officers of the Company who are also members of the Board. Hein Poulus and Al Kanji are independent members of the committee.

To determine the recommended compensation payable, the Corporate Governance and Compensation Committee reviews compensation paid for directors and executive officers of companies of similar size and stage of development in the mineral exploration industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers while taking into account the financial and other resources of the Company.

In setting the compensation, the Corporate Governance and Compensation Committee will annually review the performance of the executive officers in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives. For further information regarding the how the Company determines compensation for its directors and executive officers, see "*Executive Compensation*".

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board intends to conduct informal annual assessments of the Board's effectiveness as well as the effectiveness of the individual directors. The contributions of an individual director is informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

To assist the Board in its assessment, the Board may receive reports from each committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

THE OFFERING

The Offering consists of a minimum of 12,942,000 Units, each Unit consisting of one Share and one whole Warrant. Each Warrant will entitle its holder to purchase one Share at a price of \$0.25 at any time prior to 4:30 p.m. (Vancouver Time) on the date that is 12 months following the Closing Date, subject to the Acceleration Right. The Agent may exercise the Agent's Option, in whole or in part, at any time up to 48 hours prior to the Closing Date to sell up to an additional 15% of the Units sold under the Offering, being 1,941,300 Additional Units. The Additional Units have the same terms as the Units.

Shares

For a description of the attributes of the Shares, see "*Description of Securities Distributed – Common Shares*".

Warrants

The following statements are subject to the detailed provisions of the Warrant Indenture referred to below. The Warrants will be issued in registered form and will be governed by the Warrant Indenture to be dated as of the Closing Date between the Company and the Warrant Agent, as warrant agent thereunder. The Company has appointed the offices of the Warrant Agent at its offices in Vancouver, British Columbia as the location at which Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture.

Each Warrant will entitle its holder to purchase one Warrant Share at a price of \$0.25, subject to adjustment as summarized below. Warrants will be exercisable at any time prior to 4:30 p.m. (Vancouver time) on the date that is 12 months following the Closing Date, after which the Warrants will expire and become null and void, subject to the Acceleration Right, pursuant to which the Company may accelerate the expiry date of the Warrants to a date that is 30 calendar days from the date when written notice of such new expiry date is provided by the Company to the Warrant holders, if the closing price of the Shares on the CSE is at or above \$0.50 per Share for a period of 30 consecutive trading days.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share in the event of: (i) the subdivision or consolidation of the Common Shares or issuance of a stock dividend on the Common Shares or other distribution of Common Shares or securities convertible into Common Shares; (ii) the issuance of rights, options or warrants to purchase Common Shares or securities convertible into Common Shares at less than 95% of the "current market price" (as defined in the Warrant Indenture) of the Common Shares; and (iii) the distribution to all or substantially all the holders of Common Shares of shares of any other class or of rights, options or warrants (other than those referred to in (ii), above) to acquire Common Shares or securities convertible into Common Shares or property or other assets of the Company or of evidences of indebtedness or cash, securities or any property or other assets. The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of: (i) any reclassification, subdivision, redivision, reduction, combination, consolidation or change of the Common Shares; (ii) an amalgamation, merger, plan of arrangement or consolidation of the Company with another entity; or (iii) the transfer of all or substantially all of the assets of the Company.

No adjustment of the exercise price shall be made if the amount of such adjustment shall be less than 1% of the exercise price in effect immediately prior to the event giving rise to the adjustment, provided, however, that in such case any adjustment that would otherwise be required then to be made shall be carried

forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, shall amount to at least 1% of the exercise price.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give public notice of certain stated events at least 14 days prior to the record date or effective date, as the case may be, of such event.

The rights of the holders of Warrants will be subject to modification by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either passed at a meeting of the holders of Warrants by holders of not less than 66 2/3% of the Warrants represented at the meeting or adopted by instruments in writing signed by the holders of not less than 66 2/3% of all Warrants then outstanding.

The Warrants may not be exercised in the United States or by or on behalf of, or for the account or benefit of, a “U.S. person” (as such term is defined in Regulation S under the U.S. Securities Act) or a person in the United States (as such term is defined in Regulation S under the U.S. Securities Act), nor may any Warrant Shares be issued upon such exercise, unless exemptions from the registration requirements of the U.S. Securities Act and all applicable U.S. state securities laws are available, and the holder of such Warrants has provided the Company with a written opinion of counsel or other evidence, in either case reasonably satisfactory to the Company, to such effect.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agent has agreed to offer on a best-efforts basis on behalf of the Company, a minimum of 12,942,000 Units offered hereby subject to the terms and conditions contained therein, at a price of \$0.17 per Unit.

The Company has granted the Agent the Agent’s Option, exercisable in whole or in part, at any time up to 48 hours prior to the Closing Date, to sell up to an additional 15% of the Units sold under the Offering, being 1,941,300 Additional Units. The Additional Units have the same terms as the Units. This Prospectus also qualifies the grant of the Agent’s Option and qualifies the distribution of the Additional Units.

In consideration for their services in connection with the Offering, the Company has agreed to pay to the Agent the Agent’s Commission of 6.0% of the gross proceeds raised from the sale of the Units (including any Additional Units) offered hereby, other than in respect of gross proceeds from the sale of Units or Additional Units to purchasers on the President’s List, for which the Agent will receive a President’s List Commission equal to 2.0%. In addition to the Agent’s Commission, the Agent will receive Compensation Warrants entitling it to purchase that number of Compensation Warrant Shares as is equal to 6.0% of the aggregate number of Units sold pursuant to the Offering (including any Additional Units), other than in respect of Units or Additional Units sold to purchasers on the President’s List, for which the Agent will receive President’s List Warrants equal to 2.0%. Each Compensation Warrant and President’s List Warrant is exercisable into one Compensation Warrant Share at a price of \$0.17 per Compensation Warrant Share for a period of 12 months following the Closing. This Prospectus also qualifies the distribution of the Compensation Warrants and President’s List Warrant.

The Company has also agreed to pay the Agent the Corporate Finance Fee of \$50,000 by paying \$25,000 in cash and issuing 147,059 Corporate Finance Fee Shares at the Offering Price. The Company will also pay the Agent’s expenses, including legal fees and disbursements. The Offering Price of the Units has been

determined by arm's length negotiation between the Company and the Agent. This Prospectus also qualifies the distribution of the Corporate Finance Fee Shares.

The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. While the Agent has agreed to use its best efforts to sell the Units offered hereby, the Agent will not be obligated to purchase any Units not sold. Subscriptions will be received for the Units offered hereby subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Upon rejection of a subscription, the subscription price and the subscription will be returned to the subscriber forthwith without interest thereon or deduction therefrom.

The Company agrees that it will not, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional Common Shares or any securities convertible into or exchangeable for Common Shares of the Company, other than pursuant to (i) the exercise of the Agent's Option, (ii) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the Closing Date or issuable pursuant to the Offering; (iii) the issue of Common Shares of the Company upon the exercise of convertible securities, warrants or options outstanding prior to the Closing Date; and (iv) previously scheduled property and/or other corporate acquisitions for a period of 90 days from the Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed.

The Company's directors and officers will agree, prior to Closing, not to sell, or agree to sell (or announce any intention to do so), any Common Shares or securities exchangeable or convertible into Common Shares of the Company for a period of 90 days from Closing without the prior written consent of the Agent, such consent not to be unreasonably withheld.

In the event that the Company withdraws from the Offering in order to complete an "alternative transaction", which transaction is complete within 12 months of the withdrawal from the Offering, the Company shall pay to the Agent promptly upon closing of the alternative transaction a fee equal to the maximum amount of fees payable under the Agency Agreement calculated on the basis of the Minimum Offering.

An "alternative transaction" is defined as: (i) any debt or equity financing transaction (excluding a bank loan from commercial bank or other similar lenders including equipment financing transactions); or (ii) a business transaction which involves a change in control of the Company, or any material subsidiary including a merger, amalgamation, arrangement, take-over bid supported by the board of directors of the Company, insider bid, reorganization, joint venture, sale of all or substantially all assets, exchange of assets or any similar transaction, but excluding an issuance of securities pursuant to the exercise of securities of the Company outstanding on the date hereof or in connection with a bona fide debt settlement or acquisition by the Company (other than a direct or indirect acquisition, whether by way of one or more transactions, of an entity all or substantially all of the assets of which are cash, marketable securities, or financial in nature or an acquisition that is structured primarily to defeat the intent of this provision).

The Offering will not continue for a period of more than 90 days after the date of the receipt for the final prospectus if subscriptions representing the Minimum Offering are not obtained within that period. During the 90-day period, all subscription funds received by the Agent will be held by the Agent in trust pursuant to the provisions of the Agency Agreement. If the Minimum Offering is not completed, the Agent will return any funds received from subscribers without interest thereon or deduction therefrom.

The Company has applied to list its Common Shares, the Shares comprised in the Units, the Warrant Shares underlying the Warrants (including Warrants comprised in the Additional Units), the Corporate Finance Shares and the Compensation Warrant Shares on the CSE. Listing will be subject to the Company fulfilling all the listing and admission requirements of the CSE.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Cboe Canada, a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the NEX Exchange operated by NEX Group plc).

Except for Units (including any Additional Units) issued to, or for the account or benefit of, U.S. Persons or persons in the United States, which shall be issued in certificate form, or as otherwise required by law or in accordance with certain regulatory requirements, it is anticipated that the Units will be issued under the book-based system. At the Closing, certificates representing all the Units issued to persons outside of the United States will be issued in registered form to the applicable participants (the “**CDS Participants**”) in The Canadian Depository for Securities Limited (“**CDS**”) depository service, which includes securities brokers and dealers, banks and trust companies. It is anticipated that such CDS Participants will deposit such certificates with CDS in connection with the book-based system and global certificates representing Units will be issued in the name of CDS or its nominee for the Shares and Warrants held through the book-based system. Subscribers outside of the United States will therefore not be entitled to a certificate or other instrument from the Company or the Company’s transfer agent evidencing that person’s interest in or ownership of Shares or Warrants, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS Participant. However, subscribers participating in the book-based system may, through the applicable CDS Participant, request that such Shares and Warrants be issued to such holder as soon as reasonably practicable.

Neither the Units (including any Additional Units), the underlying Shares and Warrants, nor the Warrant Shares issuable upon exercise of the Warrants, have been or will be registered under the U.S. Securities Act or under any state securities laws, and such securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons except in compliance with exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Agency Agreement permits the Agent to offer and sell Units on behalf of the Company, in accordance with applicable law, to “accredited investors” as defined in Rule 501(a) of Regulation D under the U.S. Securities Act, in transactions that comply with the requirements of the exemption from registration provided by Rule 506(b) of Regulation D and in compliance with applicable state securities laws. The Units will also be offered and sold outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

The Units (including any Additional Units) sold in the United States or to, or for the account or benefit of U.S. Persons or persons in the United States, as well as the underlying Shares and Warrants of such Units, and any Warrant Shares issued upon exercise of such Warrants, will be “restricted securities” within the meaning of Rule 144(a)(3) of the U.S. Securities Act. Certificates representing the Units (and underlying Shares and Warrants), as well as any Warrant Shares, that are offered, sold or issued in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units (including any Additional Units) or the underlying Shares and Warrants within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from such registration requirements.

PROMOTERS

Andrew Lee Smith took the initiative in arranging the financing and solicited investors and, accordingly, may be considered a promoter of the Company within the meaning of applicable securities legislation in British Columbia. Mr. Smith beneficially owns or controls an aggregate of 2,000,000 Common Shares as at the date of this Prospectus, which amounts to 6.60% of the currently 30,288,502 issued and outstanding Common Shares. As of Closing, Mr. Smith will beneficially own or control, directly or indirectly, an aggregate of 2,000,000 Common Shares and 1,460,000 Options, which will amount to 4.61% and 32.21% of the issued and outstanding Common Shares and Options at Closing respectively.

Craig Engelsman took initiative in founding the Company and organizing the business of the Company and, accordingly, may be considered a promoter of the Company within the meaning of applicable securities legislation in British Columbia. Mr. Engelsman beneficially owns or controls 2,250,001 Common Shares as at the date of this Prospectus, which amounts to 7.43% of the currently 30,288,502 issued and outstanding Common Shares. As of Closing, Mr. Engelsman will beneficially own or control, directly or indirectly, an aggregate of 2,250,001 Common Shares, which will amount to 5.19% of the issued and outstanding Common Shares at Closing.

See “*Directors and Executive Officers*”; “*Executive Compensation*” and “*Interests of Management and Others in Material Transactions*” for disclosure regarding the Company’s promoters.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings outstanding, threatened or pending as of the date of this Prospectus by or against the Company or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of the directors and officers of the Company are any such legal proceedings contemplated which could become material to a purchaser of the Company’s securities.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below and elsewhere in this Prospectus, no director, executive officer, promoter or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Company.

See “*Description of the Business*”, “*Escrowed Securities and Securities Subject to Contractual Restriction*”

on Transfer”, “*Principal Shareholders*”, “*Directors and Executive Officers*”, “*Executive Compensation*” and “*Material Contracts*”.

AUDITORS, TRANSFER AGENT AND REGISTRARS

The auditor of the Company is MNP LLP of Vancouver, British Columbia. MNP LLP advised the Company that it is independent of the Company within the meaning of the Code of Professional Conduct of Chartered Professional Accountants of British Columbia. MNP LLP was first appointed as auditor of the Company on January 12, 2024.

The transfer agent and registrar for the Common Shares is Endeavor Trust Corporation at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Other than contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company since its incorporation:

1. the Agency Agreement;
2. the Amended and Restated Option Agreement;
3. the Escrow Agreement; and
4. the Warrant Indenture.

Copies of the material contracts will be available under the Company’s profile at www.sedarplus.ca upon the issuance of the final receipt for this Prospectus. Particulars regarding the material contracts are disclosed elsewhere in this Prospectus (see “*Plan of Distribution*”; “*General Development of the Business – Significant Acquisitions*”; “*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*”; “*The Offering – Warrants*”).

EXPERTS

The following persons are named as having prepared or certified a report, valuation, statement or opinion in this Prospectus:

1. Rodrigo Mello, FAUSIMM, the principal of RBM, is an independent consulting geologist and “qualified person” as defined in NI 43-101. He is the author responsible for the preparation of the Technical Report, and is responsible for certain information of a scientific or technical nature relating to the Company’s mineral properties in this Prospectus;
2. Andrew Lee Smith, P. Geol, the CEO of the Company, and a “qualified person” as defined in NI 43-101, is responsible for certain information of a scientific or technical nature relating to the Company’s mineral properties in this Prospectus and the MD&A;
3. The information in this Prospectus under the headings “Regulations and Use and Development of Mineral Properties” and “Acquisition or Use of Rural Properties by Foreign Investors or Brazilian Companies Under Foreign Control” has been included in reliance upon the opinion of Lima e Martins Sociedade de Advogados;
4. The information in this Prospectus under the heading “Eligibility for Investment” has been included

in reliance upon the opinion of Cozen O'Connor LLP; and

5. The audited financial statements of the Company included with this Prospectus have been subject to audit by MNP LLP and their audit report is included herein.

As at the date of this Prospectus, the above experts, including the “designated professionals” (as such term is defined in Form 51-102F2 – Annual Information Form) of such firms, respectively, beneficially each own, directly or indirectly, less than one percent (1%) of the outstanding securities or other property of the Company or one of its associates or affiliates.

FINANCIAL STATEMENT DISCLOSURE

The Financial Statements and MD&A are included as Schedules “B” and “D” and Schedules “C” and “E”, respectively, to this Prospectus. See also “*Management’s Discussion and Analysis*”.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the Provinces of British Columbia, Alberta and Ontario provide purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In the Provinces of British Columbia, Alberta and Ontario securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contain a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Units are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of this right of action for damages or consult with a legal adviser.

