

# **PROAM EXPLORATIONS CORPORATION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Period Ended March 31, 2025

Report Date – June 4, 2025

# **PROAM EXPLORATIONS CORPORATION**

## **Management's Discussion & Analysis**

### **For the Period Ended March 31, 2025**

#### **Introduction**

This Management's Discussion and Analysis ("MD&A") is provided by the management of ProAm Explorations Corporation (the "Company" or "ProAm") as at and for the period ended March 31, 2025. This MD&A should be read in conjunction with the Company's consolidated interim financial statements and notes thereto for the period ended March 31, 2025 (the "Unaudited Consolidated Interim Financial Statements").

The following information has been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). All financial results are reported in Canadian dollars, unless otherwise indicated.

Additional information relating to the Company, including the financial statements are available on the Canadian System for Electronic Data Analysis and Retrieval + "SEDAR+" website at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **Going Concern**

The Company's financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with, loans from directors and companies controlled by directors and/or private placements of common share. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

#### **Description of Business**

ProAm Explorations Corporation is a junior mineral exploration and development company. The Company's shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "PMX". The Company's registered and records office are located at Suite 2501-550 Burrard Street, Vancouver, BC.

The Company held interests in properties focused on base metals and rare earth elements, including the Samuel Lake Property. As of the current reporting period, the Company has written off its remaining exploration properties due to strategic realignment and prevailing market conditions. The Company is now actively evaluating and pursuing new mineral exploration opportunities, with a continued focus on properties in the base metals and critical minerals sector. Management believes this shift will better position the Company to capitalize on emerging resource demands. The Company operates in Canada and the United States.

On February 21, 2025, the Company announced a private placement financing of up to \$210,000 through the issuance of 6,000,000 units at a price of \$0.035 per unit. Subsequently, on May 26, 2025, the Company agreed to increase the private placement to a maximum of 7,000,000 units at a revised price of \$0.04 per unit for a total gross proceeds of up to \$280,000. Each unit will consist of one share and one transferable share purchase warrant, with each warrant being exercisable at a price of \$0.05 for a period of 12 months from closing of the private placement to acquire one additional common share.

On April 29, 2025, the Company entered into a loan agreement with Mineral Road Discovery to borrow \$1,800.00. The principal amount of the loan is unsecured, bears no interest, and is repayable in full on April 29, 2027.

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**Description of Business** *(continued)*

On May 20, 2025, the Company entered into a loan agreement with Mineral Road Discovery Inc. to borrow \$25,000. The loan is unsecured, bears interest at 5% per annum, and is repayable in full on May 20, 2027.

On May 22, 2025, the Company entered into a loan agreement with Mineral Road Discovery Inc. to borrow \$1,050. The loan is unsecured, bears interest at 5% per annum, and is repayable in full on May 22, 2027.

**Material Accounting Policy Information**

*Basis of Preparation of Financial Statements*

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

|                               | Country of incorporation | Percentage owned* |      |
|-------------------------------|--------------------------|-------------------|------|
|                               |                          | 2025              | 2024 |
| OSEC Petroleum Canada Limited | Canada                   | 100%              | 100% |
| OSEC Trading Corp.            | Canada                   | 100%              | 100% |
| OSEC Petroleum Inc.           | USA                      | 100%              | 100% |

\*Percentage of voting power is in proportion to ownership.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

*Significant estimates and assumptions*

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. 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.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of E&EA and property and equipment, fair value measurements for financial instruments, recoverability and measurement of deferred tax assets and provisions for restoration and environmental obligations.

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**Material Accounting Policy Information** *(continued)*

*Significant judgements*

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification / allocation of expenditures as E&EA expenditures, property and equipment or operating expenses;
- the classification of financial instruments; and
- the determination of the functional currency of the Company and its subsidiaries.

*Foreign currency translation*

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currencies of the subsidiaries are as follows:

|                               | <b>Functional currency</b> |
|-------------------------------|----------------------------|
| OSEC Petroleum Canada Limited | Canadian                   |
| OSEC Trading Corp.            | Canadian                   |
| OSEC Petroleum Inc.           | U.S.                       |

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the consolidated statements of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the consolidated statements of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit and loss. The financial results and financial position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the year.

