CANARY GOLD CORP.

Management's Discussion & Analysis

For the year ended June 30, 2024 and the period from incorporation on May 9, 2022 to June 30, 2023

(Expressed in Canadian dollars)

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 year ended June 30, 2024 and 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 ("NI") 51-102 *Continuous Disclosure Obligations*. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended June 30, 2024 and 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 ("IFRS Accounting 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 year ended June 30, 2024 and the period from incorporation on May 9, 2022 to June 30, 2023 are referred to as "Fiscal 2024" and "Fiscal 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 October 28, 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.

Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca and the Company's website at www.canarygold.ca.

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*.

DESCRIPTION OF BUSINESS

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 200-551 Howe St., Vancouver, British Columbia, Canada, V6C 2C2.

On September 23, 2024, the Company filed a final prospectus (the "Prospectus") for the initial public offering of a minimum of 12,942,000 units of the Company at a price of $0.17 per unit for gross proceeds of $2,200,140. The closing of the public offering is subject to customary closing conditions, including the receipt of all necessary regulatory approvals. The Company has received conditional approval to list its common shares, including the shares issued and sold pursuant to the public offering, on the CSE under the symbol "BRAZ". Listing remains subject to the Company fulfilling all of the listing requirements of the CSE. A copy of the Prospectus is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

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 willow surface mining activities although this clearly requires further detailed investigation.

The sedimentary horizons hosting gold mineralization may 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 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.

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.

(Expressed in Canadian dollars, except where noted)

OVERALL PERFORMANCE

During the year ended June 30, 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 Asset and Expenditures section below.

The Company operates in one reportable segment, the exploration and evaluation of unproven exploration and evaluation assets. The Company's primary exploration and evaluation asset is 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

The selected annual information below is derived from the Company's Financial Statements.

	Fiscal 2024	Fiscal 2023
	$	$
Exploration expenses	**333,771**	167,164
Operating expenses	**1,233,027**	540,605
Net loss and comprehensive loss	**(1,232,873)**	(548,586)
Net loss per share basic and diluted	**(0.04)**	(0.04)
Current assets	**311,327**	514,240
Exploration and evaluation assets	**100,000**	100,000
Total assets	**411,327**	614,240
Total liabilities	**512,657**	62,856
Total non-current liabilities	**-**	-

The net loss and exploration expenses increased significantly in the current year, primarily due to the expansion of exploration and evaluation activity for the New Frontiers Project. The increase in operating expenses was driven by the increased exploration activity, administrative costs relating to the Company's initial public offering, and the incorporation of the Company's subsidiary. Current assets decreased mainly due to substantial cash outflows associated with the New Frontiers Project. Total liabilities increased significantly due to higher accounts payable balances following increased operating expenses.

DISCUSSION OF OPERATIONS

A summary of the Company's results of operations is as follows:

	Q4 2024	Q4 2023	**Fiscal 2024**	Fiscal 2023
	$	$	**$**	$
Operating expenses				
Consulting fees	**22,500**	-	**67,500**	11,000
Director and management fees	**30,000**	52,500	**204,000**	137,500
Exploration and evaluation expenditures	**42,818**	135,136	**333,771**	167,164
Filing fees	**17,879**	-	**23,505**	-
General and administrative	**23,332**	7,902	**69,220**	9,588
Insurance	**7,058**	-	**17,292**	-
Marketing fees	**22,000**	-	**69,025**	25,000
Professional fees	**101,690**	63,330	**431,592**	125,586
Travel and meals	**-**	28,559	**17,122**	64,767
	(267,277)	(287,427)	**(1,233,027)**	(540,605)
Foreign exchange loss	**-**	(7,981)	**(2,842)**	(7,981)
Net loss	**(267,277)**	(295,408)	**(1,235,869)**	(548,586)

Q4 2024 compared to Q4 2023

The Company's net loss decreased to $267,277 compared to $295,408 in the prior year comparable period. The primary drivers of the decrease in net loss were as follows:

- Director and management fees decreased to $30,000 compared to $52,500 in the prior year comparable period due to the resignation of a director during the current period.
- Exploration and evaluation expenditures decreased to $42,818 compared to $135,136 in the prior year comparable period due to reduced costs for geophysics, project management, and general administration at the New Frontiers Project.
- Travel and meals fees decreased to $nil compared to $28,559 in the prior year comparable period due to cost-cutting measures implemented by the management team in the current period.

Partially offsetting the decrease in net loss were increases to expenses as follows:

- Consulting fees increased to $22,500 compared to $nil in the prior year comparable period due to consultants assisting with the development of the strategy of the Company in the current period.
- Filing fees increased to $17,879 compared to $nil in the prior year comparable period due to incurring application fees for the Company's initial public offering in the current period.
- General and administrative fees increased to $23,332 compared to $7,902 in the prior year comparable period due to additional office and corporate secretarial costs to support exploration and evaluation activity and the Company's initial public offering in the current period.
- Insurance increased to $7,058 compared to $nil in the prior year comparable period due to securing directors and officers' liability insurance in the current period.
- Marketing fees increased to $22,000 compared to $nil in the prior year comparable period due to investor relation fees to promote the profile of the Company in the current period.
- Professional fees increased to $101,690 compared to $63,330 in the prior year comparable period primarily due to legal fees associated with the application of the Company's initial public offering in the current period.