SCHEDULE “A” – DISCLOSURE REGARDING THE RIO MADEIRA PROPERTY

1. CURRENT TECHNICAL REPORT

Information of a scientific or technical nature in respect of the Rio Madeira Property (the “**Property**”) in this Schedule “A” is derived from portions of the independent National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) technical report dated August 31, 2023 (with an effective date of July 30, 2023) titled “Technical Report on the Rio Madeira Exploration Project, Rondonia, Brazil Report for NI 43-101” (the “**Technical Report**”) prepared by Rodrigo Mello, FAusIMM of RBM Consulting Ltda (the “**QP**”).

Reference should be made to the full text of the Technical Report which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under Canary Gold Corp.’s (the “**Company**”) profile on SEDAR+ at sedarplus.ca.

2. PROJECT DESCRIPTION, LOCATION AND ACCESS

Project Description

The Rio Madeira Exploration Project (the “**Project**”) is a conceptual stage exploration project located in the Maderia Valley in Rondônia, Brazil which sits in the deforested Amazon rainforest zone. There is no mineral resources estimate at this time as no samples have been collected. The basis of the Project are historic gold production and geological reasoning in the area. Due to gold smuggle, regional gold production has been poorly recorded but an estimated 7 million ounces of gold have been produced in the region since the 1980s. Today, artisanal mining is common in the dredges in the Madeira River.

The Project targets, a duricrust bed called Mocururu and eventual paleochannels of the Madeira River, both of which are covered by an overburden layer in excess of 20 m thickness. At the Madeira River, there are some outcrops of Mocururu, only accessible during the dry season. The QP collected two samples of this rock, one of them showed a grade of 1.15 g/t Au.

Location and Access

The Property is located in the state of Rondônia, Brazil, which is part of the Amazon rainforest. The region is characterized by its flat topography, with an average elevation of 200 m. The Property is located 10 km southwest of Porto Velho, the capital of the state of Rondônia, and is easily accessible using federal road BR-364.

All the resources required for the Project will be obtained from Porto Velho, which has the following characteristics:

- 540,000 inhabitants, with an economy based on services and commerce.
- Porto Velho is relatively well-connected, with a good road network and an airport with daily flights to the major cities in Brazil. However, no international flights are available.
- There are a few major highways that connect Porto Velho to other parts of Brazil, including the BR-364, which runs from Cuiabá to Rio Branco.
- The city of Porto Velho has a good public transportation system, with buses and taxis available.
- Good infrastructure of hotels, telecommunications, hospitals, water treatment and other necessary items for a mining project.

Nature of Title and Interest

The Property is comprised of eight tenements held by New Frontiers Mineração Ltda (“**New Frontiers**”), a Brazilian exploration company, for which Exploration License Applications has been submitted. Five of the properties are located within the Border Zone, where foreigners have some limitations to operate. The remaining three properties are outside of the Border Zone. The total area of the Project is 68,4458,445 hectares.

Of the eight tenements, all are in the Exploration License Application phase. However, three have “temporary blocking” status due to power line interference. These restrictions can be resolved through existing procedures available through the National Mining Agency (“**ANM**”). In general, the ANM will grant the exploration license once it is satisfied that the Company will respect the security zone around the power lines. Alternatively, the Company may apply for a reduction of tenements around the power lines. The QP opines the possible reduction to the tenements due to the power line restrictions are not considered materially significant.

Below is a table showing the title number, area size, exploration licensing phase and the last event for the eight individual properties forming the Property:

Title	Area (Ha)	Border Zone	Phase	Last event
886197/2017	8,816	Yes	Exploration License Application	Information presented
886196/2017	9,992	Yes	Exploration License Application	Information request published
886198/2017	9,442	Yes	Exploration License Application	Information request published
886199/2017	7,797	Yes	Exploration License Application	Information presented
886010/2023	9,023	No	Exploration License Application	Information request presented
886012/2023	9,480	No	Exploration License Application	Information presented
886009/2023	4,133	No	Exploration License Application	Information request presented
886011/2023	9,763	Yes	Exploration License Application	Information presented

An Exploration License Application assures the exploration rights for the application area, unless an application had previously been made for the same area. There are no expiration date for the Exploration License Application. All of the Exploration License Applications made for the Property were made in the name of New Frontiers. From the publicly available information on the ANM website, it can be verified that the areas are “regular”. The QP has verified in the ANM *cadastre* that there are no other applications for the Property. Consequently, it is reasonable to assume that all the exploration licenses will be issued in name of New Frontiers. Depending on the exploration results, New Frontiers may apply for mining licenses for the Property in the future.

Agreement, Royalties and Encumbrances

The Company and New Frontiers entered into an option agreement (the “**Option Agreement**”) on March 6, 2023, as amended by the amended and restated option agreement (the “**Amended and Restated Option Agreement**”) on April 1, 2024. A summary of the terms of the Amended and Restated Option Agreement is given below:

The Company has the option to acquire up to an undivided 70% indirect interest in the Property (the “**First Installment**”):

- (1) The Company may acquire an initial 49% undivided interest in the Property by:
 - a. Over a four year period, in four instalments, initially, upon completion of the IPO, by April 1, 2026 and April 1, 2027:
 - i. Paying \$25,000 cash to New Frontiers and issuing shares to it with an aggregate fair market value of \$50,000 (paid);
 - ii. Paying \$125,000 cash and issuing shares to it equivalent to \$100,000;
 - iii. Paying \$200,000 cash and issuing shares to it equivalent to \$200,000; and
 - iv. Paying \$500,000 cash and issuing shares to it equivalent to \$500,000.
 - b. Incurring \$5,000,000 in exploration expenditures.
 - i. If the Company incurs less than \$5,000,000 in exploration expenditure, it may pay the difference to New Frontiers to satisfy the condition.
 - c. Providing a technical report prepared in accordance with NI 43-202 that includes a mineral resource estimate in respect of the Property to New Frontiers.
- (2) The Company may acquire an additional 21% indirect undivided interest in the Property (for a total of 70%) by funding 100% of the costs associated with a development plan required for delivery of a preliminary economic assessment within two years of completing the First Installment

All monetary values are expressed in Canadian dollars.

There are no royalty clauses in the Amended and Restated Option Agreement.

Due to the requirements of the Brazilian law 6.634/1979, which regulates activities the Border Zone and limits foreign ownership of property to 49%, the option to acquire the additional 21% indirect undivided interest in the Property will be formalized through a separate agreement. Other requirements for businesses operating in the Border Zone include project approval by the National Security Council of Brazil, two-thirds of workers must be Brazilian, and the majority of the Company’s management must be Brazilian.

There are no environmental liabilities nor permitting concerns for the Project. The deforestation around the Property is largely agricultural, specifically cattle grazing and timber extraction. Artisanal mining has been observed in the neighbourhood with minimal impact. The exploration activities contemplated by New Frontier have low environmental impact and have no past environmental liabilities on the Project.

A single permit process is necessary to drill outside of the Border Zone, unless deforestation is required. The initial drilling activities of the Project are for deforested areas. If deforestation is required as the Project develops, then deforestation requests will be made to construct access road and drill pads. Deforestation will be kept to a minimum with remediation to be completed promptly after.

The surface ownership of the Property's tenements located outside the Border Zone are held by a number of individuals. Each individual will be contacted to form an agreement to access the tenements. As of the date of this Prospectus, the Company has not contacted any such individual, there is no guarantee that an agreement with such individual can be reached on commercially reasonable terms or if at all. While Brazil law assures access to the title owner and agreements are typically reached without problems, if an agreement cannot be reached, legal action may be required. Any legal action may significantly delay the exploration work.

The above permitting and access requirements also apply to the Property's tenements located inside the Border Zone. Additionally, the National Security Council's approval of the Project is required. The QP is not aware of any project which was delayed by the National Security Council's approval requirement.

3. HISTORY

The Property has no historical events. There was no previous ownership recorded in the official database of the ANM. However, the Madeira River Valley, where the Property is located, was home to informal alluvial and colluvial gold mining in late 1970s, when thousands of *garimpeiros* (informal miners) rushed into the Eastern Amazon basin in search of gold. In 1973, garimpeiro gold production from the Eastern Amazon basin was recorded at 5.9 Tonnes. Just five years later, production had increased to 18 Tonnes. Several new discoveries were made throughout the basin during this time, including those along the Rio Madeira.

Between 1979 to 1995, of which no data was available between 1986 and 1989, 1.66 million ounces of gold was recorded. This amount is considered to be underestimated given the lack of records before and throughout the period, the illegal selling and smuggling of gold, and the low metallurgical recovery of the rudimentary extraction methods used at the time.

Modern exploration methods were used with low intensity from the 1980s to 1990s by major gold companies in the Madeira River Valley. The first systematic work with public results performed on the vicinity of the Madeira River, searching for gold mineralization in its flood plains, was performed by the junior exploration company, Amazon Inc. A technical report under the standard NI 43-101 format was published in 2007 by the Watts, Griffis and McOuat Limited for Amazon Inc. and its property. The exploration concept Amazon Inc. used is somewhat similar to the one envisaged by the Company's with some differences in target modelling parameters. However, Amazon Inc. had financial difficulties during the 2008-2012 financial crisis and was not able to complete sufficient exploration work to confirm or refute the potential for the large size potential discoveries that the Company is targeting.

4. GEOLOGICAL SETTING, MINERALIZATION AND DEPOSIT TYPES

Regional Geology

The regional geology of the Project is characterized by sedimentary rocks that were deposited on the northwestern edge of the Central Brazilian Shield (Guaporé Craton). The sediments formed during the Miocene to Pliocene periods, when the Andean Cordillera was uplifted during mountain building. The underlying Precambrian basement is the Jamari Complex, which is composed of older granitoid intrusive and subordinate gneissic rocks. The older intrusive rocks belong to the Serra da Providencia Suite and are made up of monzogranite, biotite-syenogranite, charnockite, mafic rocks, and augen gneisses. The younger crystalline rocks (circa 1,387 Ma) are part of the Teotônio Intrusive Suite and are composed of alkaline intrusive (microcline granite, microcline quartz syenite, and syenogranite).

Much of the Jamari Complex is covered by Cenozoic sediments, locally called the Içá Formation. These sediments are composed of semi-consolidated arenite (locally ferruginous) interlayered with silt, clay, and sands. Holocene alluvium, composed of sands, silts, and gravel, overlies the Içá Formation.

Property Geology

The study area of the Project is predominately covered by unconsolidated sediments of Holocene age. The thickness of these sediments as well as the underlying geology is inferred from available geophysical data calibrated with geological information from mapped and regionally correlated exposures along the banks of the active Madeira River extrapolated into this area.

In the mapped profiles along the active Madeira Riverbanks, the unconsolidated sediments are light grey to brownish in colour and comprise intervals of sand, silt, and clay which unconformably overlie variably ferruginized, semi-consolidated and indurated sedimentary rocks of the Içá Formation which in turn overlie crystalline basement. Near the active Madeira River the sedimentary profile is generally between 10 to 20 m in thickness while away from the river margins the geophysical data suggests these formations may attain a thickness of up to a maximum of 50 m from surface to crystalline basement.

Regionally, the presence of gold has been reported from various intervals through the entire recent-unconsolidated sedimentary profile and the underlying indurated sequence. Of particular interest, especially economically, is gold associated with the basal unconformity (Miocene on Basement), which at present manifests itself as either braid-plain facies polymictic to oligomictic conglomeratic and related arenitic formations (distal to source) and polymictic alluvial fan – pebble to cobble conglomerates and associated channel – point bar and over bank arenitic and argillitic deposits (more proximal to source) all of which have been variably, reworked, ferruginized, especially where they have been influenced by shallow – lateritic processes related to ground-water fluctuation to form laterally persistent horizons, some two to five meters thick known locally as Mocururu.

Mocururu is described by various authors, where observed in exposures occurring within the bed of the active Madeira River as:

- a carbonaceous arenite/conglomerate formation, a compact rock, poly mineral, with angular to subrounded grains of quartz (abundant), micas (biotite/muscovite), feldspar and chlorite cemented by carbonate (manganiferous siderite) with the surface often with a film of iron hydroxide;
- a manganiferous to a manganiferous carbonaceous formation with manganese in the form of oxide-hydroxides along with significant kaolinite and goethite with rare feldspar while chlorite is absent. Texturally the rock is finely banded (0.5 to 0.8 mm) comprising oxide-hydroxides interbedded with sub millimetric, angular, quartz and metamorphic rock fragments (schist); or
- a ferruginous arenite/conglomerate formation.

Mocururu is made by hard, carbonaceous to manganiferous, or ferruginous, sandstones or conglomerates often some 2 to 3 m in thickness occurring along the edges or in the beds of the paleo river channels.

Mineralization

The Company is targeting economic gold mineralization associated with buried and or preserved sites associated with the various favourable sedimentary depositional sites (including Mocururu horizons, paleochannels and reworked material) interpreted to exist within the consolidated and unconsolidated 0 to 50 m thick sedimentary profile identified by the various reconnaissance geophysical programmes.

From an economic perspective the various targets, ranging from within, immediately below and above the laterally persistent flat lying 2 to 5 m thick Mocururu horizon and volumetrically significant preserved paleochannels associated with the migration of modern braided Madeira River system and the manifestations of the reworked products of the above deposits may potentially contain sufficient gold content to justify the mining and earth moving (dredging) activities required for economic extraction to the maximum targeted depth of less than 50 m over considerable areas. Gold occurring in the semi-consolidated quartz rich sands that occur with overly the Mocururu and spatially related paleochannels up to the current surface can only improve production and reduce operating costs.

Deposit Types

Many important gold occurrences and economic deposits of various ages throughout geological time, hosted in sedimentary basins and associated with conglomerates have been documented. The stratiform distribution of gold in conglomerates is suggestive of a syngenetic origin, and for the deposits most studied, despite compelling evidence of modifying factors over time suggestive of other possible genetic influences, the weight of evidence favours a paleoplacer interpretation. From an exploration and mining perspective, studies of mineralogy and grain size have clearly demonstrated that the primary genetic factors of gold accumulation are sedimentary, and, in this context, sedimentological studies of these sediment hosted gold deposits become an essential tool of exploration.

In the context described above, the primary exploration targets within the study area on the Property can best be described as:

- 1) The basal unconformity (Miocene on Basement), which at present manifests itself as either braid-plain facies polymictic to oligomictic conglomeratic and related arenitic formations (distal to source) Polymictic alluvial fan – pebble to cobble conglomerates as well as associated channel – point bar and over bank arenitic and argillitic deposits (more proximal to source) all of which have been variably, reworked, ferruginized, especially where they have been influenced by shallow – lateritic processes related to ground-water fluctuation (same as for Bauxite deposits) to form the deposits locally known as Mocururu. It should be noted that this tectono-stratigraphic horizon crops out in the bed of the active Madeira River and is known to occur at, close to or within 50 m of surface over a wide area extending several hundreds of kilometres from the active Madeira River in Rondônia, Brazil and Bolivia.
- 2) A secondary but unconstrained target is associated with sedimentary formations which occurring immediately below the Mocururu horizon which are reported to be gold-bearing and possibly reflect paleo depressions within the pre-Mocururu basement that have been preserved. The distribution of these targets is an unknown, but the targets would certainly be important if their presence can be confirmed within the depth limitations of the envisaged mining method.
- 3) A further third target, but by no means of lesser importance would be the reworked and reconcentrated products of the primary Mocururu. These targets would be manifested in alluvial deposits within the areas influenced by the meander migration of the Madeira River and its tributaries, examples of which are identified on air photos – vegetation maps – aster images etc. as oxbow scars with vegetation anomalies. The location of these target areas has been highlighted on maps provided by previous workers where they were considered to be primary targets. They remain vitally important to the targeting process as their shape and curvature can clearly be used to define paleocurrent directions which is a vital vector for targeting areas of higher mineral concentration within sedimentary systems.

5. EXPLORATION

The Property has been selected and consolidated as a highly prospective terrain whereby the targeted gold bearing formations remain preserved and intact allowing their exploration with modern techniques, technology, and equipment. Preliminary and reconnaissance exploration activities completed to date over the Property includes remote sensing, ground penetrating radar, and tomography (resistivity) geophysics, geological mapping which included some regional traverses to target the location and distribution of potentially favourable locations for gold concentration associated with bedrock unconformities, Mocururu terraces and/or paleochannels.