Exchange differences arising on translation of foreign operations are transferred directly to the Company's foreign currency translation reserve in the consolidated statements of comprehensive loss. These differences are recognized in the profit or loss in the period in which the operation is disposed.

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**Material Accounting Policy Information** *(continued)*

*Exploration and evaluation assets*

Acquisition and exploration costs are accumulated on a field-by-field basis. Acquisition and exploration expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Costs incurred before the legal rights to explore an area have been obtained are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units (CGUs).

The technical feasibility and commercial viability of extracting a resource is considered to be determined when proven reserves are determined to exist. A review of each exploration license or data field is carried out, at least annually, to ascertain whether proven reserves have been discovered. Upon determination of proven reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to separate categories within tangible assets referred to as property and equipment.

*Property, plant and equipment*

Property and equipment, which includes oil and gas properties, are measured at cost, less accumulated depreciation and accumulated impairment losses. Property and equipment assets are grouped into CGUs for impairment testing.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalized within oil and gas properties, as long as the facts and circumstances indicate that the field has commercially viable reserves.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the asset retirement obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalized value of a finance lease is also included within property and equipment.

Where commercial production in an area of interest has commenced, oil and gas properties are depreciated on a unit-of-production basis over the proven reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved and probable reserves of the relevant area. The unit-of-production rate for the amortization of field development costs takes into account expenditures incurred to date, together with future development expenditure to develop the proved and probable reserves. Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations do not give rise to prior year financial period adjustments and are dealt with on a prospective basis.

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**Material Accounting Policy Information** *(continued)*

*Decommissioning liabilities*

The Company reviews and recognizes legal obligations associated with the retirement of tangible long-lived assets, including rights to explore or exploit natural resources and equipment. When such obligations are identified and measurable, the estimated fair values of the obligations are recognized on a systematic basis over the remaining period until the obligations are expected to be settled. On recognition of the liability, there is a corresponding increase in the carrying amount of the related assets known as decommissioning liabilities, which is depleted on a unit-of-production basis over the life of the assets. The liability is adjusted each reporting period to reflect the passage of time, with the accretion charged to earnings and for revisions to the estimated future cash flows. Actual costs incurred upon settlement of the obligations are charged against the liability.

*Share-based payments*

The Company has a stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

*Financial instruments*

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

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**Material Accounting Policy Information** *(continued)*

*Financial instruments (continued)*

The following table shows the Company's classification of financial assets and liabilities under IFRS 9:

| Financial assets/liabilities | Classification |
|------------------------------|----------------|
| Cash                         | FVTPL          |
| Trade receivables            | Amortized cost |
| Trade payables               | Amortized cost |
| Short term investments       | FVTOCI         |
| Due to related parties       | Amortized cost |
| Loan payable                 | Amortized cost |

(ii) Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statement of comprehensive loss in the period in which they arise.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

(iii) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

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**Material Accounting Policy Information** *(continued)*

*Financial instruments (continued)*

*Loss per share*

Loss per share is calculated by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. Diluted per share calculations reflect the exercise or conversion of potentially dilutive securities or other contracts to issue shares at the later of the date of grant of such securities or the beginning of the year. The Company computes diluted earnings per share using the treasury stock method to determine the dilutive effect of securities or other contracts. Under this method, the diluted weighted average number of shares is calculated assuming the proceeds that arise from the exercise of outstanding, in-the-money options are used to purchase common shares of the Company at their average market price for the year. No adjustment to diluted earnings per share or diluted shares outstanding is made if the result of the calculations is anti-dilutive.

*Cash*

Cash includes cash on hand and deposits held at call with banks.

*Government grants*

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as an expense reduction in the period in which the costs are incurred. Where the grant relates to an asset, it is recognized as a reduction to the net book value of the related asset and then subsequently in net loss over the expected useful life of the related asset through lower charges to depreciation and impairment.

*Revenue*

The Company recognizes revenue based on IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). This standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. This standard requires companies to follow a five-step model to determine if revenue should be recognized:

1. Identify the contracts with customers
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when the entity satisfies a performance obligation

Revenue from the sale of oil and natural gas is recorded when the significant risks and rewards of ownership of the product is transferred to the buyer which is usually when legal title passes to the external party, can be reasonably estimated and collectability is reasonably assured. This is generally at the time product enters the pipeline or any other means of transportation. Revenue is measured net of any royalties.

