LABRADOR RESOURCES INC.
(Formerly, Labrador Technologies Inc.)

YEAR ENDED OCTOBER 31, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management Discussion and Analysis ("MD&A") is prepared in accordance with National Instrument 51-102F1, and should be read in conjunction with the audited financial statements of Labrador Resources Inc. (formerly, Labrador Technologies Inc. ("LTX" or the "Company") for the years ended October 31, 2023 and 2022. Additional information with respect to LTX can be found on SEDAR at www.sedar.com. The functional and presentation currency is the Canadian dollar.

International Financial Reporting Standards

The Company's financial statements for the year ended October 31, 2023 and 2022 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). For each reporting period in 2023, the Company also presented comparative information for 2022, both for interim and annual financial statements, as applicable, on an IFRS basis.

Non-IFRS Measures

To supplement our financial statements presented in accordance with IFRS, we use non-IFRS measures such as working capital. Working capital is provided to enhance readers' overall understanding of our current use of cash resources and liquidity and is included to provide investors and management with an alternative measure for assessing our financial position in a manner that is focused on the Company's current liquidity and capital position. This measure is based on the Statement of financial position, from which selected information is presented. Working capital is determined using the period end current assets less current liabilities. These measures are not in accordance with and do not have a standardized meaning under IFRS and may not to be comparable to similar status of the Company's software development projects, the Company's intentions, results of operations, levels of activity, future capital and other expenditures, including the amount, nature and sources of funding thereof, business prospects and opportunities, research and development timetable, and future growth and performance. When used in this MD&A, statements to the effect that the Company or its management 'believes', 'expects', 'plans', 'may', 'will', 'projects', 'anticipates', 'predicts', 'intends' or similar statements, including 'potential', 'opportunity', or variations thereof are not statements of historical fact and should be construed as forward-looking information. These statements reflect management's current beliefs with respect to future events and are based on information currently available to the management of the Company. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

With respect to the forward-looking information contained in this MD&A, we have made assumptions regarding the following:

- The continued ability of the Company to raise operating capital and continue as a going concern
- Ability to retain and recruit qualified staff

This MD&A contains forward-looking statements under the provisions of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and forward-looking information within the meaning of applicable Canadian securities legislation.

In some cases, you can identify forward-looking statements by words such as “may”, “will”, “could”, expects”, "further", “intends”, “plans”, “anticipates”, “believes”, “potential”, “continue”, or the negative of these terms or other similar words. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking. In particular, forward-looking statements in this MD&A include, but are not limited to, statements about:

- our plan to continue making investments to drive future growth;
- our accounting estimates, allowances, provisions, and assumptions made in the preparation of our financial statements

The forward-looking statements contained in this MD&A are based on our management’s perception of historic trends, current conditions and expected future developments, as well as other assumptions that management believes are appropriate in the circumstances, which include, but are not limited to:

- our ability to obtain necessary regulatory approvals
- our ability to secure and retain revenue to grow the business;
- our ability to manage our growth effectively;
- our ability to protect our property rights;
- Reliance on key partners
- Increased competition
- Reliance on employees and contractors with specialized skills and knowledge
- Protection of proprietary rights

Factors that may cause actual results to differ materially from current expectations may include, but are not limited to, risks and uncertainties that are elsewhere in this MD&A, including but not limited to risks relating to:

- including the impact of measures taken to contain the virus and the impact on the global economy and consumer spending and on our merchants' and partners' ecosystem;
- managing our growth;
- our history of losses and our potential inability to achieve profitability;
- our limited operating history in new and developing markets and new geographic regions;
- our ability to innovate;
- a denial-of-service attack or security breach;
- provisions of our financial instruments;
- our potential inability to raise additional funds as may be needed to pursue our growth strategy or continue our operations, on favorable terms or at all;
- unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns;
- new tax laws could be enacted or existing laws could be applied to us or our merchants;
- being required to collect federal, state, provincial or local business taxes and sales and use taxes or other indirect taxes in additional jurisdictions or for past sales;
- our tax loss carryforwards;
- ownership of our shares;
- our sensitivity to interest rate fluctuations; and
- our concentration of credit risk, and the ability to mitigate that risk using third parties, and the risk of inflation.