The most significant target areas are those where the unconformity between the top of the basement rocks and Miocene is exposed within the bed and along the banks of the Madeira River, which are seldomly exposed and when it is, it is in only the driest of months for a restricted period of a few weeks a year, generally in September or October. The entire extent of the basement unconformity appears to be prospective and requires systematic sampling by means of sonic/percussion or Air Core drilling to aid the delineation of and define where buried higher-grade concentrations of mineralization are likely to be located.

Target Generation

A review of ASTER elevation data and aerial imagery has highlighted palaeodrainage targets:

- a. areas where palaeodrainage may have been constrained between basement “highs”; and
- b. areas where palaeodrainage may have meandered over a broader area.

The elevation data shows some geological units that are resistant to erosion. These trends were assessed for “breach” points, which may mark potential palaeocourses. The flat “meander” areas are constrained within wider contemporaneous elevation highs. It is possible that more constrained channel positions are present under covers in these areas.

Ground Penetration Radar Survey

A survey using ground penetration radar was conducted along the roads of the Property. An UltraGPR device with a 30 MHz antenna was used. The result is interpreted as indicative of several paleochannels of the Madeira River and smaller tributaries. These images were used to select the targets to use a more powerful method of geophysical survey, which is tomography.

Remote Sensing and Data Integration

A comprehensive analysis of several remote sensing images was performed with the objective of selecting possible paleochannels zones. Secondary objectives for the comprehensive analysis were (i) finding garimpo zones and zones with high clay and Fe 3+ presence (which might be associated with gold mineralization) and (ii) to produce a better hydrography map to assist field operations.

Few areas favoured by the occurrence of deposits indicative of the presence of paleochannels were found on the Property. It is likely that intense human activity de-characterized the landscape, especially deforestation, cattle grazing and artisanal mining. Radar images, however, were considered more effective in showing patterns which may be linked to paleochannels. These features were more evident on zones where the forest was not degraded.

In general, each satellite type, after the digital processing, showed different responses and characteristics of the items of interest. Therefore, it can be concluded that the combined use of orbital data from different sensors covering different regions of the electromagnetic spectrum provided satisfactory results for the detection of two paleochannels.

Tomography Geophysics

In the period between May and June 2023, a geophysical survey was carried out, using the resistivity method, in an area located near the Jaci-Paraná city, in the state of Rondônia. The method of analysing resistivity data along 2D or 3D sections is called “tomography”. The objective was the exploration of Au in paleochannels and in duricrust horizons. Considering that the duricrust horizon (*Mocururu* beds) have expected higher resistivity of the clay and sandstone material that hosts it, the exploration hypothesis was that this level can be easily defined in contrast with the barren material. On the same line, paleochannels are expected to contain a significant amount of *Mocururu* blocks, therefore presenting a high resistivity anomaly.

The results obtained from the geophysical survey allowed anomalous resistivity patterns to be interpreted as possibly associated with gold-bearing paleochannels and duricrust horizons.

A surface pattern of resistivities greater than 2,000 Ohm.m was identified that could be related to the intermediate layer of the Rio Madeira Formation, composed of cemented gold-bearing gravels and sandstones, called Mocururu layer by prospectors. These anomalous patterns were considered targets of interest to be tested through drillings. The resistivity profile confirms the stratigraphy describe by Rizzoto et. All., being a low resistivity layers, with predominance of plastic clays, underlay the Mocururu bed. A sandstone/silt layer, with average resistivity, covers this layer, with a thickness in the order of 10 to 20 m.

Anomalies of high to very high resistivities, occurring at greater depths than the Mocururu and with great lateral extension (300 m to 1,000 m), initially interpreted as associated with the presence of crystalline basement rocks, were suggested, in an alternative interpretation, as possibly related to the occurrence of extensive and deep paleochannels of the Madeira River. These anomalies are also indicated targets to be investigated by drilling. This anomaly has 1,000 m in width.

A significant feature to support the hypothesis of these large anomalies of high resistivity being paleochannels, is the fact that the ubiquitous high anomaly level, interpreted as Mocururu, is absent from the zones immediately above these anomalies.

This is compatible with the hypothesis that the river eroded the Mocururu level and reached depths but deeper than it, probably due to a higher energy period. The high resistivity is interpreted as due to the significant presence of Mocururu blocks in the paleochannel.

6. DRILLING

The Property has not been drilled to date.

7. SAMPLING, ANALYSIS AND DATA VERIFICATION

The QP collected two samples from outcrops outside the tenements but located a short distance to them, both from Mocururu exposures at the riverbank. One was negative and the second showed a grade of 1.15 g/t Au, as assayed at the SGS/Geosol laboratories, at Vespasiano, MG.

8. MINERAL PROCESSING AND METALLURGICAL TESTING

The Project is at an early stage with no sample for mineral processing and metallurgical testing completed.

9. MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

The Project is at an early stage with no mineral resource and mineral reserve estimate given the lack of drilling or sampling.

10. EXPLORATION, DEVELOPMENT AND PRODUCTION

The Project is still in its conceptual stage with some exploration work completed. Preliminary and reconnaissance exploration activities completed to date over the Property include remote sensing, ground penetrating radar, and tomography (resistivity) geophysics, geological mapping which included some regional traverses to target the location and distribution of potentially favourable locations for gold concentration associated with bedrock unconformities, Mocururu terraces and/or paleochannels.

Considering that the entire extent of the basement unconformity appears to be prospective and systematic sampling by means of sonic/percussion or Air Core drilling is required to aid the delineation of and define where buried higher-grade concentrations of mineralization are likely to be located, the QP recommends the following steps going forward:

- 1) collect a magnetic and topography survey, using UAV drone technology;
- 2) develop a sonic drilling program with the goal of understand the sedimentology of the gold accumulation and establish the best method of drilling and sampling;
 - a. inferred resources may be defined with this drilling;
 - b. sedimentology and heavy mineral characterization parameters may be defined as well;
- 3) follow up drilling, increasing the level of confidence of the mineral resources to the indicated category using Acor similar drilling;
- 4) carry out metallurgical testing programs on representative mineralized samples; and
- 5) carry out a preliminary economic study based on several conceptual mining scenarios.

11. RECOMMENDATIONS

A work program made up of six months of work is recommended for the Project. A number of targets have already been defined by a geophysical survey. A sonic drilling campaign will investigate these targets, with 2,000 metres of drilling to be performed, in four months of work. 25% of the drilling core is expected to be of interest for mineralization controlled by placer style mechanism.

The samples will be shipped to Ottawa, Canada, for evaluation. 100% of the samples should also be tested by metallic screen method of gold analysis, at the SGS-Geosol, in Vespasiano, Minas Gerais, Brazil. The results will be interpreted with the help of a consultant expert in alluvial mineralization, using models like the Witwatersrand, in South Africa, or Tarkwa, in Ghana.

A suitable QA-QC program will be developed, concomitant with the drilling and assaying.

At the end of this work, a new NI 43-101 technical report should be prepared, possibly reporting inferred resources. As this drilling is intended to be exploratory and over a very large area, this resource evaluation is anticipated to be very limited and will likely only be used for decision regarding whether to go ahead with further investments.

The unit costs used for the budget and the timing of such expenditures is depicted in the tables below. Unit costs are normally obtained in Brazilian reals (except for ODM costs, which are in Canadian dollar) and transformed using an exchange rate of R\$ 3.67/Can\$.

If the aforementioned work program is successful, a follow up program would contain the following items, as a minimum requirement:

- follow up drilling, Increasing the level of confidence of the mineral resources to the indicated category using AC drilling;
- carry out metallurgical testing programs on representative mineralized samples; and
- carry out a preliminary economic study.

Unit Costs for Budget

Budget	Item	Unit	Number	Cost R\$/unit	Total R\$	Total CAD
HR	Overall Management	vb / month	1	60,000	60,000	16,349
	Operations management / Database	vb / month	1	50,000	50,000	13,624
	Geologist	vb / month	1	25,000	25,000	6,812
	Technician	vb / month	2	9,000	18,000	4,905
	Helper	vb / month	4	5,000	20,000	5,450
	Legal & admin	vb / month	1	25,000	25,000	6,812
Logistics	Air tickets	unit	10	3,500	35,000	9,537
	Car	month	4	8,500	34,000	9,264
	Fuel & extras	vb / month	4	3,500	14,000	3,815
	Hotel	day	70	120	8,400	2,289
	Meals	day	70	70	4,900	1,335
	Admin support at Porto Velho	vb / month	1	15,000	15,000	4,087
	Field material / other	vb	1	2,000	2,000	545
Services	Drilling	m	750	1,800	1,350,000	367,847
	Drilling (mob/demob)	vb	2	135,000	270,000	73,569
	Analysis (ODM)	vb /assay	500	918	458,750	125,000
	Sample transport (to Ottawa)	vb per 800 kg	2	17,000	34,000	9,264
	Consultant Sedimentology	day	4	9,175	36,700	10,000
	Sample transport (to Belo Horizonte)	vb per 800 kg	4	16,300	65,200	17,766
	Chemical Analysis	MS assay	750	250	187,500	51,090

Chronogram of the Exploration Program proposed with Expenditures per Item.

	Months						Total CAD
	1	2	3	4	5	6	
Management							\$ 149,864
Field team							\$ 119,891
Air tickets							\$ 47,684
Pickup							\$ 52,316
Hotel / meals							\$ 14,496
Other field expenses							\$ 18,529
Drilling							\$ 331,063
Analysis ODM							\$ 125,000
Analysis SGS							\$ 51,090
sample transport							\$ 108,120
Consultants							\$ 10,000
Total							\$ 1,028,052

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SCHEDULE "B" – ANNUAL FINANCIAL STATEMENTS

(See attached)

CANARY GOLD CORP.

Financial Statements

For the period from incorporation on May 9, 2022 to June 30, 2023

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Canary Gold Corp.:

Opinion

We have audited the financial statements of Canary Gold Corp. (the "Company"), which comprise the statement of financial position as at June 30, 2023, and the statement of loss and comprehensive loss, changes in equity and statement of cash flows for the period from May 9, 2022 (date of incorporation) to June 30, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023, and the results of its operations and its cash flows for the period from May 9, 2022 (date of incorporation) to June 30, 2023 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audits evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred losses since inception. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audits of the Financial statements

our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audits misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audits in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Vancouver, British Columbia

Date

Chartered Professional Accountants

CANARY GOLD CORP.
Statement of Financial Position
(Expressed in Canadian dollars)

	Note	June 30, 2023
		\$
ASSETS		
Current		
Cash		399,348
GST/HST receivable		9,850
Prepaid expenses	5	105,042
		514,240
Exploration and evaluation asset	6	100,000
Total assets		614,240
LIABILITIES		
Current		
Accounts payable and accrued liabilities	8	62,856
Total liabilities		62,856
SHAREHOLDERS' EQUITY		
Share capital		1,099,970
Deficit		(548,586)
Total shareholders' equity		551,384
Total liabilities and shareholders' equity		614,240

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

Approved and authorized for issue on behalf of the Board of Directors.

/s/ Andrew Lee Smith

Director

/s/ Al Kanji

Director

CANARY GOLD CORP.
Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares)

	Note	Period from incorporation on May 9, 2022 to June 30, 2023
		\$
Operating expenses		
Consulting fees		11,000
Director and management fees	8	137,500
Exploration and evaluation expenditures	6	167,164
General and administrative		9,588
Marketing fees		25,000
Professional fees		125,586
Travel and meals		64,767
		(540,605)
Foreign exchange loss		(7,981)
Net loss and comprehensive loss		(548,586)
Net loss per share:		
Basic and diluted		(0.04)
Weighted average shares outstanding:		
Basic and diluted		13,210,137

The accompanying notes are an integral part of these financial statements.

CANARY GOLD CORP.
Statement of Cash Flows
(Expressed in Canadian dollars)

	Period from incorporation on May 9, 2022 to June 30, 2023
	\$
Operating activities:	
Net loss and comprehensive loss	(548,586)
Changes in non-cash working capital:	
GST/HST receivable	(9,850)
Prepaid expenses	(105,042)
Accounts payable and accrued liabilities	62,856
Cash used in operating activities	(600,622)
Investing activities:	
Option payment to acquire exploration and evaluation assets	(25,000)
Cash used in investing activities	(25,000)
Financing activities:	
Proceeds from private placements	1,066,000
Shares issuance costs	(41,030)
Cash provided by financing activities	1,024,970
Change in cash	399,348
Cash, beginning of period	-
Cash, end of period	399,348
Supplemental cash flow information:	
Shares issued for exploration and evaluation assets	75,000

The accompanying notes are an integral part of these financial statements.

CANARY GOLD CORP.**Statements of Changes in Shareholders' Equity**

(Expressed in Canadian dollars, except for number of shares)

	Common shares	Share capital	Deficit	Total shareholders' equity
	#	\$	\$	\$
Balance, May 9, 2022 (incorporation)	-	-	-	-
Proceeds from private placements	25,686,669	1,066,000	-	1,066,000
Share issuance costs	-	(41,030)	-	(41,030)
Shares issued for exploration and evaluation assets	500,000	75,000	-	75,000
Net loss for the period	-	-	(548,586)	(548,586)
Balance, June 30, 2023	26,186,669	1,099,970	(548,586)	551,384

The accompanying notes are an integral part of these financial statements.

CANARY GOLD CORP.

Notes to the Financial Statements

For the period from incorporation on May 9, 2022 to June 30, 2023

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Canary Gold Corp. (the “Company”) was incorporated under the laws of British Columbia on May 9, 2022. The Company is a junior mineral exploration company engaged in the acquisition, exploration, and evaluation of natural resource properties in Brazil. The Company currently has the New Frontiers gold project located in the Madeira River valley, Rondônia, Brazil (Note 6). For pragmatic reasons, due to there being no material transactions in the period from May 9, 2022 to June 30, 2022 the Company chose for its first accounting period to be longer than 12 months from incorporation on May 9, 2022 to June 30, 2023.

The Company’s registered and records office is located at 551 Howe St., Suite 200, Vancouver, BC V6C 2C2.

a) Going concern

These audited financial statements for the period from incorporation on May 9, 2022 to June 30, 2023 (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. The Company has losses since inception and has an accumulated deficit of \$548,586 as at June 30, 2023. As at June 30, 2023, the Company has cash of \$399,348 and working capital of \$451,384. The Company may require additional financing, either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative obligations and to continue to explore and develop its exploration and evaluation assets. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern, and these adjustments may be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on April XX, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income, and expense as set out in the accounting policies below.

The Company chose a June 30 year end whereby the first fiscal year includes the period from incorporation on May 9, 2022, through June 30, 2023.

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company is the Canadian dollar. The financial statements are presented in Canadian dollars, except as otherwise noted.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash consists of cash on hand and deposits in banks.

b) Exploration and evaluation assets

Upon acquiring the legal right to explore a property, all direct costs related to the acquisition of mineral property interests are capitalized. Exploration expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are recognized in profit or loss as incurred.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

c) 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 and operating decisions. In addition, parties are considered to be related if they are subject to common control, 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.

d) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

The Company records proceeds from share issuances net of issue costs and any tax effects in equity. Common shares issued for consideration other than cash are valued based on their fair value on the date of issuance.

e) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to equity financing transactions are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to profit or loss.

f) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. Diluted earnings per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs net losses in a fiscal year, basic and diluted losses per share are the calculated in the same manner.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”), or at amortized cost. The Company determines the classification of its financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

A summary of the Company’s classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

Financial instruments	Classification
Financial assets	
Cash	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

h) Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income (loss) or directly in equity, in which case it is recognized in other comprehensive income (loss) or in equity, respectively.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable or recoverable with regards to previous years.

Deferred tax expense is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax expense is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to exercise significant judgments in applying the Company’s accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual future outcomes could differ from present estimates and assumptions, which may require material adjustments to the Company’s financial statements. Revisions to accounting estimates are accounted for prospectively.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Significant accounting judgments in applying the Company's accounting policies and assumptions about the future and other key sources of estimation uncertainty that have the most significant effect on the amounts recognized in the financial statements are as follows:

a) Going concern presentation

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Management assesses the Company's ability to continue as a going concern at each reporting date using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates and assumptions of future cash flows and other events (Note 1(a)), subsequent changes could materially impact the validity of the assessment.

b) Review of asset carrying values and impairment assessment

The assessment of the fair value of exploration and evaluation assets requires the use of estimates and assumptions. Changes in any of the estimates or assumptions used in determining the fair values could impact the impairment analysis.