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**Accounting Standards issued by not yet effective**

There are no IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

**Accounts receivable**

|                      |    | <b>March 31, 2025</b> |    | <b>December 31, 2024</b> |
|----------------------|----|-----------------------|----|--------------------------|
| Trade receivables    | \$ | 9,606                 | \$ | 5,178                    |
| Sales tax receivable |    | 10,616                |    | 3,793                    |
|                      | \$ | 20,222                | \$ | 8,971                    |

**Accounts payable**

|                     |    | <b>March 31, 2025</b> |    | <b>December 31, 2024</b> |
|---------------------|----|-----------------------|----|--------------------------|
| Trade payables      | \$ | 143,559               | \$ | 59,412                   |
| Accrued liabilities |    | 11,025                |    | 50,500                   |
|                     | \$ | 154,584               | \$ | 109,912                  |

**Mineral properties**

***Samuel Lake Project***

Pursuant to certain agreements, the Company owns an undivided 100% interest, subject to a 2.5% NSR, in certain claims comprising the Samuel Lake Property.

On December 31, 2024, the Company decided that substantive expenditures for further exploration on the Samuel Lake Property would not be budgeted nor planned and as such, \$9,917 in acquisition and exploration costs were written off.

***Nevada, USA Jet Property***

In 2018, the Company entered into an option agreement to acquire an undivided 100% interest subject to 2.5% NSR, in certain claims comprising the Jet Property, located in Elko County, Nevada.

On December 31, 2024, the Company decided that substantive expenditures for further exploration on the Jet Property would not be budgeted nor planned and as such, \$499,280 in acquisition and exploration costs were written off.

***Utah***

The company owns 100% interest in a 10 claim block plus an attached school reserve.

On December 31, 2024, the Company decided that substantive expenditures for further exploration on the Samuel Lake Property would not be budgeted nor planned and as such, \$8,643 in acquisition and exploration costs were written off.

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**Oil and Natural gas**

The Company sold its interest in the Elder's Ridge Natural gas property in 2023. Natural prices have rendered most shallow natural gas properties uneconomic. In this environment companies have an expensive obligation to abandon the properties.

**Oil and Natural Gas Production and Exploration**

**Arkansas**

The Company has a 10.1% working interest a well in Logan County Arkansas.

On December 31, 2024, the Company determined it will no longer pursue development or exploration activities on this property. As a result, the carrying value of this property has been fully written off.

**Oklahoma**

The Company has a 10.1% working interest in a well.

On December 31, 2024, the Company determined it will no longer pursue development or exploration activities on this property. As a result, the carrying value of this property has been fully written off.

**OPERATIONS**

**The year ended December 31, 2024**

For the year ended December 31, 2024, the Company reported a net loss of \$619,063 compared to a loss of \$218,312 in the prior year.

Natural gas production revenue of \$5,796 was recorded during the year ended December 31, 2024, compared to \$6,234 recorded for the year ended December 31, 2023.

General and administrative expenses of \$129,075 (2023 - \$67,867) were made up of the following:

- \$5,000 (2023 - \$891) in exploration expenses,
- \$4,311 (2023 - \$7,028) in filing and transfer agent fees,
- \$2,345 (2023 - \$15,354) in license and dues,
- \$28,000 in management fees paid to Jason Cubitt, the CEO and a director of the Company, and
- \$24,932 (2023 - \$44,594) in office and miscellaneous,
- \$64,487 (2023 - \$Nil) in professional fees paid as follows - \$40,000 in audit related fees, \$10,500 in accounting fees and \$13,987 in legal fees.

During the year, the Company recorded several non-operational items that impacted the results of operations. These included a gain on the forgiveness of a loan of \$9,044 (2023 - \$Nil), which was recognized as other income. The Company also recorded an impairment charge of \$517,841 (2024 - \$Nil) related to mineral properties that are no longer part of the Company's strategic focus. In addition, a loss on foreign exchange of \$523 (2023 - \$Nil) was recognized due to fluctuations in currency rates during the year. The Company wrote off certain accounts receivable totaling \$119 (2023 - \$Nil) that were deemed uncollectible, as well as accounts payable of 24,364 (2023 - \$Nil) that were no longer considered payable or enforceable.