Fiscal 2024 compared to Fiscal 2023

The Company's net loss increased to $1,235,869 compared to $548,586 in the prior year. The primary drivers of the increase in the net loss were as follows:

- Consulting fees increased to $67,500 compared to $11,000 in the prior year due to consultants assisting with the development of the strategy of the Company and the incorporation of the Company's wholly owned subsidiary, Canary Gold Mineracao Ltda, in the current year.
- Director and management fees increased to $204,000 compared to $137,500 in the prior year due to certain officers only beginning to receive compensation on January 1, 2023, six months into the prior year comparable period.
- Exploration and evaluation expenditures increased to $333,771 compared to $167,164 in the prior year due to exploration and evaluation activities commencing at the New Frontiers Project in Q3 2023.
- Filing fees increased to $23,505 compared to $nil in the prior year comparable period due to the Company incurring application fees for the initial public offering in the current year.
- General and administrative fees increased to $69,220 compared to $9,588 in the prior year due to additional office and corporate secretarial costs incurred to support private placements, incorporation of the Company's subsidiary, the application for the Company's initial public offering and expanded exploration and evaluation activity in the current year.
- Insurance increased to $17,292 compared to $nil in the prior year due to securing directors and officers' liability insurance in the current year.
- Marketing fees increased to $69,025 compared to $25,000 in the prior year due to investor relation fees to promote the Company's profile in the current year.
- Professional fees increased to $431,592 compared to $125,586 in the prior year due to the legal and accounting costs associated with the application of the Company's initial public offering, private placements, the incorporation of the Company's wholly owned subsidiary, Canary Gold Mineracao Ltda, and accrued audit costs in the current year.

Partially offsetting the increase in net loss was a decrease in travel and meals fees to $17,122 compared to $64,767 in the prior year due to cost-cutting measures implemented by the management team in the current year.

(Expressed in Canadian dollars, except where noted)

SUMMARY OF QUARTERLY RESULTS

The following summarizes quarterly financial results of the Company for the eight quarters since incorporation:

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
	$	$	$	$
Net loss and comprehensive loss	**(258,309)**	(401,990)	(345,304)	(227,270)
Basic and diluted loss per share	**(0.01)**	(0.01)	(0.01)	(0.01)
Working capital	**(201,330)**	56,979	335,204	365,114
Total assets	**411,327**	557,710	568,603	586,916
Total liabilities	**512,657**	400,731	133,399	121,802
Shareholders' equity (deficiency)	**(101,330)**	156,979	435,204	465,114
Deficit	**(1,784,455)**	(1,517,178)	(1,115,164)	(775,856)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023 (2)
	$	$	$	$
Net loss and comprehensive loss	(295,408)	(116,817)	(84,653)	(51,708)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)	N/A (1)
Working capital	451,384	751,792	186,639	(51,708)
Total assets	614,240	884,008	221,752	76,117
Total liabilities	62,856	107,216	10,113	127,825
Shareholders' equity (deficiency)	551,384	776,792	211,639	(51,708)
Deficit	(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 trends in working capital and total assets are primarily driven by fluctuations in cash from the Company's financing activities and exploration and evaluation spending. Working capital decreased significantly in Q4 2024 due to an increase in accounts payable, which was driven by higher expenses supporting the initial public offering process. Net loss in Q4 2024 decreased significantly, primarily due to the reduction in exploration and evaluation expenditures. The increase in total liabilities in Q3 and Q4 2024 was primarily due to accounts payable related to marketing, audit fees, and exploration and evaluation expenditures. The increase in net loss and comprehensive loss in Q2 and Q3 2024 compared to prior quarters was mainly due to higher 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 6, 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.

(Expressed in Canadian dollars, except where noted)

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	• $25,000 cash (paid on October 19, 2022) • issue 500,000 common shares of the Company (issued on March 6, 2023)	Not applicable
No later than 10 days following the Company's initial public offering	• $125,000 cash • issue common shares of the Company with an aggregate value of $100,000	Not applicable
On or before April 1, 2026	• $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	• $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 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, June 30, 2024 and June 30, 2023	**100,000**

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

	Fiscal 2024	Fiscal 2023
	$	$
Chemical analysis	**-**	1,309
General and administrative	**14,171**	10,235
Geological consulting	**217,864**	-
Geophysics	**95,059**	83,264
Other exploration services	**6,677**	8,502
Project management	**-**	63,854
	333,771	167,164

LIQUIDITY AND CAPITAL RESOURCES

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 incurred losses since inception and has an accumulated deficit of $1,784,455 as at June 30, 2024 (June 30, 2023 - $548,586). As at June 30, 2024 the Company has cash of $4,983 (June 30, 2023 - $399,348) and a working capital deficiency of $201,330 (June 30, 2023 - a working capital surplus 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. 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. 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 June 30, 2024 the Company had cash of $4,983 (June 30, 2023 - $399,348) and a working capital deficiency of $201,330 (June 30, 2023 - a working capital surplus of $451,384).