Each asset or CGU is evaluated every reporting period to determine whether there are any indicators of impairment. If any such indicators exist, which is often judgment-based, a formal estimate of the recoverable amount is performed, and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount.

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, metal prices and forecasts, production budgets and forecasts, and life-of-mine estimates.

The determination of the recoverable amount requires management to make estimates and assumptions. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in profit or loss.

c) Deferred income tax assets and liabilities

The valuation of deferred tax assets and liabilities requires the Company to estimate the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities. The Company applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

5. PREPAID EXPENSES

A summary of the Company's prepaid expenses is as follows:

	June 30, 2023
	\$
Exploration and evaluation expenditures	5,042
Marketing fees	100,000
	105,042

CANARY GOLD CORP.
Notes to the Financial Statements
For the period from incorporation on May 9, 2022 to June 30, 2023
(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSET

A summary of the Company's exploration and evaluation asset is as follows:

	New Frontiers Project
	\$
Balance, May 9, 2022	-
Cash option payment	25,000
Common shares issued pursuant to option agreement initial payment	75,000
Balance, June 30, 2023	100,000

A summary of the Company's exploration and evaluation expenditures for the period from incorporation on May 9, 2022 to June 30, 2023 is as follows:

	New Frontiers Project
	\$
Chemical analysis	1,309
General and administrative	10,235
Geophysics	83,264
Other exploration services	8,502
Project management (Note 8)	63,854
	167,164

New Frontiers Project

On March 7, 2023, the Company entered into the option agreement with New Frontiers Gold Mineração Ltda. (the "Optionor"). The Optionor is the legal and beneficial holder of certain properties located in the State of Rondonia, Brazil ("New Frontiers Project"). Pursuant to the option agreement, the Company has the option to acquire an undivided 70% interest in the New Frontiers Project.

On April 1, 2024, the Company and the Optionor amended the option agreement. Under the terms of the amended option agreement, the Company is entitled to acquire an initial 49% undivided interest in the New Frontiers Project for the following consideration (the "First Instalment"):

Date	Option payments	Minimum exploration expenditures
Initial payment	<ul style="list-style-type: none"> • \$25,000 cash (paid on October 19, 2022) • issue 500,000 common shares of the Company (issued on March 7, 2023) 	Not applicable
No later than 10 days following the Company's initial public offering	<ul style="list-style-type: none"> • \$125,000 cash • issue common shares of the Company with an aggregate value of \$100,000 	Not applicable
On or before April 1, 2026	<ul style="list-style-type: none"> • \$200,000 cash • issue common shares of the Company with an aggregate value of \$200,000 	\$2,500,000
On or before April 1, 2027	<ul style="list-style-type: none"> • \$500,000 cash • issue common shares of the Company with an aggregate value of \$500,000 	\$2,500,000

In addition, on or before April 1, 2027, the Company must provide a technical report prepared in accordance with NI 43-101 that includes a mineral resource estimate in respect of the New Frontiers Project.

Following the completion of the First Instalment shown above, the Company is entitled to acquire an additional 21% undivided interest in the New Frontiers Project by funding 100% of the costs associated with a development program required for delivery of a "preliminary economic assessment" at the New Frontiers Project within two years of completing the First Instalment.

CANARY GOLD CORP.
Notes to the Financial Statements
For the period from incorporation on May 9, 2022 to June 30, 2023
(Expressed in Canadian dollars)

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the period from incorporation on May 9, 2022 to June 30, 2023, the Company completed the following transactions:

- On November 15, 2022, the Company closed a private placement financing comprising 19,900,001 common shares for gross proceeds of \$248,000.
- On December 8, 2022, the Company closed a private placement financing comprising 1,000,000 common shares for gross proceeds of \$100,000.
- On February 3, 2023, the Company closed a private placement financing comprising 4,786,668 common shares for gross proceeds of \$718,000. In connection with the private placement, the Company paid share issuance costs of \$41,030 to two finders.
- On March 7, 2023, pursuant to the option agreement, the Company issued 500,000 common shares at a price of \$0.15 for an aggregate value of \$75,000 to the Optionor (Note 6).

8. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, officers and companies controlled by key management personnel.

A summary of the Company's related party transactions is as follows:

	Period from incorporation on May 9, 2022 to June 30, 2023
	\$
Director and management fees	137,500
Exploration and evaluation expenditures	63,854
	201,354

As at June 30, 2023, \$4,981 was included in accounts payable and accrued liabilities for amounts due to a related party. The amounts due are unsecured, due on demand and are non-interest bearing.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at June 30, 2023, the financial instruments were comprised of cash and accounts payable and accrued liabilities that are classified and measured at amortized cost. The carrying value of cash and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these financial instruments.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk related to cash to be minimal.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after taking into account existing cash. The Company's cash is held in business accounts, which are available on demand for the Company's programs. Refer to Note 1 with respect to going concern matters. As of June 30, 2023, the Company had working capital of \$451,384.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. The Company is not exposed to significant interest rate risk on the basis that it does not hold any financial liabilities subject to movements in interest rates. The Company does not have any financial assets subject to changes in exchange rates. As a result, the Company does not expect exchange rates to impose any impact to the Company.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Period from incorporation on May 9, 2022 to June 30, 2023
	\$
Net loss for the period	(548,586)
Combined federal and provincial statutory income tax rates	27%
Expected income tax recovery	(148,118)
Non-deductible expenditures and non-taxable revenues	478
Share issuance costs	(11,078)
Change in unrecognized deferred tax assets	158,718
Provision for income tax recovery	-

As summary of the significant components of the Company's deferred tax assets and liabilities is as follows:

	Period from incorporation on May 9, 2022 to June 30, 2023
	\$
Deferred tax assets	-
Share issuance costs and financing fees	8,862
Non-capital losses	104,721
Exploration and evaluation assets	45,135
	158,718
Unrecognized deferred tax asset	(158,718)
Net deferred tax asset	-

CANARY GOLD CORP.
Notes to the Financial Statements
For the period from incorporation on May 9, 2022 to June 30, 2023
(Expressed in Canadian dollars)

10. INCOME TAXES (continued)

A summary of the significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position is as follows:

	June 30, 2023	Expiry date range
Temporary differences	\$	
Share issuance costs and financing fees	32,824	2043 to 2047
Non-capital losses	387,856	2042 to 2043
Exploration and evaluation assets	167,164	No expiry date

As at June 30, 2023, the Company has \$387,856 of Canadian non-capital income tax losses (unrecognized) which will expire over 2043 to 2047.

11. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to continue as a going concern and support its exploration of mineral claims. The Company obtains funding primarily through issuing common shares. Future financing is dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the period from incorporation on May 9, 2022 to June 30, 2023. The Company is not subject to externally imposed capital requirements.

12. SUBSEQUENT EVENTS

On July 11, 2023, Canary Gold Mineracao Ltda. was incorporated in Brazil as a wholly owned subsidiary of the Company.

On September 15, 2023, the Company closed a private placement and issued 1,000,000 shares at a price of \$0.15 per share for gross proceeds of \$150,000. The Company paid cash finder's fees of \$9,000 and issued 60,000 finder's warrants. Each finder's warrant is exercisable at a price of \$0.15 and expires on September 15, 2025.

On November 17, 2023, the Company closed a private placement and issued 1,783,333 common shares for gross proceeds of \$267,500. In connection to the private placement, the Company paid cash finder's fees of \$16,050 and issued 107,000 finder's warrants. Each finder's warrant is exercisable at a price of \$0.15 and expires on November 17, 2025.

On December 21, 2023, the Company closed a private placement and issued 453,500 shares at a price of \$0.15 per share for gross proceeds of \$68,025. The Company paid cash finder's fees of \$4,082 and issued 27,210 finder's warrants. Each finder's warrant is exercisable at a price of \$0.15 and expires on December 21, 2025.

On February 28, 2024, the Company closed a private placement and issued 665,000 shares at a price of \$0.15 per share for gross proceeds of \$99,750. In connection to the private placement, the Company paid cash finder's fees of \$5,985 and issued 39,900 finder's warrants. Each finder's warrant is exercisable at a price of \$0.15 and expires on February 28, 2026.

On March 8, 2024, the Company closed a private placement and issued 200,000 shares at a price of \$0.15 per share for gross proceeds of \$30,000.

On April 1, 2024, the Company and the Optionor amended the New Frontiers Project option agreement (Note 6).

On June XX, 2024, the Company filed its preliminary prospectus with the securities regulatory authorities in British Columbia, Alberta and Ontario for an initial public offering (the "Offering") of a minimum of 12,942,000 units by the Company at a price of \$0.17 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant will entitle its holder to purchase one common share of the Company at a price of \$0.25 at any time prior to the date that is 12 months following the closing of the Offering.

SCHEDULE "C" – ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS

(See attached)

CANARY GOLD CORP.

Management's Discussion & Analysis

For the period from incorporation on May 9, 2022 to June 30, 2023

(Expressed in Canadian dollars)

CANARY GOLD CORP.

Management's Discussion and Analysis

For the period from incorporation on May 9, 2022 to June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Canary Gold Corp (the "Company" or "Canary") constitutes management's review of the factors that affected the Company's financial and operating performance for the period from incorporation on May 9, 2022 to June 30, 2023. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*. This MD&A should be read in conjunction with the Company's financial statements and related notes for the period from incorporation on May 9, 2022 to June 30, 2023, (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

The results for the period presented are not necessarily indicative of the results that may be expected for any future period. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The period from incorporation on May 9, 2022 to June 30, 2023 is referred to as "FY2023". The period from incorporation on May 9, 2022 to September 30, 2022 is referred to as "Q1 2023".

All monetary amounts in the MD&A are expressed in Canadian dollars, except number of shares, or as otherwise indicated. References to "USD\$" are to United States dollars. This MD&A has been prepared effective as of April XX, 2024.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present, in all material respects, the financial condition, financial performance and cash flows of the Company as of the date of, and for the periods presented in the filings.

FORWARD-LOOKING STATEMENTS

This MD&A includes forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with the Company's business and the environment in which the business operates. Any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements, including those identified by the expressions "considers", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved", or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "will", "intends", and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

All scientific and technical information in this MD&A has been reviewed and approved by Mr. Andrew Lee Smith., the Company's Chief Executive Officer. Mr. Smith is a qualified person for the purposes of NI 43-101.

NATURE OF OPERATIONS AND GOING CONCERN

Canary Gold Corp. was incorporated under the laws of British Columbia on May 9, 2022. The Company is a junior mineral exploration company engaged in the acquisition, exploration, and evaluation of natural resource properties in Brazil. The Company currently has the New Frontiers Gold Project ("New Frontiers Project") located in the Madeira River valley, Rondônia, Brazil. The Company's registered and records office is located at 551 Howe St., Suite 200, Vancouver, BC V6C 2C2.

CANARY GOLD CORP.

Management's Discussion and Analysis

For the period from incorporation on May 9, 2022 to June 30, 2023

The Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. The Company has losses since inception and has an accumulated deficit of \$548,586 as at June 30, 2023. As at June 30, 2023, the Company has cash of \$399,348 and working capital of \$451,384. The Company may require additional financing, either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative obligations and to continue to explore and develop its exploration and evaluation assets. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern, and these adjustments may be material.

EXPLORATION PROJECT

Information of a scientific or technical nature in respect of the exploration project as describe below is derived from portions of the independent National Instrument 43-101 - Standards of Disclosure for Mineral Projects technical report dated August 31, 2023 (with an effective date of July 30, 2023) titled "Technical Report on the Rio Madeira Exploration Project, Rondonia, Brazil. Report for NI 43-101" (the "Technical Report").

According to Brazilian Government Records (previously DNPM - now ANM), more than 1.6 million ounces of gold were mined from the primary Rio Madeira drainage between 1979 and 1995. In the view of management, the modern drainage area exploited between 1979 and 1995 represents only a very small percentage of the potential area for the discovery of gold and other mineralization related to sedimentary formations including abandoned paleochannels.

The well-known Witwatersrand paleo-placers are the best analogues from a purely sedimentological perspective and their relative sedimentary characteristics, and similarities are comparable. The most significant analogy is found in the orogenic control on the supply of sediments shed from mountain belts into low-lying floodplains. Low-grade gold-mineralized sediments comprising sand and small- pebble gravels were entrapped and reworked in several phases over millions of years. The metallic gold comprises fine grained and visible grained (VG) within the sediments, throughout the target area. Substantial gold grade is concentrated largely on the Miocene-Basement contact. Mineralization is substantial and only gold has been analysed systematically, to date.

Structural controls on bedrock and paleo topography can be expected to have resulted in areas where heavy minerals including gold have been concentrated into discrete potentially economic zones, postulated but yet undiscovered, and may contain additional metals - minerals in addition to the targeted gold mineralization. The targeted interval is not exposed but is predicted to occur (supported by geophysics) where it is buried beneath more recent sedimentary cover at and to depths of between 15 to 60 metres below the current land surface and as such this style of mineralization is largely undetected and avoided by previous miners. Much of the flood plain was once buried underneath a laterally persistent bed that was turned into a durable, lateritic horizon (known locally as Mocururu) that contains finer-grained gold in potentially economic concentrations.

In the view of management, the underlying pre-Mocururu sedimentary interval is similarly gold bearing, also presumably at potentially mineable - economic depths for shallow surface mining activities although this clearly requires further detailed investigation.

The sedimentary horizons hosting gold mineralization may also contain concentrations of magnetite or perhaps radioactive elements which may be detected by geophysical exploration techniques. The above description outlines a viable geological scenario whereby particulate gold was likely derived from mineralized bedrock upstream over a period of tens of millions of years. This particulate gold was then distributed by the Madeira drainage system initially within braid plains, and ultimately within broader migratory meander belts during phases of lower alluvial discharge. These processes alternated throughout the past 23 million years during seasonal or epic driven wet or dry climatic phases. The entire target area and surrounds were likely also blanketed with gold-bearing sediments that were exhumed and reworked into younger deposits, including the Mocururu terraces. The final product was left as a disconnected series of abandoned oxbow lakes and meandering stream point bars formed at low discharge. Low-grade alluvium was reworked into channels and bars throughout recent history since the Miocene. The accessible, high-grade remnants at surface were likely depleted by garimpeiro activity (artisanal miners) mainly within and along the current, modern Madeira River, with little evidence of this activity preserved.

CANARY GOLD CORP.**Management's Discussion and Analysis**

For the period from incorporation on May 9, 2022 to June 30, 2023

The Canary Tenement Package ("CTP") has been selected and consolidated as a highly prospective terrain whereby the targeted gold bearing formations remain preserved and intact allowing their exploration with modern techniques, technology, and equipment. Preliminary and reconnaissance exploration activities completed to date over the CTP includes remote sensing, Ground Penetrating Radar, and Tomography (resistivity) Geophysics, Geological mapping which included some regional traverses to target the location and distribution of potentially favourable locations for gold concentration associated with bedrock unconformities, Mocururu terraces and / or paleochannels. The most significant target areas are those where the unconformity between Basement and Miocene is exposed within the bed and along the banks of the Madeira River, which is seldomly exposed and when it is it is in only the driest of months for a restricted period of only several weeks a year, generally in September or October.

The entire extent of the basement unconformity appears to be prospective and requires systematic sampling by means of sonic, percussion or Air Core drilling to aid the delineation of and define where buried higher-grade concentrations of mineralization are likely to be located.

OVERALL PERFORMANCE

During the period from incorporation on May 9, 2022, to June 30, 2023 the Company has been successful in executing its corporate strategy. Firstly, it has raised over \$1,066,000 through private placements of 25,686,669 common shares of the Company to fund its exploration activity. Secondly, it has used these funds to find and secure the New Frontiers Project fulfilling the initial cash payments pursuant to the options agreement, as outlined in the exploration and evaluation assets and expenditures section below.