# PROAM EXPLORATIONS CORPORATION

## Management's Discussion & Analysis

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### Selected Financial Data - Summary of Annual Results

(\$000's except loss per share)

|                                  | December 31,<br><u>2024</u> | December 31,<br><u>2023</u> | December 31,<br><u>2022</u> |
|----------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenue                          | \$ 5,796                    | \$ 6,234                    | \$ 31,963                   |
| Net Loss                         | \$ (619,063)                | \$ (218,312)                | \$ (91,256)                 |
| Basic and Diluted Loss Per Share | \$ (0.07)                   | \$ (0.01)                   | \$ (0.01)                   |
| Total Assets                     | \$ 31,045                   | \$ 621,040                  | \$ 935,189                  |
| Long-Term Debt                   | \$ 0                        | \$ 0                        | \$ 29,044                   |
| Dividends                        | \$ 0                        | \$ 0                        | \$ 0                        |

### Summary of Quarterly Results

The following is a summary of quarterly financial information of the Company since its inception:

|                                  | Three months ended<br>March 31,<br>2025 | Three months ended<br>December 31, 2024 | Three months ended<br>September 30, 2024 | Three months ended<br>June 30, 2024 | Three months ended<br>March 31, 2024 |
|----------------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|-------------------------------------|--------------------------------------|
|                                  | \$                                      | \$                                      | \$                                       | \$                                  | \$                                   |
| Revenue                          | 4,264                                   | 3,008                                   | 1,565                                    | (613)                               | 2,961                                |
| Basic and diluted loss per share | (0.00)                                  | (0.07)                                  | (0.00)                                   | (0.00)                              | (0.01)                               |
| Net income (loss)                | (37,948)                                | (605,440)                               | (9,690)                                  | (4,064)                             | (168,878)                            |
| Total assets                     | 58,019                                  | 31,045                                  | 545,301                                  | 553,938                             | 621,040                              |
| Total liabilities                | 222,223                                 | 157,301                                 | 65,241                                   | 42,329                              | 124,198                              |

|                                  | Three months ended<br>December 31, 2023 | Three months ended<br>September 30, 2023 | Three months ended<br>June 30, 2023 | Three months ended<br>March 31, 2023 |
|----------------------------------|-----------------------------------------|------------------------------------------|-------------------------------------|--------------------------------------|
|                                  | \$                                      | \$                                       | \$                                  | \$                                   |
| Revenue                          | 2,961                                   | (389)                                    | 1,293                               | 2,369                                |
| Basic and diluted loss per share | (0.01)                                  | (0.00)                                   | (0.00)                              | (0.00)                               |
| Net income (loss)                | (168,878)                               | 504                                      | (38,935)                            | (11,003)                             |
| Total assets                     | 621,040                                 | 910,768                                  | 887,536                             | 920,015                              |
| Total liabilities                | 124,198                                 | 215,265                                  | 227,941                             | 219,591                              |

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**Summary of Quarterly Results**

**For the three months period ended March 31, 2025**

During the period ended March 31, 2025, the Company reported a net loss of \$37,908 (2024 – net income of \$7,997). Included in the determination of operating loss was \$58,080 (2024 - \$555) for general and administrative costs, and \$3,217 (2024 - \$2,328) in operating expenses.

Unrealized gain on short-term investments was \$19,085 for the period ended March 31, 2025 compared to \$Nil for the 2024 comparative period. The amount represents unrealized losses from market price fluctuations of the common shares of publicly traded mining exploration companies held for investment recorded at fair value using quoted market prices as at March 31, 2025.

**Liquidity and Capital Resources**

The Company had a working capital deficit of \$181,373 as at March 31, 2025, compared to \$143,425 as at March 31, 2024. Working capital deficit increased during the year primarily due to higher operating expenditures.

**Share Capital Transactions**

As at March 31, 2025 and December 31, 2024, the Company owns 468,664 of its own Class A voting common shares acquired at an aggregate cost of \$889,957. These shares are recorded as a reduction in equity.

For the period ended March 31, 2025, the Company had the following share capital transactions:

On February 21, 2025, the Company announced a private placement financing of up to \$210,000 through the issuance of 6,000,000 units at a price of \$0.035 per unit. Each unit will consist of one share and one transferable share purchase warrant, with each warrant being exercisable at a price of \$0.05 for a 5 year period from the date of issuance. In the event that the Corporation's stock trades at \$0.10 or greater for 20 consecutive trading days, the Company may give notice accelerating the expiry date of the exercise period of the warrants to that date which is 10 days from the date of such notice.