Although we believe that the plans, intentions, expectations, assumptions and strategies reflected in our forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future results. You should read this MD&A and the documents that we reference in this MD&A completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this MD&A represent our views as of the date of this MD&A. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this MD&A.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this MD&A. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of the MD&A.

This MD&A is dated as of February 28, 2024.

Outlook

We continue to actively work on expanding our technical team to address industry-specific challenges. No significant changes have occurred compared to the previous quarter, and we remain steadfast in our objective of establishing a presence in the Western Canadian oil and gas sector. Your ongoing support is greatly appreciated as we work toward our goals.

Key Highlights

The Company entered into a purchase and sale agreement (the "Agreement") with an arm's length party, (the "Vendor") dated April 6, 2022 pertaining to the proposed acquisition of a 51% working interest in certain oil and gas properties (the "Assets") in Alberta (the "Acquisition").

On February 2, 2023, the Acquisition, minimum private placements and debt extension agreement (see below) closed. As a result, the following shares were issued: 4,000,000 Common Shares, at a price of $0.05 per Common Share, for aggregate proceeds of $200,000, and 7,200,000 Flow-Through Shares, at a price of $0.05 per Flow-Through Share, for aggregate proceeds of $360,000. In connection with closing, the Vendor's director nominee was appointed to the Company's board of directors and immediately following closing, options ("Options") were granted to officers and directors of the Company to purchase a total of 625,000 Common Shares, at a price of $0.05 per share. The Options are exercisable for a period of five (5) years from the date of grant and contain a vesting provision whereby one-half of the Options vest immediately and one-half vest one (1) year from the date of grant and.

On February 3, 2023, the Company changed its name from "Labrador Technologies Inc." to "Labrador Resources Inc."

On October 30, 2023, the Company extended the term of its financial agreements, which originally came into existence as part of the COB to February 28, 2025 (see Results of Operations).

Acquisition Details

The Company entered into a purchase and sale agreement with Kasten Energy Inc. dated April 6, 2022 pertaining to the proposed acquisition of a 51% working interest in certain oil and gas properties in Alberta.

On September 7, 2022, the Company entered into an Amended and Restated Purchase and Sale Agreement (the "Amended PSA") where:

a) the Outside Date was amended to September 30, 2022; and
b) the consideration paid was amended to be as follows:
    - through the payment of an additional $175,000 upon receipt of TSXV approval; and
    - through the issuance of a Promissory Note in the amount of $232,000 which bears interest at a rate of 7% per annum and is payable 2 years from the date of issue; and
    - the issuance of a convertible debenture in the amount of $350,000 which debenture may be converted at the option of the Company or the Vendor but not until a minimum of six (6) months following the date of issuance. The conversion price shall be $0.05 per common share for the period ending 12 months following the date of issuance and a price of $0.10 per common share for the following 12 months.
c) the minimum and maximum amount of the Common Share Private Placement to be completed as a condition to Closing was set at $200,000; and
d) the minimum amount of the Flow Through Private Placement to be completed as a condition to Closing was set at $360,000 and the maximum was unchanged at $5,000,000.

The Assets consisted of non-producing oil and natural gas assets in the Atlee-Buffalo area of southeast-central Alberta with respect to which Kasten has a 60% working interest in one section of land with seven existing wells situated thereon and a 50% working interest in another section of land with one existing well situated thereon.

The Acquisition constituted an arms' length transaction as defined in the policies of the TSX Venture Exchange (“TSXV”) and was a “Change of Business” (“COB”) (as such term is defined in the policies of the TSXV) for the Company.

On February 2, 2023, the Acquisition and minimum private placements closed.