The Company operates in one reportable segment, the exploration and evaluation of unproven exploration and evaluation asset. The Company's primary exploration and evaluation asset are located in Brazil, and its corporate assets, comprising mainly cash, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues. All corporate expenses are incurred in Canada.

SELECTED ANNUAL INFORMATION

	Period from incorporation on May 9, 2022 to June 30, 2023
	\$
Exploration expenses	167,164
Operating expenses	540,605
Net loss and comprehensive loss	548,586
Net loss per share basic and diluted	0.04
	June 30, 2023
	\$
Current assets	514,240
Exploration and evaluation assets	100,000
Total assets	614,240
Non-current liabilities	-
Total liabilities	62,856

CANARY GOLD CORP.**Management's Discussion and Analysis**

For the period from incorporation on May 9, 2022 to June 30, 2023

DISCUSSION OF OPERATIONS

A summary of the Company's results of operations for the period from incorporation on May 9, 2022 to June 30, 2023 is as follows:

	Period from incorporation on May 9, 2022 to June 30, 2023
	\$
Operating expenses	
Consulting fees	11,000
Director and management fees	137,500
Exploration and evaluation expenditures	167,164
General and administrative	9,588
Marketing fees	25,000
Professional fees	125,586
Travel and meals	64,767
	(540,605)
Other expense	
Foreign exchange loss	(7,981)
Net loss and comprehensive loss	(548,586)

During the period from incorporation to June 30, 2023 the Company incurred the following costs:

- Consulting fees include the fees paid for third-party management consulting services.
- Director and management fees include the compensation paid to the directors and management team.
- Exploration and evaluation expenditures include the costs paid for chemical analysis, geophysics, project management, and general and administration at the exploration and evaluation project.
- General and administrative fees include office costs and filing fees.
- Marketing fees include the fees for the Company website and marketing materials such as videos.
- Professional fees include legal costs associated with the incorporation and the private placements and accounting costs.
- Travel and meals include fees paid for travelling and accommodation costs to the project site in Brazil.

Canary's in country exploration focus remains on planning for mobilization of its technical team to support the project in anticipation of commencement of activities in the second quarter of 2024. These preliminary activities have included dialogue with the sonic drilling contractor regarding mobilization, operational, safety and sampling protocols and with Overburden Management (ODM) regarding sample and batch sizes and logistics requirements for sample processing at their laboratory in Canada. In parallel with the technical team, the Canary tenements and legal teams have been engaged with the close monitoring of tenements as they progress through the approvals process within the National Minerals Agency (ANM).

FOURTH QUARTER

A summary of the Company's results of operations for the period from April 1, 2023 to June 30, 2023 is as follows:

	Q4 2023
	\$
Operating expenses	
Director and management fees	52,500
Exploration and evaluation expenditures	135,136
General and administrative	7,902
Professional fees	63,330
Travel and meals	28,559
	(287,427)
Other expense	
Foreign exchange loss	(7,981)
Net loss and comprehensive loss	(295,408)

CANARY GOLD CORP.**Management's Discussion and Analysis**

For the period from incorporation on May 9, 2022 to June 30, 2023

During the fourth quarter the Company incurred a net loss and comprehensive loss of \$295,408, this was due to increased exploration and evaluation activity, with the majority of exploration and evaluation expenditures for the year being incurred in this period. Along with these exploration and evaluation expenditures, the Company incurred professional fees (legal and accounting) and marketing fees as it completed its first-year end audit and promoted the stock to potential investors.

During the fourth quarter the Company had no cash inflows from private placements.

SUMMARY OF QUARTERLY RESULTS

The following summarizes quarterly financial results of the Company for the last four most recently completed quarters and the period from incorporation on May 9, 2022 to June 30, 2023:

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	\$	\$	\$	\$
Net loss and comprehensive loss	(295,408)	(116,817)	(84,653)	(51,708)
Basic and diluted loss per share ⁽¹⁾	(0.01)	(0.03)	(0.03)	N/A
Working capital	451,384	751,792	186,639	48,292
Total assets	614,240	884,008	221,752	76,117
Total liabilities	62,856	107,216	10,113	27,825
Shareholders' equity	551,384	776,792	211,639	48,292
Deficit	(548,586)	(253,178)	(136,361)	(51,708)

(1) During Q1 2023, the Company had only issued one common share upon incorporation, consequently the loss and comprehensive loss for this period is only spread over one common share.

The quarterly trend in working capital and total assets is primarily driven by movements in cash from the Company's financing activities and exploration and evaluation spending. The increase in total liabilities in Q3 2023 is primarily driven by legal fees related to the Company's private placement that closed on February 3, 2023 and accounts payable relating to exploration and evaluation expenditures. The increase in net loss and comprehensive loss in Q4 2023 compared to prior quarters is mainly due to an increase in exploration and evaluation expenditures, directors and management fees, and marketing expenses.

EXPLORATION AND EVALUATION ASSET AND EXPENDITURES

The Company's exploration and evaluation asset comprises the New Frontiers mineral rights.

Costs relating to the acquisition and claim maintenance of exploration and evaluation assets (including option payments and annual fees to maintain the property in good standing before the Brazilian National Mining Agency ("ANM")) are capitalized and deferred until the project to which they relate is sold, abandoned, impaired, or placed into production.

On March 7, 2023, the Company entered into the option agreement with New Frontiers Gold Mineração Ltda. (the "Optionor"). The Optionor is the legal and beneficial holder of certain applications for mineral exploration located in the State of Rondonia, Brazil, comprised of five applications for mineral exploration within the Brazilian border zone, totaling approximately 45,809 hectares and three applications for mineral exploration outside the border zone, totaling approximately 22,636 hectares (all together the "New Frontiers Project"). Pursuant to the option agreement, the Company has the option to acquire an undivided 70% interest in the New Frontiers Project.

CANARY GOLD CORP.**Management's Discussion and Analysis**

For the period from incorporation on May 9, 2022 to June 30, 2023

On April 1, 2024, the Company and the Optionor amended the option agreement. Under the terms of the amended option agreement, the Company is entitled to acquire an initial 49% undivided interest in the New Frontiers Project for the following consideration (the "First Instalment"):

Date	Option payments	Minimum exploration expenditures
Initial payment	<ul style="list-style-type: none"> • \$25,000 cash (paid on October 19, 2022) • issue 500,000 common shares of the Company (issued on March 7, 2023) 	Not applicable
No later than 10 days following the Company's initial public offering	<ul style="list-style-type: none"> • \$125,000 cash • issue common shares of the Company with an aggregate value of \$100,000 	Not applicable
On or before April 1, 2026	<ul style="list-style-type: none"> • \$200,000 cash • issue common shares of the Company with an aggregate value of \$200,000 	\$2,500,000
On or before April 1, 2027	<ul style="list-style-type: none"> • \$500,000 cash • issue common shares of the Company with an aggregate value of \$500,000 	\$2,500,000

In addition, on or before April 1, 2027, the Company must provide a technical report prepared in accordance with NI 43-101 that includes a mineral resource estimate in respect of the New Frontiers Project.

Following the completion of the First Instalment shown above, the Company is entitled to acquire an additional 21% undivided interest in the New Frontiers Project by funding 100% of the costs associated with a development program required for delivery of a "preliminary economic assessment" at the New Frontiers Project within two years of completing the First Instalment.

A summary of the Company's exploration and evaluation asset is as follows:

	New Frontiers Project
	\$
Balance, May 9, 2022	-
Cash option payment	25,000
Common shares issued pursuant to option agreement initial payment	75,000
Balance, June 30, 2023	100,000

A summary of the Company's exploration and evaluation expenditures for the period from incorporation on May 9, 2022 to June 30, 2023 is as follows:

	New Frontiers Project
	\$
Chemical analysis	1,309
General and administrative	10,235
Geophysics	83,264
Other exploration services	8,502
Project management	63,854
	167,164

LIQUIDITY AND CAPITAL RESOURCES

The Company is in the exploration stage and therefore has no cash inflow from operations. Its only source of funds since incorporation has been from the issuance of common shares. The Company is in the process of exploring the mineral claims. The Company has not yet determined whether or when its claims could be economically viable.

As at June 30, 2023 the Company had cash of \$399,348 and a net working capital of \$451,384.

The Company's cash flows from operations are negative as it is an exploration stage company. During the period from incorporation on May 9, 2022 to June 30, 2023, the Company used cash of \$600,622 in operating activities primarily relating to exploration and evaluation expenditures, director and management fees, marketing fees, professional fees and travel and meals.

CANARY GOLD CORP.

Management's Discussion and Analysis

For the period from incorporation on May 9, 2022 to June 30, 2023

During the period from incorporation on May 9, 2022 to June 30, 2023, the Company used cash of \$25,000 in investing activities, primarily related an option payment for the New Frontiers Project.

During the period from incorporation on May 9, 2022 to June 30, 2023, the Company received cash of \$1,066,000 from financing activities related to proceeds from issuance of common shares in private placements, offset by share issuance costs of \$41,030. The Company used the funds raised to explore its New Frontiers Project and to fund working capital.

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to continue as a going concern and support its exploration of mineral claims. The Company obtains funding primarily through issuing common shares. Future financing is dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the period from incorporation on May 9, 2022 to June 30, 2023. The Company is not subject to externally imposed capital requirements.

USE OF PROCEEDS AND MILESTONES

On May 9, 2022, the Company issued one incorporator's share for \$0.05.

On November 15, 2022, the Company closed a private placement financing comprising 19,900,000 common shares for gross proceeds of \$248,000. Of the 19,900,000 common shares, 10,000,000 common shares were issued at a price per share of \$0.005 and 9,900,000 common shares were issued at a price per share of \$0.02.

On December 8, 2022, the Company closed a private placement financing comprising 1,000,000 common shares, each issued at a price per share of \$0.10 for gross proceeds of \$100,000.

On February 3, 2023, the Company closed a private placement financing comprising 4,786,668 common shares each issued at a price per share of \$0.15 for gross proceeds of \$718,000. In connection with the private placement, the Company paid share issuance costs of \$41,030 to two finders in cash.

The Company has used the proceeds from the aforementioned private placements to pay the first option payment of \$25,000 on the New Frontiers Project, for exploration and evaluation expenditures on this project and to fund working capital and corporate expenses.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, officers and companies controlled by key management personnel.

A summary of the Company's related party transactions is as follows:

	Period from incorporation on May 9, 2022 to June 30, 2023
	\$
Director and management fees	137,500
Exploration and evaluation expenditures	63,854
	201,354

As at June 30, 2023, \$4,981 was included in accounts payable and accrued liabilities for amounts due to a related party. The amounts due are unsecured, due on demand and are non-interest bearing. The related party transactions are with Company's owned and controlled by Directors and Officers of the Company for consulting and fees in the normal course of business.

CANARY GOLD CORP.

Management's Discussion and Analysis

For the period from incorporation on May 9, 2022 to June 30, 2023

During the period from incorporation on May 9, 2022 to June 30, 2023, the Company paid \$77,500 to Concord Venture Partners Inc., a company controlled by Craig Engelsman, a former Director of the Company, for strategic advisory services.

During the period from incorporation on May 9, 2022 to June 30, 2023, the Company paid \$60,000 to Iron Mask Explorations Ltd., a company controlled by Andrew Lee Smith, a Director, President and Chief Executive Officer of the Company, for technical advisory and consulting services.

During the period from incorporation on May 9, 2022 to June 30, 2023, the Company paid \$63,854 to Exploration Outcomes & Participacoes Ltda., a company controlled by Jonathan Victor Hill, the Vice President of Exploration & Mine Geology of the Company, for technical advisory services.

PROPOSED TRANSACTIONS

As at June 30, 2023 or the date of this MD&A, the Company had no proposed transactions.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

All significant accounting policies and critical accounting estimates are disclosed in the Financial Statements and notes to the Financial Statements.

CHANGES IN ACCOUNTING STANDARDS

As this is the first fiscal year of operations of the Company, changes in accounting standards that have been issued but are not yet effective, have not been adopted early and the Company is in the process to evaluate their impact, if any, on its financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at June 30, 2023, the financial instruments were comprised of cash, accounts payable and accrued liabilities and are classified and measured at amortized cost. The carrying value of cash, accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these financial instruments.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk related to cash to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after taking into account existing cash. The Company's cash is held in business accounts, which are available on demand for the Company's programs. As of June 30, 2023, the Company had working capital of \$451,384.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. The Company is not exposed to significant interest rate risk on the basis that it does not hold any financial liabilities subject to movements in interest rates. The Company does not have any financial assets subject to changes in exchange rates. As a result, the Company does not expect exchange rates to impose a significant impact to the Company.

CANARY GOLD CORP.

Management's Discussion and Analysis

For the period from incorporation on May 9, 2022 to June 30, 2023

OUTSTANDING SECURITIES DATA

A summary of the number of the Company's issued and outstanding equity instruments is as follows:

	June 30, 2023	Date of this MD&A
	#	#
Common shares issued and outstanding ⁽¹⁾	26,186,669	30,288,502
Finder's warrants	-	234,110

(1) Authorized: Unlimited common shares without par value.

SUBSEQUENT EVENTS

On July 11, 2023, Canary Gold Mineracao Ltda. was incorporated in Brazil as a wholly owned subsidiary of the Company.

On September 15, 2023, the Company closed a private placement and issued 1,000,000 shares at a price of \$0.15 per share for gross proceeds of \$150,000. The Company paid cash finder's fees of \$9,000 and issued 60,000 finder's warrants. Each finder's warrant is exercisable at a price of \$0.15 and expires on September 15, 2025.

On November 17, 2023, the Company closed a private placement and issued 1,783,333 common shares for gross proceeds of \$267,500. In connection to the private placement, the Company paid cash finder's fees of \$16,050 and issued 107,000 finder's warrants. Each finder's warrant is exercisable at a price of \$0.15 and expires on November 17, 2025.

On December 21, 2023, the Company closed a private placement and issued 453,500 shares at a price of \$0.15 per share for gross proceeds of \$68,025. The Company paid cash finder's fees of \$4,082 and issued 27,210 finder's warrants. Each finder's warrant is exercisable at a price of \$0.15 and expires on December 21, 2025.

On February 28, 2024, the Company closed a private placement and issued 665,000 shares at a price of \$0.15 per share for gross proceeds of \$99,750. In connection to the private placement, the Company paid cash finder's fees of \$5,985 and issued 39,900 finder's warrants. Each finder's warrant is exercisable at a price of \$0.15 and expires on February 28, 2026.

On March 8, 2024, the Company closed a private placement and issued 200,000 shares at a price of \$0.15 per share for gross proceeds of \$30,000.

On April 1, 2024, the Company and the Optionor amended the New Frontiers Project option agreement.

On June XX, 2024, the Company filed its preliminary prospectus with the securities regulatory authorities in British Columbia, Alberta and Ontario for an initial public offering (the "Offering") of a minimum of 12,942,000 units by the Company at a price of \$0.17 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant will entitle its holder to purchase one common share of the Company at a price of \$0.25 at any time prior to the date that is 12 months following the closing of the Offering.

RISKS AND UNCERTAINTIES

The operations of the Company are subject to significant uncertainty due to the high-risk nature of its business, which is the acquisition, exploration, discovery, and development from a portfolio of exploration and development stage assets. The following risk factors could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may adversely affect the Company's business.

Resource exploration and development is a speculative business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

CANARY GOLD CORP.

Management's Discussion and Analysis

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Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of metal prices

Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions.

There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Financing risks

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Substantial capital expenditures required

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, 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 the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the Company's control. In addition, because of these risks, there is no certainty that the expenditures to be made by the Company on the exploration of the Company's mineral properties as described herein will result in the discovery of commercial quantities of ore.

Negative cash flow

The Company has a limited history of operations, and no history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's inception, and the Company will continue to have negative operating cash flow for the foreseeable future. All of the Company's mineral properties are at the exploration stage only. The Company has no source of operating cash flow and no assurance that additional funding will be available for further exploration and development when required. No assurance can be given that the Company will ever attain positive cash flow or profitability.