On April 10, 2025, Jason Cubitt, CEO and Director of the Company, disclosed that he will be subscribing for up to 500,000 units for gross proceeds of up to \$17,500. The issuance of units to Mr. Cubitt pursuant to the Private Placement will be considered a related party transaction within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions. The Company will file a material change report in respect of the related party transactions in connection with the Private Placement.

- On May 31, 2024, the Company consolidated all its issued and outstanding common shares on a two (2) for one (1) basis pursuant to the policies of the Canadian Securities Exchange. . All share information has been retroactively restated to reflect this consolidation.

For the period ended March 31, 2024, the Company had the following share capital transactions:

- On September 28, 2023, the Company issued 125,000 common shares to an arm's length party with a fair value of \$8,750 to settle \$12,500 of debt, resulting in a gain on debt settlement of \$3,750.

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**Related Party Transactions**

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

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

During the period ended March 31, 2025, the Company paid or accrued management fees of \$51,450 (2024 - \$Nil) to Jason Cubitt, the CEO and a director of the Company. As at March 31, 2025, an amount of \$51,450 (2024 - \$Nil) included in accounts payable was due to Jason Cubitt, the CEO and a director of the Company. The amounts due are unsecured, bear no interest and are due on demand.

During the year, the Company received advances from Glencoe-MacDonald Holdings, a company controlled by Donald MacDonald, the President and director of the Company. These advances were made in the normal course of operations to provide working capital support. The advances are non-interest bearing, unsecured and have no fixed terms of repayment. As at March 31, 2025, the amount payable to Glencoe-MacDonald Holdings was \$16,189 (2024 - \$8,173).

On March 4, 2025, the Company reimbursed Glencoe-MacDonald Holdings, a company controlled by Donald MacDonald, the President and a director of the Company, \$3,200 as a partial repayment of advances previously made to the Company. These transactions were made in the normal course of operations to provide working capital support. As at the date of this MD&A, the amount payable to Glencoe-MacDonald Holdings is \$16,189.

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements as at March 31, 2025 or at June 4, 2025.

**Financial Risk and Capital Management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. 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 that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and the United States. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its accounts receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes and amounts due from the Company's partners from its oil and gas properties.

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**Financial Risk and Capital Management (continued)**

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been from oil and gas revenues. Management believes that its revenues are not adequate to pay for its day to day operations and has sold or written off its oil and gas properties. Additional sources of funding will be required. Liquidity risk has been assessed as high.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at March 31, 2025:

|                        | <b>Within one year</b> | <b>Between one and five years</b> | <b>More than five years</b> |
|------------------------|------------------------|-----------------------------------|-----------------------------|
| Trade payables         | \$ 154,584             | \$ -                              | \$ -                        |
| Due to related parties | 67,639                 | -                                 | -                           |
| Loan payable           | -                      | -                                 | -                           |
|                        | <b>\$ 222,223</b>      | <b>\$ -</b>                       | <b>\$ -</b>                 |

***Foreign exchange risk***

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and the United States. The Company's functional currency is the Canadian dollar. The Company has not hedged its exposure to currency fluctuations.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in United States dollars:

|                     | <b>March 31, 2025</b> | <b>December 31, 2024</b> |
|---------------------|-----------------------|--------------------------|
| Cash                | \$ 230                | \$ 2,015                 |
| Accounts receivable | 9,606                 | 5,178                    |
| Accounts payable    | (9,512)               | (10,339)                 |
|                     | <b>\$ 342</b>         | <b>\$ (3,146)</b>        |

Assuming that all variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar would not materially affect the loss from operations.

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**Financial Risk and Capital Management** *(continued)*

***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is limited to the portion of the Company's cash held in bank accounts that earn interest. Due to the limited and short-term nature of these financial instruments, fluctuations in the interest rates will not have a significant impact on their fair value. As at March 31, 2025, the Company had not entered into any derivative contracts to manage this risk.