The Company's cash flows from operations are negative as it is an exploration stage company. During the year ended June 30, 2024, the Company used cash in operating activities of $987,520 (2023 - $600,622) primarily due to cash spent on exploration and evaluation expenditures and corporate overhead expenses.

During the year ended June 30, 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 year ended June 30, 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).

On August 31, 2024, the Company entered into a debt waiver agreement with Iron Mask Explorations Limited ("IME"), an entity controlled by the Company's CEO. Under the agreement, IME forgave a total of $84,000 in accounts payable related to past management services, of which $63,279 was recorded in accounts payable and accrued liabilities as of June 30, 2024.

On August 31, 2024, the Company entered into a debt waiver agreement with Talisman Venture Partners Ltd. ("TVP"), a service provider to the Company. Under the agreement, TVP forgave a total of $63,000 in accounts payable for past consulting fees, of which $49,370 was recorded in accounts payable and accrued liabilities as of June 30, 2024.

On October 18, 2024, the Company entered into a loan agreement with a director of the Company (the "Lender") for $44,940 (the "Loan Amount"). Pursuant to the loan agreement, the Company agrees to pay a transaction fee of $2,500 (the "Fee") to the Lender upon the receipt of the Loan Amount. The Loan Amount and the Fee require repayment by November 30, 2024. If the Loan Amount and the Fee is not paid in full by November 30, 2024, the outstanding balance will bear interest at 5.0% per annum accrued monthly.

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 year ended June 30, 2024. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars, except where noted)

USE OF PROCEEDS AND MILESTONES

During the year ended June 30, 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 with the Company's directors 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.

Escrowed Shares

In accordance with applicable securities rules and policies of the CSE, the Company entered into an escrow agreement (the "Escrow Agreement") with certain shareholders resulting in 10,250,001 common shares (the "Escrowed Shares"), representing 33.84% of the issued and outstanding common shares of the Company prior to the completion of the initial public offering, being deposited in escrow. Pursuant to the Escrow Agreement, 10% of the Escrowed Shares will be released from escrow on the listing date (the "Initial Release") and an additional 15% to be released on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the Initial Release. These Escrowed Shares may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2024 and the MD&A Date, the Company had no off-balance sheet arrangements.

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:

	Fiscal 2024	Fiscal 2023
	$	$
Director and management fees	**204,000**	137,500
Exploration and evaluation expenditures	**171,675**	63,854
Professional fees	**59,143**	-
	434,818	201,354

As at June 30, 2024, $78,346 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 companies owned and controlled by directors and officers of the Company for consulting fees in the normal course of business.

In March 2024, the Company received $10,000 from its directors in exchange for future share issuance. The amount received was recorded as subscription liability on consolidated statements of financial position.

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

During the year ended June 30, 2024, the Company paid $54,000 to Concord Venture Partners Inc. (2023 - $77,500), a company controlled by Craig Engelsman, a former director of the Company, for strategic advisory services.

During the year ended June 30, 2024, the Company paid $15,000 to Hein Poulus (2023 - $nil), a director of the Company, for signing bonus.

During the year ended June 30, 2024, the Company paid $15,000 to Al-Noor Kanji (2023 - $nil), a director of the Company, for signing bonus.

During the year ended June 30, 2024, the Company paid $120,000 to Iron Mask Explorations Ltd. (2023 - $60,000), 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 year ended June 30, 2024, the Company paid $171,675 to Exploration Outcomes & Participacoes Ltda. (2023 - $63,854), a company controlled by Jonathan Victor Hill, the former Vice President of Exploration and Mine Geology of the Company, for technical advisory services.

During the year ended June 30, 2024, the Company paid $59,143 to Invictus Accounting Group LLP (2023 - $nil), a company controlled by Oliver Foeste, the Chief Financial Officer of the Company, for accounting and financial reporting services.

PROPOSED TRANSACTIONS

As at June 30, 2024 and the MD&A Date, other than the initial public offering described in the "Description of Business" section of this MD&A, 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 Financial Statements.

FINANCIAL INSTRUMENTS

As at June 30, 2024, financial instruments comprised of cash, accounts payable and accrued liabilities, as well as 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.

(Expressed in Canadian dollars, except where noted)

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.

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. As of June 30, 2024, the Company had cash of $4,983 (June 30, 2023 - $399,348) and working capital deficiency of $201,330 (June 30, 2023 - working capital surplus of $451,384). The Company will be required to raise additional funding to meet its financial obligations in the near term. There is no assurance that the necessary financing will be available in a timely manner or on terms acceptable to the Company. The Company assesses liquidity risk as high.

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 $1,072.

A summary of the Company's financial liabilities that are denominated in the Brazilian real is as follows:

	June 30, 2024	June 30, 2023
	$	$
Accounts payable and accrued liabilities	**107,153**	-

OUTSTANDING SECURITIES DATA

A summary of the Company's issued and outstanding securities is as follows:

	June 30, 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.

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.

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.

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 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.

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.

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 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 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.

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.