Increased costs

Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Mining industry is intensely competitive

The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

CANARY GOLD CORP.**Management's Discussion and Analysis**

For the period from incorporation on May 9, 2022 to June 30, 2023

Permits and licenses

As of the date hereof, the Rio Madeira Property consists of an aggregate of eight applications for exploration licenses and the operations of the Company operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Exploration and mining risks

Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, 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. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

No assurance of profitability

The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid 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 from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. 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. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or uninsurable risks

Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

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For the period from incorporation on May 9, 2022 to June 30, 2023

Potential conflicts of interest

The directors and officers of the Company may serve as directors and/or officers for other public and private companies, including companies in which the Company has invested in, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, and to the extent that such companies may receive funds from the Company, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The Business Corporations Act (British Columbia), which governs the Company, requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict-of-interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions. There is no assurance that the needs of the Company will receive priority in all cases. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger programs; (ii) acquire an interest in a greater number of programs; and (iii) reduce their financial exposure to any one program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the Company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Like most companies, the Company is subject to the threat of litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Key executives and outside consultants

The Company is dependent upon the services of key executives, including the directors of the Company, and will be dependent on a small number of highly skilled and experienced executives and personnel if development plans progress. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly skilled employees may adversely affect its business and future operations.

The Company has also relied upon outside consultants, geologists, engineers, and others and intends to rely on these parties for their exploration and development expertise. Substantial expenditures are required to construct mines, to establish mineral resources and reserves estimates through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes and to develop the development, exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Potential volatility of market price of common shares and related litigation risks

Securities of publicly listed companies such as the Company have, from time to time, experienced significant price and volume fluctuations unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Common Shares. In addition, the market price of the Common Shares is likely to be highly volatile. Factors such as gold prices, the average volume of shares traded, announcements by competitors, changes in stock market analysts' recommendations regarding the Company and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Company's Common Shares. It is likely that the Company's results or development and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Common Shares could be materially adversely affected. In the past, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. Such litigation, if brought against the Company, could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on the Company's business, financial position and results of operations.

Foreign exchange rate fluctuations

Fluctuations in currency exchange rates could have a significant effect on our result of operations. The Company does not currently engage in any hedging activities in connection with foreign currency requirements.

CANARY GOLD CORP.**Management's Discussion and Analysis**

For the period from incorporation on May 9, 2022 to June 30, 2023

Future sales of common shares by existing shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously completed private placements at prices per share which may be, from time to time, lower than the market price of the common shares. Accordingly, a significant number of the Company's shareholders at any given time may have an investment profit in the common shares that they may seek to liquidate.

Inability to provide absolute assurance of the reliability of financial reporting and financial statement preparation

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Future negative effects due to changes in tax regulations cannot be excluded

The Company strives to run its business in as tax efficient a manner as possible. The Company is incorporated in Canada, and will enter into a joint venture under the laws of Brazil and holds assets in Brazil, and therefore may be subject to taxation in multiple jurisdictions. The tax systems in certain of the jurisdictions where the Company and its subsidiaries are incorporated and where the Company does business are complicated and subject to change. For this reason, the possibility of future negative effects on the results of the Company due to changes in tax regulations cannot be excluded. Repatriation of any future earnings to Canada from other jurisdictions may be subject to withholding taxes. The Company has no control over withholding tax rates.

Dividend policy

No dividends on the common shares have been paid by the Company to date. The Company currently plans to retain all future earnings and other resources, if any, of the future operation and development of its business. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

The Company's management consider the risks disclosed to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

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SCHEDULE “D” – INTERIM FINANCIAL STATEMENTS

(See attached)

CANARY GOLD CORP.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

CANARY GOLD CORP.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	March 31, 2024	June 30, 2023
		\$	\$
ASSETS			
Current			
Cash		20,761	399,348
GST/HST receivable		43,513	9,850
Prepaid expenses and deposits	5	393,436	105,042
		457,710	514,240
Exploration and evaluation asset	6	100,000	100,000
Total assets		557,710	614,240
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	390,731	62,856
Subscription liability		10,000	-
Total liabilities		400,731	62,856
SHAREHOLDERS' EQUITY			
Share capital	7(b)	1,661,115	1,099,970
Reserves		19,014	-
Accumulated other comprehensive loss		(5,972)	-
Deficit		(1,517,178)	(548,586)
Total shareholders' equity		156,979	551,384
Total liabilities and shareholders' equity		557,710	614,240

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

Approved and authorized for issue on behalf of the Board of Directors.

/s/ Andrew Lee Smith

Director

/s/ Al Kanji

Director

CANARY GOLD CORP.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

		Three months ended		Nine months ended	
		March 31,		March 31,	
		2024	2023	2024	2023
	Note				(Note 1)
		\$	\$	\$	\$
Operating expenses					
Consulting fees		22,500	-	45,000	11,000
Director and management fees	8	69,000	50,000	174,000	85,000
Exploration and evaluation expenditures	6, 8	60,498	32,028	290,953	32,028
Filling fees		360	-	5,626	-
General and administrative		26,221	136	45,888	1,686
Insurance		10,234	-	10,234	-
Marketing fees		21,025	-	47,025	25,000
Professional fees	8	188,533	34,653	329,902	62,256
Travel and meals		3,643	-	17,122	36,208
		(402,014)	(116,817)	(965,750)	(253,178)
Foreign exchange loss		-	-	(2,842)	-
Net loss		(402,014)	(116,817)	(968,592)	(253,178)
Currency translation differences		24	-	(5,972)	-
Net loss and comprehensive loss		(401,990)	(116,817)	(974,564)	(253,178)
Net loss per share:					
Basic and diluted		(0.01)	(0.00)	(0.03)	(0.02)
Weighted average number of common shares:					
Basic and diluted		29,717,403	24,070,446	28,057,706	11,407,447

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CANARY GOLD CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine months ended	
	2024	March 31, 2023 (Note 1)
	\$	\$
Operating activities:		
Net loss for the period	(968,592)	(253,178)
Changes in non-cash working capital:		
GST/HST receivable	(33,663)	(6,074)
Prepaid expenses and deposits	(288,394)	(22,286)
Accounts payable and accrued liabilities	327,875	112,216
Cash used in operating activities	(962,774)	(169,322)
Investing activities:		
Option payment for the New Frontiers Project	-	(25,000)
Cash used in investing activities	-	(25,000)
Financing activities:		
Proceeds from common share issuance in private placements	615,275	1,066,000
Shares issuance costs	(35,116)	(41,030)
Proceeds from common share subscriptions	10,000	-
Cash provided by financing activities	590,159	1,024,970
Effect of exchange rate on changes in cash	(5,972)	-
Net change in cash	(372,615)	830,648
Cash, beginning of period	399,348	-
Cash, end of period	20,761	830,648
Supplemental cash flow information:		
Cash interest paid	-	-
Cash income tax paid	-	-
Common shares issued as option payment for the New Frontiers Project	-	75,000

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CANARY GOLD CORP.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Unaudited - Expressed in Canadian dollars, except for number of shares)

	Common shares	Share capital	Reserves	Accumulated other comprehensive loss	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$
Balance, May 9, 2022 (incorporation) and June 30, 2022	1	-	-	-	-	-
Common shares issued in private placements	25,686,668	1,066,000	-	-	-	1,066,000
Share issuance costs	-	(41,030)	-	-	-	(41,030)
Common shares issued as option payment for the New Frontiers Project	500,000	75,000	-	-	-	75,000
Net loss for the period	-	-	-	-	(253,178)	(253,178)
Balance, March 31, 2023	26,186,669	1,099,970	-	-	(253,178)	846,792
Net loss for the period	-	-	-	-	(295,408)	(295,408)
Balance, June 30, 2023	26,186,669	1,099,970	-	-	(548,586)	551,384
Common shares issued in private placements	4,101,833	615,275	-	-	-	615,275
Share issuance costs	-	(54,130)	19,014	-	-	(35,116)
Currency translation differences	-	-	-	(5,972)	-	(5,972)
Net loss for the period	-	-	-	-	(968,592)	(968,592)
Balance, March 31, 2024	30,288,502	1,661,115	19,014	(5,972)	(1,517,178)	156,979

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CANARY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023 (see Note 1)

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Canary Gold Corp. (the "Company") was incorporated under the laws of British Columbia on May 9, 2022. The Company is a junior mineral exploration company engaged in the acquisition, exploration, and evaluation of natural resource properties in Brazil. The Company currently has the New Frontiers Project located in the Madeira River valley, Rondônia, Brazil (Note 6). The Company's registered and records office is located at 551 Howe St., Suite 200, Vancouver, BC V6C 2C2.

During the May 9, 2022 to June 30, 2022 inception period, the Company did not incur any material transactions. For practical reasons, transactions during the inception period have been included in the nine months ended March 31, 2023.

These unaudited condensed interim consolidated financial statements for the three and nine months ended March 31, 2024 and the period from incorporation on May 9, 2022 to March 31, 2023 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. The Company has losses since inception and has an accumulated deficit of \$1,517,178 as at March 31, 2024 (June 30, 2023 - \$548,586). As at March 31, 2024, the Company has cash of \$20,761 (June 30, 2023 - \$399,348) and working capital of \$56,979 (June 30, 2023 - \$451,384). The Company may require additional financing, either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative obligations and to continue to explore and develop its exploration and evaluation assets. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern, and these adjustments may be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on May XX, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the period from incorporation on May 9, 2022 to June 30, 2023 (the "Annual Financial Statements").

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below.

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company is the Canadian dollar. The subsidiary functional currency was determined to be the Brazilian real. The financial statements are presented in Canadian dollars, except as otherwise noted. References to "CAD" are to Canadian dollars, references to "BRL" are to Brazilian reals.

CANARY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023 (see Note 1)

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiary Canary Gold Mineracao Ltda, which was incorporated in Brazil on July 11, 2023. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases. All intercompany balances, transactions and expenses have been eliminated on consolidation.

3. MATERIAL ACCOUNTING POLICIES

In the preparation of these financial statements, the Company used the same accounting policies as in the Annual Financial Statements.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under IFRS Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed its Annual Financial Statements.

5. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	March 31, 2024	June 30, 2023
	\$	\$
Exploration and evaluation deposits	278,436	5,042
General and administrative	15,000	-
Marketing fees	100,000	100,000
	393,436	105,042

6. EXPLORATION AND EVALUATION ASSET

The Company's exploration and evaluation asset comprises the New Frontiers Project.

A summary of the Company's exploration and evaluation asset is as follows:

	\$
Balance, June 30, 2022 and the date of incorporation on May 9, 2022	-
Cash option payment	25,000
Common shares issued as option payment (Note 7(b))	75,000
Balance, March 31, 2024 and June 30, 2023	100,000

CANARY GOLD CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended March 31, 2024 and 2023 (see Note 1)**

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSET (continued)

A summary of the Company's exploration and evaluation expenditures is as follows:

	Three months ended March 31,		Nine months ended March 31,	
	2024	2023	2024	2023 (Note 1)
	\$	\$	\$	\$
General and administrative	-	-	14,171	-
Geological consulting	60,498	32,028	175,046	32,028
Geophysics	-	-	95,059	-
Other exploration services	-	-	6,677	-
	60,498	32,028	290,953	32,028

On March 7, 2023, the Company entered into the option agreement with New Frontiers Gold Mineracao Ltda. (the "Optionor"). The Optionor is the legal and beneficial holder of certain properties located in the State of Rondonia, Brazil ("New Frontiers Project"). Pursuant to the option agreement, the Company has the option to acquire an undivided 70% interest in the New Frontiers Project.

On April 1, 2024, the Company and the Optionor amended the option agreement. Under the terms of the amended option agreement, the Company is entitled to acquire an initial 49% undivided interest in the New Frontiers Project for the following consideration (the "First Installment"):

Date	Option payments	Minimum exploration expenditures
Initial payment	<ul style="list-style-type: none"> \$25,000 cash (paid on October 19, 2022) issue 500,000 common shares of the Company (issued on March 7, 2023) 	Not applicable
No later than 10 days following the Company's initial public offering	<ul style="list-style-type: none"> \$125,000 cash issue common shares of the Company with an aggregate value of \$100,000 	Not applicable
On or before April 1, 2026	<ul style="list-style-type: none"> \$200,000 cash issue common shares of the Company with an aggregate value of \$200,000 	\$2,500,000
On or before April 1, 2027	<ul style="list-style-type: none"> \$500,000 cash issue common shares of the Company with an aggregate value of \$500,000 	\$2,500,000

In addition, on or before April 1, 2027, the Company must provide a technical report prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* that includes a mineral resource estimate in respect of the New Frontiers Project.

Following the completion of the First Installment shown above, the Company is entitled to acquire an additional 21% undivided interest by funding all of the costs associated with a development program required for the delivery of a "preliminary economic assessment" within two years of completing the First Installment.

7. SHARE CAPITAL**a) Authorized**

The Company is authorized to issue an unlimited number of common shares without par value.

CANARY GOLD CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended March 31, 2024 and 2023 (see Note 1)**

(Unaudited - Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)**b) Issued and outstanding**

During the nine months ended March 31, 2024, the Company had the following share capital transactions:

- On September 15, 2023, the Company closed a private placement and issued 1,000,000 common shares for gross proceeds of \$150,000. In connection to the private placement, the Company paid cash finders' fees of \$9,000 and issued 60,000 finders' warrants with a total fair value of \$4,884. Each finders' warrant is exercisable at a price of \$0.15 and expires on September 15, 2025.
- On November 17, 2023, the Company closed a private placement and issued 1,783,333 common shares for gross proceeds of \$267,500. In connection to the private placement, the Company paid cash finders' fees of \$16,050 and issued 107,000 finders' warrants with a total fair value of \$8,693. Each finders' warrant is exercisable at a price of \$0.15 and expires on November 17, 2025.
- On December 21, 2023, the Company closed a private placement and issued 453,500 common shares at a price of \$0.15 per share for gross proceeds of \$68,025. In connection to the private placement, the Company paid cash finders' fees of \$4,081 and issued 27,210 finders' warrants with a total fair value of \$2,201. Each finders' warrant is exercisable at a price of \$0.15 and expires on December 21, 2025.
- On February 28, 2024 the Company closed a private placement and issued 665,000 common shares at a price of \$0.15 per share for gross proceeds of \$99,750. In connection to the private placement, the Company paid cash finder's fees of \$5,985 and issued 39,900 finders' warrants with a total fair value of \$3,236. Each finders' warrant is exercisable at a price of \$0.15 and expires on February 28, 2026.
- On March 8, 2024, the Company closed a private placement and issued 200,000 common shares at a price of \$0.15 per share for gross proceeds of \$30,000.

During the period from incorporation on May 9, 2022 to June 30, 2023, the Company had the following share capital transactions:

- On November 15, 2022, the Company closed a private placement financing comprising 19,900,001 common shares for gross proceeds of \$248,000.
- On December 8, 2022, the Company closed a private placement financing comprising 1,000,000 common shares for gross proceeds of \$100,000.
- On February 3, 2023, the Company closed a private placement financing comprising 4,786,668 common shares for gross proceeds of \$718,000. In connection with the private placement, the Company paid share issuance costs of \$41,030 to two finders.
- On March 7, 2023, pursuant to the option agreement, the Company issued 500,000 common shares at a price of \$0.15 for an aggregate value of \$75,000 to the Optionor (Note 6).

c) Finders' warrants

A summary of Company's finders' warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, June 30, 2023 and the date of incorporation on May 9, 2022	-	-
Issued	234,110	\$0.15
Balance, March 31, 2024	234,110	\$0.15

CANARY GOLD CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended March 31, 2024 and 2023 (see Note 1)**

(Unaudited - Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

A summary of the Company's outstanding finders' warrants as at March 31, 2024, is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	\$	Years
September 15, 2025	60,000	0.15	1.46
November 17, 2025	107,000	0.15	1.63
December 21, 2025	27,210	0.15	1.73
February 28, 2026	39,900	0.15	1.92
	234,110	0.15	1.65

As at March 31, 2024, the weighted average remaining contractual life of the finders' warrants is 1.65 years (June 30, 2023 - nil).