***Capital Management***

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

***Classification of financial instruments***

Financial assets included in the consolidated statement of financial position are as follows:

|                        | <b>March 31,<br/>2025</b> | <b>December 31,<br/>2024</b> |
|------------------------|---------------------------|------------------------------|
| FVTPL:                 |                           |                              |
| Cash                   | \$ 783                    | \$ 4,145                     |
| Amortized Cost:        |                           |                              |
| Trade receivables      | 9,606                     | 8,971                        |
| FVTOCI:                |                           |                              |
| Short-term investments | 20,222                    | 686                          |
|                        | <b>\$ 30,611</b>          | <b>\$ 13,802</b>             |

Financial liabilities included in the statement of financial position are as follows:

|                                          | <b>March 31,<br/>2025</b> | <b>December 31,<br/>2024</b> |
|------------------------------------------|---------------------------|------------------------------|
| Financial liabilities at amortized cost: |                           |                              |
| Trade payables                           | \$ 154,584                | \$ 58,206                    |
| Amounts due to related parties           | 67,639                    | 47,389                       |
| Loan payable                             | -                         | 49,044                       |
|                                          | <b>\$ 222,223</b>         | <b>\$ 97,096</b>             |

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**Financial Risk and Capital Management** *(continued)*

***Fair value***

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at March 31, 2025 and December 31, 2024:

| <b>As at March 31, 2025</b> |                  |                |                |
|-----------------------------|------------------|----------------|----------------|
|                             | <b>Level 1</b>   | <b>Level 2</b> | <b>Level 3</b> |
| Cash                        | \$ 783           | \$ -           | \$ -           |
| Short-term investments      | 20,222           | -              | -              |
|                             | <b>\$ 21,005</b> | <b>\$ -</b>    | <b>\$ -</b>    |

***Fair value***

| <b>As at December 31, 2024</b> |                 |                |                |
|--------------------------------|-----------------|----------------|----------------|
|                                | <b>Level 1</b>  | <b>Level 2</b> | <b>Level 3</b> |
| Cash                           | \$ 4,145        | \$ -           | \$ -           |
| Short-term investments         | 686             | -              | -              |
|                                | <b>\$ 4,831</b> | <b>\$ -</b>    | <b>\$ -</b>    |

**Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the MD&A requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

**Outstanding Share Data**

The Company has authorized an unlimited number of common shares with no par value.

| <b>Type of Equity Instruments</b> | <b>As of March 31, 2025</b> | <b>As of the date of this MD&amp;A</b> |
|-----------------------------------|-----------------------------|----------------------------------------|
| Common shares                     | 8,398,135                   | 8,398,135                              |
| Stock Options                     | 650,000                     | 650,000                                |

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**Stock Option Plan**

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares. The Company expenses the fair value of all stock-based compensation awards as determined using the Black-Scholes Option Pricing Model.

The Company's stock option transactions are as follows:

|                           | <b>December 31, 2024</b> |                                        | <b>December 31, 2023</b> |                                        |
|---------------------------|--------------------------|----------------------------------------|--------------------------|----------------------------------------|
|                           | <b>Number of options</b> | <b>Weighted average exercise price</b> | <b>Number of options</b> | <b>Weighted average exercise price</b> |
| Outstanding, beginning    | 650,000                  | \$ 0.14                                | 700,000                  | \$ 0.14                                |
| Granted during the year   | -                        | \$ -                                   | -                        | \$ -                                   |
| Forfeited during the year | -                        | \$ -                                   | (50,000)                 | \$ 0.14                                |
| Outstanding, ending       | 650,000                  | \$ 0.14                                | 650,000                  | \$ 0.14                                |

On April 12, 2024, Rex Davidson resigned from his position as Chief Financial Officer of the Company. In accordance with the terms of the Company's stock option plan, Mr. Davidson forfeited his entitlement to 50,000 unvested stock options upon his resignation. As a result, the outstanding stock option balance as at year-end has been reduced by this amount.

As at March 31, 2025, the following stock options are outstanding and exercisable:

| <b>Total number of options</b> | <b>Exercise price</b> | <b>Expiry dates</b> |
|--------------------------------|-----------------------|---------------------|
| 250,000                        | \$0.14                | May 4, 2025         |
| 250,000                        | \$0.14                | March 9, 2027       |
| 150,000                        | \$0.12                | June 2, 2027        |
| 650,000                        |                       |                     |

As at March 31, 2025, the stock options outstanding have a weighted average outstanding life of 1.15 years.

The Company did not grant any stock options during the periods ended March 31, 2025 and December 31, 2024.

