

Form 51-102F1

ARCLAND RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

PERIOD ENDED FEBRUARY 29, 2024

PREPARED BY MANAGEMENT

The following Management Discussion and Analysis (“MD&A”) of Arcland Resources Inc. (the “Company”) should be read together with the financial statements for the period ended February 29, 2024 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards appropriate in the circumstances. All amounts are stated in Canadian dollars unless otherwise indicated. Additional information relevant to the Company is available for review on SEDAR+ at www.sedarplus.ca.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as “plan”, “except”, “project”, “intend”, “believe”, “anticipate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made. There can be no assurance that such forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These forward-looking statements include but are not limited to statements concerning:

- The Company’s success at completing future financings
- The Company’s strategies and objectives
- General business and economic conditions
- The Company’s ability to meet its financial obligations as they become due
- The Company’s ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity
- The positive cash flows and financial viability of new business opportunities
- The Company’s ability to manage growth with respect to a new business opportunity
- The Company’s tax position, anticipated tax refunds and the tax rates applicable to the Company

Accordingly, readers should not place undue reliance on such statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

1.1 Date of This Report

April 16, 2024

1.2 The Company

The Company is currently inactive and is looking for a suitable acquisition to begin operations. The Company’s principal business is acquisition, exploration and development of mining

properties and is currently evaluating acquisition targets. To date, the Company has not generated revenues from operations.

Selected annual financial Information

| | Year ended November 30, | | |
|----------------------------------|-------------------------|----------|-----------|
| | 2023 | 2022 | 2021 |
| Total revenue | \$ - | \$ - | \$ - |
| Net loss | (128,411) | (54,658) | (122,758) |
| Basic and diluted loss per share | (0.01) | (0.00) | (0.02) |
| Total assets | 99,930 | 242,188 | 289,228 |
| Total long-term liabilities | - | - | - |
| Cash dividends | - | - | - |

The Company was inactive, expenses were incurred to cover the daily operations and maintain the listing status on the TSX Venture Exchange.

The increase in net loss for the year ended November 30, 2023 was mainly due to the increase in travel expenses of \$32,792 incurred during the current year for visiting potential acquisition opportunities.

The decrease in net loss for the year ended November 30, 2022 was mainly due to the legal fees were incurred during the year ended November 30, 2021 for removing the cease trade order from the British Columbia Securities Commission and the regulatory procedures required for the business combination with SW Tech Corporation, and no such fees were incurred during the current year.

The increase in net loss for the year ended November 30, 2021 was mainly due to the increase in transfer and filing fees incurred for the consolidation of its issued and outstanding common shares on a 4 to 1 basis and completion of a non-brokered equity financing of \$500,000 with the issuance of 10,000,000 post-consolidation shares.

1.3 Financial Condition

For the three months ended February 29, 2024

The Company incurred a net loss of \$15,665 (2023: \$47,761) for the three months ended February 29, 2024, resulting in a loss per share of \$0.00 (2023: \$0.00). The decrease in loss was mainly due to the decrease in professional fees incurred during the current period.

1.4 Summary of Quarterly Results

FOR THE THREE MONTHS ENDED

| | February 29, 2024 | November 30, 2023 | August 31, 2023 | May 31, 2023 |
|--------------------------|----------------------|----------------------|--------------------|-----------------|
| Revenue | \$ - | \$ - | \$ - | \$ - |
| Net income (loss) | (15,665) | (8,355) | (49,534) | (22,761) |
| Earning (loss) per share | (0.00) | (0.00) | (0.00) | (0.00) |

FOR THE THREE MONTHS ENDED

| | February 28, 2023 | November 30, 2022 | August 31, 2022 | May 31, 2022 |
|--------------------------|----------------------|----------------------|--------------------|-----------------|
| Revenue | \$ - | \$ - | \$ - | \$ - |
| Net income (loss) | (47,761) | (19,846) | (9,092) | (16,359) |
| Earning (loss) per share | (0.00) | (0.00) | (0.00) | (0.00) |

1.5 Liquidity

As at February 29, 2024, the Company had working capital of \$72,094 as compared to working capital of \$87,759 at the end of November 30, 2023.

Current assets amounted to \$87,769 at February 29, 2024 as compared to \$99,930 at the end of November 30, 2023. The decrease was mainly due to the decrease in cash used for daily operations.

Net cash used in operating activities for the period ended February 29, 2024 was \$22,778 as compared to \$28,310 for the same period of previous year. The change was mainly due to the increase in prepaid expenses and decrease in trade and other payable for the current period.

The Company shall endeavor to raise additional capital or debt financing as and when required to meets its obligations.

Readers are cautioned that a number of factors beyond the control of the Company could result in the Company not being able to sustain its current position or to complete the acquisition. Such factors could include adverse economic conditions, political and regulatory concerns and key individual staffing problems amongst others.

1.6 Capital Resources

As of February 29, 2024, the Company had no commitment for capital expenditures. The Company remains dependent upon equity markets for financing.

1.7 Off-Balance Sheet Arrangements

None

1.8 Transactions with Related Parties

All transactions with related parties have occurred in the normal course of operations, occurring on terms and conditions that are similar to those of transactions with unrelated parties and, therefore, are measured at the exchange amount.