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for finders' warrants issued during the nine months ended March 31, 2024, is as follows:

Share price	\$0.15
Exercise price	\$0.15
Expected life	2.00 years
Risk-free interest rate	4.44%
Expected volatility	100.00%
Expected annual dividend yield	0.00%

8. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, officers and companies controlled by key management personnel.

A summary of the Company's related party transactions is as follows:

	Three months ended		Nine months ended	
	2024	March 31, 2023	2024	March 31, 2023
				(Note 1)
	\$	\$	\$	\$
Director and management fees	69,000	50,000	174,000	85,000
Exploration and evaluation expenditures	48,240	32,028	144,150	32,028
Professional fees	14,043	-	44,793	-
	131,283	82,028	362,943	117,028

As at March 31, 2024, \$57,516 was included in accounts payable and accrued liabilities for amounts due to a related party (June 30, 2023 - \$4,981). The amounts due are unsecured, due on demand and are non-interest bearing.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2024, financial instruments comprised of cash, accounts payable and accrued liabilities, and subscription liability that are classified as and measured at amortized cost. The carrying value of cash, accounts payable and accrued liabilities, and subscription liability approximate their respective fair values due to the short-term nature of these financial instruments.

CANARY GOLD CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended March 31, 2024 and 2023 (see Note 1)**

(Unaudited - Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash and deposits. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's primary exposure to liquidity risk is through accounts payable and accrued liabilities as well as subscription liability. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after taking into account existing cash. The Company's cash is held in business accounts, which are available on demand for the Company's programs. Refer to Note 1 with respect to going concern matters. As of March 31, 2024, the Company had working capital of \$56,979 (June 30, 2023 - \$451,384). The Company assesses liquidity risk as low.

c) Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to foreign exchange risk from fluctuations in the Canadian dollar to the Brazilian real. A 1% change in the Canadian dollar exchange rate relative to the Brazilian real would change the Company's net loss by approximately \$561.

A summary of the Company's financial assets and liabilities that are denominated in the Brazilian real is as follows:

	March 31, 2024	June 30, 2023
	\$	\$
Cash	2,577	-
Accounts payable and accrued liabilities	(58,636)	-
	(56,059)	-

10. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to continue as a going concern and support its exploration of its exploration and evaluation asset. The Company obtains funding primarily through issuing common shares. Future financing is dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the nine months ended March 31, 2024. The Company is not subject to externally imposed capital requirements.

11. SUBSEQUENT EVENTS

On April 1, 2024, the Company and the Optionor amended the New Frontiers Project option agreement (Note 6).

On June XX, 2024, the Company filed its preliminary prospectus with the securities regulatory authorities in British Columbia, Alberta and Ontario for an initial public offering (the "Offering") of a minimum of 12,942,000 units by the Company at a price of \$0.17 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant will entitle its holder to purchase one common share of the Company at a price of \$0.25 at any time prior to the date that is 12 months following the closing of the Offering.

SCHEDULE “E” – INTERIM MANAGEMENT’S DISCUSSION AND ANALYSIS

(See attached)

CANARY GOLD CORP.

Management's Discussion & Analysis

For the three and nine months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

CANARY GOLD CORP.

Management's Discussion and Analysis

For the three and nine months ended March 31, 2024 and 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Canary Gold Corp. (the "Company" or "Canary") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended March 31, 2024 and 2023. This MD&A has been prepared in compliance with the requirements of National Instrument ("NI") 51-102 *Continuous Disclosure Obligations*. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three and nine months ended March 31, 2024 and 2023 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. In addition, the MD&A should be read in conjunction with the audited consolidated financial statements for the period from incorporation on May 9, 2022 ended June 30, 2022 (the "Annual Financial Statements"), as some disclosures from the Annual Financial Statements have been condensed or omitted.

During the May 9, 2022 to June 30, 2022 inception period, the Company did not incur any material transactions. For practical reasons, transactions during the inception period have been included in the nine months ended March 31, 2023.

The results for the period presented are not necessarily indicative of the results that may be expected for any future period. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The nine-month periods ended March 31, 2024 and 2023 are referred to as "YTD 2024" and "YTD 2023" respectively.

All monetary amounts in the MD&A are expressed in Canadian dollars, the presentation currency of the Company, except number of shares, or as otherwise indicated. The functional currency of the Company and its subsidiary is disclosed in the notes to the Financial Statements. This MD&A has been prepared effective as of May XX, 2024 (the "MD&A Date").

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present, in all material respects, the financial condition, financial performance and cash flows of the Company as of the date of, and for the periods presented.

FORWARD-LOOKING STATEMENTS

This MD&A includes forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with the Company's business and the environment in which the business operates. Any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements, including those identified by the expressions "considers", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved", or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "will", "intends", and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

QUALIFIED PERSON

All scientific and technical information in this MD&A has been reviewed and approved by Mr. Andrew Lee Smith., the Company's Chief Executive Officer. Mr. Smith is a qualified person for the purposes of NI 43-101 *Standards of Disclosure for Mineral Projects*.

NATURE OF OPERATIONS AND GOING CONCERN

Canary Gold Corp. was incorporated under the laws of British Columbia on May 9, 2022. The Company is a junior mineral exploration company engaged in the acquisition, exploration, and evaluation of natural resource properties in Brazil. The Company currently has the New Frontiers Gold Project ("New Frontiers Project") located in the Madeira River valley, Rondônia, Brazil. The Company's registered and records office is located at 551 Howe St., Suite 200, Vancouver, BC V6C 2C2.

CANARY GOLD CORP.

Management's Discussion and Analysis

For the three and nine months ended March 31, 2024 and 2023

The Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. The Company has losses since inception and has an accumulated deficit of \$1,517,178 as at March 31, 2024 (June 30, 2023 - \$548,586). As at March 31, 2024 the Company has cash of \$20,761 (June 30, 2023 - \$399,348) and working capital of \$56,979 (June 30, 2023 - \$451,384). The Company may require additional financing, either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative obligations and to continue to explore and develop its exploration and evaluation assets. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern, and these adjustments may be material.

EXPLORATION AND EVALUATION ASSET

Information of a scientific or technical nature in respect of the exploration project as described below is derived from portions of the independent National Instrument 43-101 *Standards of Disclosure for Mineral Projects* technical report dated August 31, 2023 (with an effective date of July 30, 2023) titled "Technical Report on the Rio Madeira Exploration Project, Rondonia, Brazil. Report for NI 43-101" (the "Technical Report").

According to Brazilian Government Records (previously DNPM - now ANM), more than 1.6 million ounces of gold were mined from the primary Rio Madeira drainage between 1979 and 1995. In the view of management, the modern drainage area exploited between 1979 and 1995 represents only a very small percentage of the potential area for the discovery of gold and other mineralization related to sedimentary formations including abandoned paleochannels.

The well-known Witwatersrand paleo-placers are the best analogues from a purely sedimentological perspective and their relative sedimentary characteristics, and similarities are comparable. The most significant analogy is found in the orogenic control on the supply of sediments shed from mountain belts into low-lying floodplains. Low-grade gold-mineralized sediments comprising sand and small- pebble gravels were entrapped and reworked in several phases over millions of years. The metallic gold comprises fine grained and visible grained (VG) within the sediments, throughout the target area. Substantial gold grade is concentrated largely on the Miocene-Basement contact. Mineralization is substantial and only gold has been analysed systematically, to date.

Structural controls on bedrock and paleo topography can be expected to have resulted in areas where heavy minerals including gold have been concentrated into discrete potentially economic zones, postulated but yet undiscovered, and may contain additional metals - minerals in addition to the targeted gold mineralization. The targeted interval is not exposed but is predicted to occur (supported by geophysics) where it is buried beneath more recent sedimentary cover at and to depths of between 15 to 60 metres below the current land surface and as such this style of mineralization is largely undetected and avoided by previous miners. Much of the flood plain was once buried underneath a laterally persistent bed that was turned into a durable, lateritic horizon (known locally as Mocururu) that contains finer-grained gold in potentially economic concentrations.

In the view of management, the underlying pre-Mocururu sedimentary interval is similarly gold bearing, presumably at potentially mineable - economic depths for shallow surface mining activities although this clearly requires further detailed investigation.

The sedimentary horizons hosting gold mineralization may also contain concentrations of magnetite or perhaps radioactive elements which may be detected by geophysical exploration techniques. The above description outlines a viable geological scenario whereby particulate gold was likely derived from mineralized bedrock upstream over a period of tens of millions of years. This particulate gold was then distributed by the Madeira drainage system initially within braid plains, and ultimately within broader migratory meander belts during phases of lower alluvial discharge. These processes alternated throughout the past 23 million years during seasonal or epic driven wet or dry climatic phases. The entire target area and surrounds were likely also blanketed with gold-bearing sediments that were exhumed and reworked into younger deposits, including the Mocururu terraces. The final product was left as a disconnected series of abandoned oxbow lakes and meandering stream point bars formed at low discharge. Low-grade alluvium was reworked into channels and bars throughout recent history since the Miocene. The accessible, high-grade remnants at surface were likely depleted by garimpeiro activity (artisanal miners) mainly within and along the current, modern Madeira River, with little evidence of this activity preserved.

CANARY GOLD CORP.

Management's Discussion and Analysis

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The Canary Tenement Package ("CTP") has been selected and consolidated as a highly prospective terrain whereby the targeted gold bearing formations remain preserved and intact allowing their exploration with modern techniques, technology, and equipment. Preliminary and reconnaissance exploration activities completed to date over the CTP includes remote sensing, Ground Penetrating Radar, and Tomography (resistivity) Geophysics, Geological mapping which included some regional traverses to target the location and distribution of potentially favourable locations for gold concentration associated with bedrock unconformities, Mocururu terraces and / or paleochannels. The most significant target areas are those where the unconformity between Basement and Miocene is exposed within the bed and along the banks of the Madeira River, which is seldomly exposed and when it is it is in only the driest of months for a restricted period of only several weeks a year, generally in September or October.

The entire extent of the basement unconformity appears to be prospective and requires systematic sampling by means of sonic, percussion or Air Core drilling to aid the delineation of and define where buried higher-grade concentrations of mineralization are likely to be located.

OVERALL PERFORMANCE

During the nine months ended March 31, 2024, the Company has been successful in executing its corporate strategy. It has raised an additional \$615,275 through private placements of shares to fund its exploration activity. Secondly, it has used the funds raised to explore and analyse the New Frontiers Project pursuant to the options agreement, as outlined in the Exploration and Evaluation Assets and Expenditures section below.

The Company operates in one reportable segment, the exploration and evaluation of unproven exploration and evaluation asset. The Company's primary exploration and evaluation assets are located in Brazil, and its corporate assets, comprising mainly cash, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues. All corporate expenses are incurred in Canada.

DISCUSSION OF OPERATIONS

A summary of the Company's results of operations is as follows:

	Three months ended		Nine months ended	
	2024	March 31, 2023	2024	March 31, 2023 ⁽¹⁾
	\$	\$	\$	\$
Operating expenses				
Consulting fees	22,500	-	45,000	11,000
Director and management fees	69,000	50,000	174,000	85,000
Exploration and evaluation expenditures	60,498	32,028	290,953	32,028
Filling fees	360	-	5,626	-
General and administrative	26,221	136	45,888	1,686
Insurance	10,234	-	10,234	-
Marketing fees	21,025	-	47,025	25,000
Professional fees	188,533	34,653	329,902	62,256
Travel and meals	3,643	-	17,122	36,208
	(402,014)	(116,817)	(965,750)	(253,178)
Foreign exchange loss	-	-	(2,842)	-
Net loss	(402,014)	(116,817)	(968,592)	(253,178)

(1) During the May 9, 2022 to June 30, 2022 inception period, the Company did not incur any material transactions. For practical reasons, transactions during the inception period have been included in the nine months ended March 31, 2023.

CANARY GOLD CORP.

Management's Discussion and Analysis

For the three and nine months ended March 31, 2024 and 2023

Three months ended March 31, 2024 and 2023

The Company's net loss increased to \$402,014 compared to \$116,817 in the prior year comparable period. This is due to the Company incorporating in May 2022 and therefore it was still in the early stages of its operations in the prior year comparable period and had not yet started to incur the costs of a more established Company.

The primary drivers of the increase in the net loss are as follows:

- Consulting fees increased to \$22,500 compared to \$nil in the prior year comparable period due to the fees paid to a new consulting service assisting with the strategy of the Company in the current period.
- Director and management fees increased to \$69,000 compared to \$50,000 in the prior year comparable period due to additional compensation paid to new personnel in the management team in the current period.
- Exploration and evaluation expenditures increased to \$60,498 compared to \$32,028 in the prior year comparable period due to the costs paid for geological consulting at the New Frontiers Project. These costs were lower in the comparable period as the exploration and evaluation activities had just started in Q3 2023.
- General and administrative fees increased to \$26,221 compared to \$136 in the prior year comparable period due to additional office and corporate secretarial costs to support the private placements in the current period.
- Insurance increased to \$10,234 compared to \$nil in the prior year comparable period due to the fees paid for directors and officers liability insurance in the current period.
- Marketing fees increased to \$21,025 compared to \$nil in the prior year comparable period due to the fees associated with business development to raise the profile of the Company in the current period.
- Professional fees increased to \$188,533 compared to \$34,653 in the prior year comparable period due to the legal and accounting costs associated with the upcoming listing, and accrued audit costs in the current period.

Nine months ended March 31, 2024 and 2023

The Company's net loss increased to \$968,592 compared to \$253,178 in the prior year comparable period. This is due to the Company incorporating in May 2022 and therefore it was still in the early stages of its operations in the prior year period and had not yet started to incur the costs of a more established Company.

The primary drivers of the increase in the net loss are as follows:

- Consulting fees increased to \$45,000 compared to \$11,000 in the prior year comparable period due to the engagement of new consulting services assisting with the strategy of the Company in the current period.
- Director and management fees increased to \$174,000 compared to \$85,000 in the prior year comparable period due to additional compensation paid to new personnel in the management team in the current period.
- Exploration and evaluation expenditures increased to \$290,953 compared to \$32,028 in the prior year comparable period due to the costs paid for geophysics, project management, and general and administration at the New Frontiers Project. These costs were lower in the comparable period as the exploration and evaluation activities had just started in Q3 2023.
- General and administrative fees increased to \$45,888 compared to \$1,686 in the prior year comparable period due to additional office and corporate secretarial costs to support the private placements in the current period.
- Insurance increased to \$10,234 compared to \$nil in the prior year comparable period due to the fees paid for directors and officers liability insurance in the current period.
- Marketing fees increased to \$47,025 compared to \$25,000 in the prior year comparable period due to the fees paid for marketing and investor relations associated with the private placements and to raise the profile of the Company in the current period.
- Professional fees increased to \$329,902 compared to \$62,256 in the prior year comparable period due to the legal and accounting costs associated with the private placements and incorporation of the Company's wholly owned subsidiary, Canary Gold Mineracao Ltda and accrued audit costs in the current period.

Partially offsetting the increase in the net loss was a decrease of travel and meals to \$17,122 compared to \$36,208 in the prior year comparable period due to less business travelling activities by the management team in the current period.

CANARY GOLD CORP.**Management's Discussion and Analysis**

For the three and nine months ended March 31, 2024 and 2023

SUMMARY OF QUARTERLY RESULTS

The following summarizes quarterly financial results of the Company for the five quarters since incorporation:

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023 ⁽²⁾
	\$	\$	\$	\$	\$	\$	\$
Net loss and comprehensive loss	(401,990)	(345,304)	(227,270)	(295,408)	(116,817)	(84,653)	(51,708)
Basic and diluted loss per share ⁽¹⁾	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.03)	N/A
Working capital	56,979	335,204	365,114	451,384	751,792	186,639	(51,708)
Total assets	557,710	568,603	586,916	614,240	884,008	221,752	76,117
Total liabilities	400,731	133,399	121,802	62,856	107,216	10,113	127,825
Shareholders' equity	156,979	435,204	465,114	551,384	776,792	211,639	(51,708)
Deficit	(1,517,178)	(1,115,164)	(775,856)	(548,586)	(253,178)	(136,361)	(51,708)

(1) During Q1 2023 the Company had one common share issued and outstanding. As a result, the calculation of basic and diluted loss per share is not practicable.