**Warrants**

As at March 31, 2025 and December 31, 2024, there were no share purchase warrants outstanding.

**Corporate Governance**

The Company's Board of Directors substantially follows the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board of Directors is comprised of four individuals – Jason Cubitt, Al Fabbro, Don MacDonald and Tjalling de Jong. Tjalling de Jong is neither an executive officer nor an employee of the Company and is unrelated in that he is independent of management.

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**Board of Directors and Officers**

|                         |                  |
|-------------------------|------------------|
| Chief Executive Officer | Jason Cubitt     |
| President and Director  | Donald MacDonald |
| Director                | Tjalling de Jong |
| Chief Financial Officer | Al Fabbro        |

On April 22, 2025, the Company announced that Mr. Ron Shenton has resigned from the board of directors.

**Management's Responsibility for Financial Reporting**

The accompanying financial statements of the Company and all the information in this Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the Management's Discussion and Analysis and has ensured that it is consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls in order to provide on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements. That Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board and two of its members are independent directors. The Audit Committee meets at least one a year with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditors' report. The Audit Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the shareholders, the engagement or appointment of the external auditors.

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**Cautionary Statement Regarding Forward-Looking Statements**

Certain statements in this MD&A are forward-looking statements or forward-looking information (collectively "forward-looking statements") within the meaning of applicable securities legislation. We are hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof 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. Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed.

**Readers are cautioned that the foregoing lists of factors are not exhaustive.**

The forward-looking statements in this MD&A are based on the reasonable beliefs, expectations and opinions of management on the date of this MD&A. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

**Risk Factors**

An investment in the Company should be considered highly speculative, due to the Company's stage and the inherent uncertainty in resource exploration and development.

The Company is exposed to many risks and uncertainties including among other factors the following:

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

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**Risk Factors** *(continued)*

The Company's projects are at an early stage of exploration. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of minerals, metals or resources of value. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

The business of exploration for minerals and mining involves a high degree of risk. Whether a mineral deposit can be commercially viable depends upon a number of factors, including the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal and uranium prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into profitable, producing mines.

Substantial expenditures are required to establish the continuity of mineralized zones through drilling and to develop and maintain the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company's properties can be obtained on a timely basis.

The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

There is no assurance that any regulatory authority having jurisdiction will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

Financial Capability and Additional Financing

The Company has limited financial resources and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on its projects. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

Mining Titles

There is no guarantee that the Company's title to or interests in the Company's property interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

There can be no assurance that the Company's rights will not be challenged by third parties claiming an interest in the properties. In order to retain mining titles, the Company is obligated to perform certain annual work assessment requirements. A failure to perform adequate exploration work on specific mineral tenure claims is, in the absence of cash deposits, expected to result in the loss of such tenure.

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**Risk Factors** *(continued)*

Management

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

Conflicts of Interest

Certain directors and officers of the Company are, and are expected to continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships, joint ventures and other financial and/or mining interests which are potential competitors of the Company or otherwise adverse in interest. It is understood and accepted by the Company that certain directors and officers of the Company may continue to independently pursue opportunities in the mineral exploration industry. Situations may arise in connection with potential acquisitions, operational aspects, or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies and the particulars of any agreements made between the Company and the applicable director or officer.

Dilution

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment diluted. In addition, if warrants and options are issued in the future, the exercise of such options and warrants may result in dilution to the Company's shareholders. The Company intends to issue further equity in the future.

History of Losses and No Assurance of Profitable Operations

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future years. If the Company is unable to operate profitably during future years, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources.

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

Uninsurable Risks

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

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**Risk Factors** *(continued)*

Environmental and Safety Regulations and Risks

Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

Fluctuating Commodity Prices

The Company's revenues, if any, are expected to be in large part derived from the sale of commodities. The prices of commodities, including prices related to lithium and uranium, have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply due to new mine developments, mine closures, and advances in various production and technological uses for commodities being explored for by the Company.

All of these factors, and other factors not detailed herein, may impact the viability of Company projects, and include factors which are not possible to predict with certainty.

Competitive Conditions

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical capabilities. Competition in the mining industry is primarily for mineral properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labor to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine for metals, minerals and uranium, but also conduct refining and marketing operations on a world-wide basis and most of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results.

Inadequate Infrastructure May Affect the Company's Operations

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.