Annual Financial Information

Selected Statement of loss and comprehensive loss information for the years ended:	**October 31 2023 ($)**	**October 31, 2022 ($)**	**October 31, 2021 ($)**
Expenses			
General & Administrative	72,142	140,939	93,819
Debt Settlement	-	(24,291)	-
Share based compensation	19,384	-	-
Marketing & Sales	769	-	-
Operating Loss	(92,295)	(116,648)	(93,819)
Finance Costs	(92,602)	(3,991)	(13,966)
Gain on initial recognition of financial liabilities	45,948	-	-
Net loss and comprehensive loss	**(138,949)**	**(120,639)**	**(107,785)**
Loss per share (basic & diluted)	**(0.01)**	**(0.01)**	**(0.01)**

Selected Statement of financial position information as at:	**October 31, 2023 ($)**	**October 31, 2022 ($)**	**October 31, 2021 ($)**
Total assets	1,167,177	26,051	151
Total liabilities	1,077,992	469,422	352,883
Outstanding common shares	**24,672,144**	**13,472,144**	**10,472,144**

On February 2, 2023, the Acquisition and minimum private placements closed (see Acquisition Details). As a result, the following shares were issued: 4,000,000 Common Shares, at a price of $0.05 per Common Share, for aggregate proceeds of $200,000, and 7,200,000 Flow-Through Shares, at a price of $0.05 per Flow-Through Share, for aggregate proceeds of $360,000.

Results of Operations

As at October 31, 2023, the Company had cash of $196,525, current liabilities of $14,282, $1,063,710 in long-term debt and current year net and comprehensive loss of $138,949 and working capital of $182,243.

On October 30, 2023, the Company extended the term of financial agreements, which originally came into existence as part of the COB:

a) Debt Extension Agreement:
On February 2, 2023, and October 30, 2023, the Company entered into a debt extending agreements (the “Debt Extension Agreements”) regarding certain indebtedness of the Company that were acquired by an arm’s length party in the amount of $270,092 as at October 31, 2023 (October 31, 2022 – $nil), inclusive of interest expense of $9,783 (October 31, 2022 - $nil).The Debt Extension Agreements extended the repayment terms of the debt such that it is repayable on

February 28, 2025. Interest is payable at a rate of seven percent (7%) per annum compounded monthly. The fair value of the debt has been calculated using an expected market rate of interest of 16.5% per annum resulting in recognition of gain amounting to $45,948 during the year.

b) Promissory Note:
On February 2, 2023, a promissory note was issued in the amount of $232,000 and fair value of $194,868. Interest is payable on the promissory note at a rate of 7% per annum and is repayable on February 28, 2025. As at October 31, 2023, the amortized cost of the promissory note was $218,270 (October 31, 2022 - $nil), together with $11,344 in accretion (October 31, 2022 - $nil) and $12,058 (October 31, 2022 - $nil) in interest expense were recognized for the year ending October 31, 2023.

c) Convertible Debenture:
On February 2, 2023, a convertible debenture in the face value amount of $350,000 was issued by the Company with a fair value of $257,879 which may be converted at the option of the Company or the Vendor but not until a minimum of six (6) months following the Closing. The conversion price is $0.05 per common share for the period ending 12 months from the date of issue and is at price of $0.10 per common share for the following 12 months. As at October 31, 2023 the amortized cost of the convertible debenture was $288,848 (October 31, 2022 - $nil) including $30.969 in accretion expense (October 31, 2022 - $nil) was recognized for the year ending October 31, 2023.

Fair value of equity component:
The fair value of the liability component at the time of issue of note payable and convertible debenture were calculated as the discounted cash flows assuming a market interest rate of 16.5%, which was the estimated rate for the convertible debentures without the equity conversion feature. The value of the equity was calculated as the difference between the $350,000 face value of the convertible debenture less the fair value allocated to the liability component.

d) Credit Facility:
On April 4, 2022, the Company entered a commitment letter regarding credit facility ("Credit Facility") of $500,000, which was increased to $650,000 on October 25, 2022. The Credit Facility bears an interest rate of 7% per annum and is repayable on February 28, 2025. Security was granted to the provider of the Credit Facility which was registered as a first charge against the Company subordinated only to the security granted to the Vendor in respect of the Acquisition). On February 2, 2023, $52,819 (including interest of $2,819 were rolled into a Promissory Note).