The key management personnel of the Company are the directors and officers of the Company. There was no amount paid to the related parties for services during the period ended February 29, 2024 and year ended November 30, 2023.

There are amounts of \$1,082 (November 30, 2023 - \$1,082) and \$nil (November 30, 2023 - \$nil) owing to an ex-director and a director, respectively, for expenses paid on behalf of the Company included in trade and other payables as at February 29, 2024.

1.9 Quarter ended November 30, 2024

Item 1.3 provides further details.

1.10 Proposed Transactions

See Section 1.2.

1.11 Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Areas requiring significant management estimates include assumptions and estimates relating to but not limited to, stock-based compensation, valuation allowances for deferred income tax assets and deferred income tax liabilities. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant. Actual results could differ from those estimates.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operations could limit the ability of the Company to obtain tax deductions in future periods.

Share-based payment

The Company uses the Black-Scholes option pricing model to calculate the fair value of share purchase options at the date of grant. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value. Changes in these assumptions can materially affect the fair value estimate.

Significant judgments used in the preparation of these financial statements include, but are not limited to:

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the period ended February 29, 2024. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, the Company concluded its liquidity to remain sufficient based on existing capital resources.

1.12 New Standards and Interpretations Adopted During the Period

On December 1, 2023, the Company adopted an amendment by IASB to IAS 1, which affects only the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. Adoption of the standard does not have any material impact on the financial statements.

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”)

On December 1, 2023, the Company adopted the amendments to IAS 8 under the Definition of Accounting Estimates issued by IASB. The amendment replaces the definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty.” The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. Adoption of the standard does not have any material impact on the financial statements.

IAS 12 – Income Taxes (“IAS 12”)

On December 1, 2023, the Company adopted the amendments to IAS 12 issued by IASB under Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendment narrows the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offset temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on

initial recognition of transactions such as leases and decommissioning obligations. Adoption of the standard does not have any material impact on the financial statements.

1.13 New standards and interpretations not yet adopted

The Company continuously monitors the potential changes proposed by the International Accounting Standards Board (“IASB”) and analyze the effect that changes in the standards may have on the financial statements when they become effective. There have been no significant changes to future accounting policies that could impact the Company from what was disclosed in the November 30, 2023 financial statements.

1.14 Financial Instruments and Risk

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income (“FVTOCI”) or fair value through profit or loss (“FVTPL”). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

We have assessed the classification and measurement of our financial assets and financial liabilities under IFRS 9 as follows:

| Financial Assets | IAS 39 | |
|------------------------------|----------------|----------------|
| Cash | FVTPL | Amortized cost |
| Financial Liabilities | | |
| Trade and other payables | Amortized cost | Amortized cost |

Impairment of Financial assets

The Company recognizes an allowance using the Expected Credit Loss (“ECL”) model on financial assets classified as subsequently measured at amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts recoverable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as subsequently measured at amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the statement of comprehensive loss.

The Company is exposed to various risks associated with its financial instruments. These risks include: credit risk, liquidity risk and market risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company’s risk management activities include the preservation of its capital by minimizing risk related to its cash. The Company does not have a risk management committee or written risk management policies.

Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and short-term investment. The Company limits its exposure to credit risk on liquid financial assets through holding and investing its cash with high credit quality financial institutions. The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company ensures that there is sufficient working capital to fund its ongoing operating expenditures, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents and short-term investment. As at February 29, 2024, the Company had a working capital of \$72,094 (November 30, 2023: \$87,759).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, equity prices, and exposure of long-term investments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash and short-term investment balances. The Company has no interest-bearing debt. The Company's current policy is to invest excess cash in short-term deposits with its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates.

The Company's functional currency is the Canadian dollar and all major transactions are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is minimal.

1.15 Outstanding Share Data

As of April 16, 2024, the following securities were outstanding:

(a) Share Capital

Authorized – Unlimited number of common shares without par value
Issued and outstanding – 13,232,337 common shares with a recorded value of \$6,749,526

(b) Options

At April 16, 2024, there were no outstanding stock options.

(c) Warrants

At April 16, 2024, there were no outstanding warrants.

1.16 Outlook

The Company is currently inactive and is looking for a suitable acquisition to begin operations. The Company's principal business is acquisition, exploration and development of mining properties and is currently evaluating acquisition targets.

1.17 Risks and Uncertainties

The following are risks and uncertainties associated with the Company:

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risk described below and the other information filed with the Canadian securities regulators before investing in the Company's common share. The risks described below are not the only ones faced. Additional risks that the Company currently believe are immaterial may indeed become important factors that affect the Company's business. If any of the following risk occurs, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose all of their investment.

We have a history of losses and anticipate that we will continue to incur losses for the foreseeable future.

We have historically incurred losses as evidenced by the Statements of Operations and Comprehensive Loss contained herein. We incurred a loss of \$15,665 for the period ended February 29, 2024 and an accumulated deficit of \$6,767,525 as of February 29, 2024.

We are still on the process of searching for mining properties for the Company. There is no assurance that suitable mining properties will be located for the Company in the near future. Therefore, the Company will remain its current status as an inactive company with no business.

We are dependent on our key personnel. Our success depends on our key executives and the loss of the service of one or more of such key management personnel could have a material adverse effect on the Company.