(2) During the May 9, 2022 to June 30, 2022 inception period, the Company did not incur any material transactions. For practical reasons, transactions during the inception period have been included in Q1 2023.

The quarterly trend in working capital and total assets is primarily driven by movements in cash from the Company's financing activities and exploration and evaluation spending. The increase in total liabilities in Q3 2024 is primarily driven by accounts payable relating to marketing, audit fees and exploration and evaluation expenditures. The increase in net loss and comprehensive loss in Q2 2024 compared to prior quarters is mainly due to an increase in exploration and evaluation expenditures, directors and management fees, professional fees, and marketing expenses.

EXPLORATION AND EVALUATION ASSET AND EXPENDITURES

The Company's exploration and evaluation asset comprises the New Frontiers Project.

Costs relating to the acquisition and claim maintenance of exploration and evaluation assets (including option payments and annual fees to maintain the property in good standing before the Brazilian National Mining Agency ("ANM") are capitalized and deferred until the project to which they relate is sold, abandoned, impaired, or placed into production.

On March 7, 2023, the Company entered into the option agreement with New Frontiers Gold Mineração Ltda. (the "Optionor"). The Optionor is the legal and beneficial holder of certain applications for mineral exploration located in the State of Rondonia, Brazil, comprised of five applications for mineral exploration within the Brazilian border zone, totaling approximately 45,809 hectares and three applications for mineral exploration outside the border zone, totaling approximately 22,636 hectares (all together the "New Frontiers Project"). Pursuant to the option agreement, the Company has the option to acquire an undivided 70% interest in the New Frontiers Project.

On April 1, 2024, the Company and the Optionor amended the option agreement. Under the terms of the amended option agreement, the Company is entitled to acquire an initial 49% undivided interest in the New Frontiers Project for the following consideration (the "First Installment"):

Date	Option payments	Minimum exploration expenditures
Initial payment	<ul style="list-style-type: none"> \$25,000 cash (paid on October 19, 2022) issue 500,000 common shares of the Company (issued on March 7, 2023) 	Not applicable
No later than 10 days following the Company's initial public offering	<ul style="list-style-type: none"> \$125,000 cash issue common shares of the Company with an aggregate value of \$100,000 	Not applicable
On or before April 1, 2026	<ul style="list-style-type: none"> \$200,000 cash issue common shares of the Company with an aggregate value of \$200,000 	\$2,500,000
On or before April 1, 2027	<ul style="list-style-type: none"> \$500,000 cash issue common shares of the Company with an aggregate value of \$500,000 	\$2,500,000

In addition, on or before April 1, 2027, the Company must provide a technical report prepared in accordance with NI 43-101 that includes a mineral resource estimate in respect of the New Frontiers Project.

CANARY GOLD CORP.

Management's Discussion and Analysis

For the three and nine months ended March 31, 2024 and 2023

Following the completion of the First Installment shown above, the Company is entitled to acquire an additional 21% undivided interest in the New Frontiers Project by funding 100% of the costs associated with a development program required for delivery of a "preliminary economic assessment" at the New Frontiers Project within two years of completing the First Installment.

A summary of the Company's exploration and evaluation asset is as follows:

	\$
Balance, June 30, 2022 and the date of incorporation on May 9, 2022	-
Cash option payment	25,000
Common shares issued as option payment	75,000
Balance, March 31, 2024 and June 30, 2023	100,000

A summary of the Company's exploration and evaluation expenditures is as follows:

	Three months ended March 31,		Nine months ended March 31,	
	2024	2023	2024	2023 ⁽¹⁾
	\$	\$	\$	\$
General and administrative	-	-	14,171	-
Geological consulting	60,498	32,028	175,046	32,028
Geophysics	-	-	95,059	-
Other exploration services	-	-	6,677	-
	60,498	32,028	290,953	32,028

(1) During the May 9, 2022 to June 30, 2022 inception period, the Company did not incur any material transactions. For practical reasons, transactions during the inception period have been included in the nine months ended March 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES

The Company is in the exploration stage and therefore has no cash inflow from operations. Its only source of funds since incorporation has been from the issuance of common shares. The Company is in the process of exploring its mineral claims. The Company has not yet determined whether or when its claims could be economically viable.

As at March 31, 2024 the Company had cash of \$20,761 (June 30, 2023 - \$399,348) and a net working capital of \$56,979 (June 30, 2023 - \$451,384).

The Company's cash flows from operations are negative as it is an exploration stage company. During the nine months ended March 31, 2024, the Company used cash in operating activities of \$962,774 (2023 - \$169,322) primarily due to cash spent on exploration and evaluation expenditures and corporate overhead expenses.

During the nine months ended March 31, 2024, the Company used cash of \$nil in investing activities (2023 - \$25,000). The cash used in the prior year comparable period is related an option payment for the New Frontiers Project.

During the nine months ended March 31, 2024, the Company received cash from financing activities of \$625,275 (2023 - \$1,066,000) related to proceeds from common shares issued in private placements and share subscriptions, offset by share issuance costs of \$35,116 (2023 - \$41,030).

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to continue as a going concern and support its exploration of mineral claims. The Company obtains funding primarily through issuing common shares. Future financing is dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the nine months ended March 31, 2024. The Company is not subject to externally imposed capital requirements.

CANARY GOLD CORP.

Management's Discussion and Analysis

For the three and nine months ended March 31, 2024 and 2023

USE OF PROCEEDS AND MILESTONES

During the nine months ended March 31, 2024, the Company had the following share capital transactions:

On September 15, 2023, the Company closed a private placement and issued 1,000,000 common shares at a price of \$0.15 per share for gross proceeds of \$150,000. In connection to the private placement, the Company paid cash finders' fees of \$9,000 and issued 60,000 finders' warrants with a total fair value of \$4,884. Each finders' warrant is exercisable at a price of \$0.15 and expires on September 15, 2025.

On November 17, 2023, the Company closed a private placement and issued 1,783,333 common shares at a price of \$0.15 per share for gross proceeds of \$267,500. In connection to the private placement, the Company paid cash finders' fees of \$16,050 and issued 107,000 finders' warrants with a total fair value of \$8,693. Each finders' warrant is exercisable at a price of \$0.15 and expires on November 17, 2025.

On December 21, 2023, the Company closed a private placement and issued 453,500 common shares at a price of \$0.15 per share for gross proceeds of \$68,025. In connection to the private placement, the Company paid cash finders' fees of \$4,081 and issued 27,210 finders' warrants with a total fair value of \$2,201. Each finders' warrant is exercisable at a price of \$0.15 and expires on December 21, 2025.

On February 28, 2024, the Company closed a private placement and issued 665,000 common shares at a price of \$0.15 per share for gross proceeds of \$99,750. In connection to the private placement, the Company paid cash finder's fees of \$5,985 and issued 39,900 finders' warrants with a total fair value of \$3,236. Each finders' warrant is exercisable at a price of \$0.15 and expires on February 28, 2026.

On March 8, 2024, the Company closed a private placement and issued 200,000 common shares at a price of \$0.15 per share for gross proceeds of \$30,000.

The Company plans to use the funds raised to explore its New Frontiers Project and to fund working capital.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, officers and companies controlled by key management personnel.

A summary of the Company's related party transactions is as follows:

	Three months ended March 31,		Nine months ended March 31,	
	2024	2023	2024	2023 ⁽¹⁾
	\$	\$	\$	\$
Director and management fees	69,000	50,000	174,000	85,000
Exploration and evaluation expenditures	48,240	32,028	144,150	32,028
Professional fees	14,043	-	44,793	-
	131,283	82,028	362,943	117,028

(1) During the May 9, 2022 to June 30, 2022 inception period, the Company did not incur any material transactions. For practical reasons, transactions during the inception period have been included in the nine months ended March 31, 2023.

As at March 31, 2024, \$57,516 was included in accounts payable and accrued liabilities for amounts due to related parties (June 30, 2023 - \$4,981). The amounts due are unsecured, due on demand and are non-interest bearing. The related party transactions are with Company's owned and controlled by directors and officers of the Company for consulting and fees in the normal course of business.

CANARY GOLD CORP.

Management's Discussion and Analysis

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During the three and nine months ended March 31, 2024, the Company paid \$9,000 and \$54,000, respectively, to Concord Venture Partners Inc. (2023 - \$20,000 and \$55,000, respectively), a company controlled by Craig Engelsman, a former director of the Company, for strategic advisory services.

During the three and nine months ended March 31, 2024, the Company paid \$15,000 and \$15,000, respectively, to Hein Poulus (2023 - \$nil and \$nil, respectively), a director of the Company, for signing bonus.

During the three and nine months ended March 31, 2024, the Company paid \$15,000 and \$15,000, respectively, to Al-Noor Kanji (2023 - \$nil and \$nil, respectively), a director of the Company, for signing bonus.

During the three and nine months ended March 31, 2024, the Company paid \$30,000 and \$90,000, respectively, to Iron Mask Explorations Ltd. (2023 - \$30,000 and \$30,000, respectively), a company controlled by Andrew Lee Smith, a director, president, and Chief Executive Officer of the Company, for technical advisory and consulting services.

During the three and nine months ended March 31, 2024, the Company paid \$48,240 and \$144,150, respectively, to Exploration Outcomes & Participacoes Ltda. (2023 - \$32,028 and \$32,028, respectively), a company controlled by Jonathan Victor Hill, the Vice President of Exploration and Mine Geology of the Company, for technical advisory services.

During the three and nine months ended March 31, 2024, the Company paid \$14,043 and \$44,793, respectively, to Invictus Accounting Group LLP (2023 - \$nil and \$nil, respectively), a company controlled by Oliver Foeste, the Chief Financial Officer of the Company, for accounting and financial reporting services.

PROPOSED TRANSACTIONS

As at March 31, 2024 and the MD&A Date, the Company had no proposed transactions.

SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under IFRS Accounting Standards requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The accounting estimates, judgements and assumptions used in the preparation of the Financial Statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

FINANCIAL INSTRUMENTS

As at March 31, 2024, financial instruments comprised of cash, accounts payable and accrued liabilities, and subscription liability that are classified as and measured at amortized cost. The carrying value of cash, accounts payable and accrued liabilities, and subscription liability approximate their respective fair values due to the short-term nature of these financial instruments.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash and deposits. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk to be minimal.

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For the three and nine months ended March 31, 2024 and 2023

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's primary exposure to liquidity risk is through accounts payable and accrued liabilities, and subscription liability. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after taking into account existing cash. The Company's cash is held in business accounts, which are available on demand for the Company's programs. As of March 31, 2024, the Company had working capital of \$56,979 (June 30, 2023 - \$451,384). The Company assesses liquidity risk as low.

Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to foreign exchange risk from fluctuations in the Canadian dollar to the Brazilian real. A 1% change in the Canadian dollar exchange rate relative to the Brazilian real would change the Company's net loss by approximately \$561.

A summary of the Company's financial assets and liabilities that are denominated in the Brazilian real is as follows:

	March 31, 2024	June 30, 2023
	\$	\$
Cash	2,577	-
Accounts payable and accrued liabilities	(58,636)	-
	(56,059)	-

SUBSEQUENT EVENTS

On April 1, 2024, the Company and the Optionor amended the New Frontiers Project option agreement (see the Exploration and Evaluation Asset and Expenditures section above).

On June XX, 2024, the Company filed its preliminary prospectus with the securities regulatory authorities in British Columbia, Alberta and Ontario for an initial public offering (the "Offering") of a minimum of 12,942,000 units by the Company at a price of \$0.17 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant will entitle its holder to purchase one common share of the Company at a price of \$0.25 at any time prior to the date that is 12 months following the closing of the Offering.

OUTSTANDING SECURITIES DATA

A summary of the Company's issued and outstanding securities is as follows:

	March 31, 2024	MD&A Date
	#	#
Common shares issued and outstanding ⁽¹⁾	30,288,502	30,288,502
Finders' warrants	234,110	234,110

(1) Authorized: Unlimited common shares without par value.

RISKS AND UNCERTAINTIES

The Company's risks and uncertainties are described in the Company's Management Discussion and Analysis for the period from incorporation on May 9, 2022 to June 30, 2023 as on SEDAR+ at www.sedarplus.ca.

F-1

SCHEDULE “F” – AUDIT COMMITTEE CHARTER

(See attached)

CANARY GOLD CORP.
AUDIT COMMITTEE CHARTER

1. Mandate and Purpose of the Committee

The Audit Committee (the "Committee") of the board of directors (the "Board") of Canary Gold Corp. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. While the Company is a "venture issuer" under applicable securities laws, the majority of the Committee's members must not be executive officers or employees of the Company or an affiliate of the Company or control persons of the Company. A majority of the Committee shall be "independent" as defined under NI 52-110, while the Company is a venture issuer. If the Company becomes a "non-venture issuer" under applicable securities laws, all Committee members must be independent.

All members shall be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues

that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chairman of the Committee. If the Chairman of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

4. Meetings

Any member of the Committee, the auditor, the Chief Executive Officer or Chief Financial Officer of the Company may call a meeting of the Committee. The Committee shall meet as frequently as the Committee deems necessary to carry out its duties. The Chairman shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee in a timely manner prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee may appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be accurately recorded, with such minutes recording the decisions reached by the Committee.

5. Committee and Charter Review

The Committee shall conduct a review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter, on a regular basis. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on a regular basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Canadian Securities Exchange and shall recommend changes to the Board thereon.

6. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

7. Duties and Responsibilities

(a) Financial Reporting

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, any auditor's report thereon, MD&A and related news releases, before they are published.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The auditor shall be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders. The Committee shall nominate the auditor for appointment, such nomination to be approved by the Board.

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) **Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

The Committee shall review the performance of the auditor on at least an annual basis and notify the Board and the auditor in writing of any concerns in regard to the performance of the auditor, or the accounting or auditing methods, procedures, standards, or principles applied by the auditor, or any other accounting or auditing issues which come to the attention of the Committee.

(d) **Remuneration of the Auditor**

The remuneration of the auditor shall be determined by the Board, upon the annual authorization of the shareholders at each general meeting of the shareholders.

The remuneration of the auditors shall be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

Auditing expenses will be funded by the Company. The auditor must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditor of the Company.

(e) **Termination of the Auditor**

The Committee has the power to terminate the services of the external auditors, with or without the approval of the Board, acting reasonably.

(f) **Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(g) **Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, shall identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(h) **Controls and Control Deviations**

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(i) **Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g., auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(j) **Related Party Transactions**

- (i) All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.
- (ii) The term "related party" includes (i) all directors, officers, employees, consultants and their associates, as that term is defined in the *Securities Act* (British Columbia), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and
- (iii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").
- (iv) Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

8. Non-Audit Services

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

9. Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chairman of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

10. Procedure For Reporting of Fraud or Control Weaknesses

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "Whistleblower") has anonymous and direct access to the Chairman of the Audit Committee. Should a new Chairman be appointed prior to the updating of this document, the current Chairman shall ensure that the Whistleblower is able to reach the new Chairman in a timely manner. In the event that the Chairman of the Audit Committee cannot be reached, the Whistleblower should contact the Chairman of the Board.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

11. Hiring Policies

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

This Charter was approved by the Board of Directors on February 16, 2024.

CERTIFICATE OF THE COMPANY

Dated: June 26, 2024

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

(s) "*Andrew Lee Smith*"

(s) "*Oliver Foeste*"

ANDREW LEE SMITH
Chief Executive Officer

OLIVER FOESTE
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(s) "*Al Kanji*"

(s) "*Hein Poulus*"

AL KANJI
Director

HEIN POULUS
Director

CERTIFICATE OF THE PROMOTERS

Dated: June 26, 2024

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

(s) "*Andrew Lee Smith*"

(s) "*Craig Engelsman*"

ANDREW LEE SMITH

Promoter

CRAIG ENGELSMAN

Promoter

CERTIFICATE OF THE AGENT

Dated: June 26, 2024

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

HAYWOOD SECURITIES INC.

(s) *“Don Wong”*

DON WONG

Vice President, Investment Banking