e) Promissory Note:
On April 2, 2022 , a promissory note was issued see (notes 3 and 8) for $50,000 (the "Principal Sum") and accrued interest outstanding on the Credit Facility of $2,819 and subsequently the term was extended on February 2, 2023. As at October 31 , 2023 the promissory note carried a value of $55,380 inclusive of interest thereon of $5,379 for the year ending October 31, 2023 in relation to advances made under the Credit Facility. The promissory note bears interest at a rate of seven percent (7%) per annum payable on February 28, 2025.

These extensions provide Labrador with the necessary financial flexibility to pursue its growth and expansion strategies. They demonstrate the corporation's commitment to working closely with its financial partners to manage its financial commitments effectively.

Revenue

Presently, the Company has no ongoing sources of revenue. The Company is actively working on expanding our technical team to address industry-specific challenges with the objective of establishing a presence in the Western Canadian oil and gas sector.

Expenses

General & Administrative

This category of expenses is comprised primarily of corporate expenses to shareholder reporting and professional fees. General and administration expenses for the year ended October 31, 2023 were $72,142 compared to $140,939 (2022), a decrease of $68,797 or 49%. The decrease was related to the costs associated with the COB transaction: administrative, regulatory, and filing costs that occurred in 2022.

Finance Costs

Finance costs mainly includes interest and accretion expenses on accrued on loans advanced by third party to the Company. For the year ending October 31, 2023, interest and accretion expenses were $92,602 (2022-$3,991), showing a increase of $88,661 or 2,220%. The increase is due to increased interest and accretion expenses related to the financial agreements as detailed under the Results of Operations.

Working capital

As at October 31, 2023, the Company had cash of $196,525, and working capital of $182,242. The Company's ability to maintain its operations in the future is still dependent on its ability to generate sufficient revenue, and/or raise sufficient capital to continue to fund its strategic business plan.

Liquidity and Capital Resources

During the year ending October 31, 2023, the Company's cash position was $196,525.

Going Concern

These financial statements have been prepared in accordance with IFRS applicable to a going concern which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

The Company closed the change of business transactions (see below and see note 8). These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. Management is aware of material uncertainties that could cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. As at October 31, 2023, the Company has working capital of $182,242 (October 31, 2022 – ($393,371)) and has incurred current operating loss of $92,295 (2022- $83,192) and had no sources of operating inflows for the year ended October 31, 2023.

Management believes the going concern assumption is still appropriate for these financial statements but is dependent upon the successful raising of sufficient capital in the future as required, achieving and sustaining profitable operations, as well as the continued support from related parties and trade and other creditors. There can be no assurance that the steps management is taking will be successful. This assumption will be reviewed on an ongoing basis by management and the Board of Directors. If the going concern assumption were not appropriate for these financial statements, adjustments would be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the classifications used in the statement of financial position.

Summary of Quarterly Results:

Summary of Quarterly Results:

	Year to Date 2023	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
	$	$	$	$	$	$	$	$	$
Expenses									
General& Administrative	72,142	4,734	4,208	36,325	26,875	53,856	33,597	8,042	45,444
Share Based Compensation	19,384	4,154	5,011	10,219	-	-	-	-	-
Marketing & Sales	769	215	-	554	-	-	-	-	-
Debt Settlement	-	-	-	-	-	30	(24,321)	-	-
Operating Income (loss)	(92,295)	(9,103)	(9,219)	(47,098)	(26,875)	(53,886)	(9,276)	(8,042)	(45,444)
Finance Costs	(92,602)	(47,028)	(22,934)	(21,252)	(1,388)	(1,388)	(1,584)	(504)	(515)
Gain on initial recognition of financial liabilities	45,948	45,948	-	-	-	-	-	-	-
Net loss & comprehensive loss	**(138,949)**	**(10,183)**	**(32,153)**	**(68,350)**	**(28,263)**	**(55,274)**	**(10,860)**	**(8,545)**	**(45,959)**
Net loss per share, basic & diluted	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Outstanding shares	**24,672,144**	**24,672,144**	**24,672,144**	**24,672,144**	**13,472,144**	**13,472,144**	**13,472,144**	**13,472,144**	**13,472,144**
Total assets	**1,167,177**	**1,167,177**	**1,116,341**	**1,112,203**	**25,009**	**26,051**	**35,547**	**45,786**	**31,177**

Please note that the quarterly information is unaudited.

Capital Management

The Company makes adjustments to its capital structure in light of general economic conditions and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may pay dividends, buy back shares or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors reviews and approves any material transactions not in the ordinary course of business. The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy to maximize the return to its shareholders. The capital structure of the Company consists of cash, credit facility and shareholders' deficit. The credit facility is not subject to any financial covenants. The Company does not have any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

The following table sets forth the Company's total available credit:

As at	**October 31, 2023**	**October 31, 2022**
Maximum borrowing base limit:	$	$
Credit facility (1)	650,000	650,000
Principal amount utilized:		
Note Payable (2)	(50,000)	(50,000)
Accrued and Unpaid Interest	(5,408)	(1,947)
	(55,408)	(51,947)
Unused credit	**594,592**	**598,053**

(1) On April 4, 2022, the Company entered into a commitment letter regarding a two-year credit facility bearing a fixed interest rate of 7% per annum maturing on April 4, 2024. Effective October 30, 2023, the maturity date was extended to February 28, 2025.

(2) Loan Payable was replaced by the Debt Extending Agreement on February 3, 2023.

The Company makes adjustments to its capital structure in light of general economic conditions and the Company's working capital requirements. To maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may pay dividends, buy back shares or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors reviews and approves any material transactions not in the ordinary course of business.

Financial instruments and financial risk management:

Financial instruments of the Company include cash, trade payables and accrued liabilities, notes payable, term debt and convertible debenture. The Company is exposed to financial risks arising from its financial assets and liabilities that include credit risk and liquidity risk.

i) Determination of Fair Values

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company maximizes the use of observable inputs when preparing calculations of fair value, where possible. The fair value hierarchy has the following levels:

Level 1 – Determined by reference to quoted in active markets for identical financial assets and liabilities.

Level 2 – Inputs to the valuations, other than quoted prices, are observable for the financial assets and liabilities, either directly or indirectly.

Level 3 – Inputs to the valuations are based on inputs that are not observable for the financial assets and obligations.

The fair value of the Company's financial assets and liabilities, except for convertible debenture, approximate its carrying value due to the short time to maturities of these items. The notes payable, term debt and convertible debenture have been discounted at an estimated market rate and therefore carrying value approximates fair value.

Overview

The Company is exposed to risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks.

The principal financial risks to which the Company is exposed are described below.

a) Credit risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

b) Interest rate risk:

The Company maintains its short-term deposits in instruments that are redeemable at any time without penalty, thereby reducing its exposure to interest rate fluctuations.

Loans payable and long-term loans payable bear interest at a fixed rate, thus the cash flows are not subject to interest rate risk.

c) Liquidity risk:

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. Given that the Company continues to use cash in operations, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company on a timely basis. Refer to note 3 for details regarding the going concern assumption. At October 31, 2023, the Company has cash balances of $196,525 and a working capital of $182,242.

Key Management Personnel Compensation:

The key management personnel of the Company are the members of the Company's executive management team and Board of Directors.

In addition to their salaries and director fees, as applicable, directors and executive officers, along with certain employees of the Company, also participate in the Company's stock option plan. Compensation expenses incurred with respect to key management personnel were as follows:

	Year ended	
	October 31, 2023	October 31, 2022
	$	**$**
Consulting fees	17,500	36,500
Total Compensation	17,500	36,500

Outstanding share data

As of October 31, 2023, and as of February 28, 2024, LTX had 24,672,144 common shares outstanding.