

SMITHE RESOURCES CORP.
(A Capital Pool Company)

Management Discussion and Analysis

For the three and nine months ended January 31, 2025

April 4, 2025

(Expressed in Canadian Dollars)

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This Management Discussion and Analysis (the “MD&A”) provides relevant information on the operations and financial condition of Smithe Resources Corp. (the “Company”) for the three and nine months ended January 31, 2025. The MD&A has been prepared with an effective date and current information as of April 4, 2025.

All monetary amounts in this MD&A and in the condensed interim financial statements are expressed in Canadian dollars, unless otherwise stated. Financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”).

The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and the condensed interim financial statements together with other financial information included in these filings. The Board of Directors approves the condensed interim financial statements and MD&A and ensures that management has discharged its financial responsibilities.

The MD&A should be read in conjunction with the Company’s condensed interim financial statements and notes thereto for the three and nine months ended January 31, 2025 and audited financial statements for the year ended April 30, 2024.

The Company is registered in the province of British Columbia. The head office and registered office of the Company is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

NATURE OF BUSINESS

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on February 17, 2021. The Company is a Capital Pool Company (a “CPC”) as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”). The Company has not commenced commercial operations and proposes to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of regulatory approval.

On October 21, 2021, the Company completed its initial public offering (the “IPO”) of 5,000,000 common shares at the price of \$0.10 per common share. The common shares of the Company commenced trading on the Exchange on October 25, 2021 under the trading symbol “SMTH.P”.

Until completion of a Qualifying Transaction (as defined in Exchange Policy 2.4), the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described in the Company’s Final Prospectus, the funds raised pursuant to the Company’s initial public offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

There is no assurance that the Company will identify an appropriate business or asset for acquisition or investment and even if so identified and warranted, it may not be able to finance such an acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business or asset acquired will be profitable.

The unaudited condensed interim financial statements have been prepared on a going concern basis, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of

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operations. The continuing operations of the Company are dependent upon its ability to identify, evaluate, negotiate and complete a Qualifying Transaction.

PROPOSED TRANSACTIONS

On February 19, 2025, the Company entered into a definitive agreement with TGC Gold Corp. ("TGC") and the securityholders of TGC (the "TGC Securityholders") with respect to a business combination transaction pursuant to which Smithe will acquire all of the issued and outstanding securities of TGC (the "Transaction"). It is anticipated that the Transaction will constitute the Qualifying Transaction of Smithe and the Company following the completion of the Transaction is referred to as the "Resulting Issuer".

The Transaction will be effected by way of a securities exchange among the Company, TGC and the TGC Securityholders. Pursuant to the definitive agreement, the holders of the 19,600,000 issued and outstanding common shares of TGC (the "TGC Shares") will receive one (1) common share in the capital of Smithe (each, a "Smithe Share") for each TGC Share held, which will represent approximately 72.59% of the outstanding Smithe Shares upon closing of the Transaction.

In connection with the Transaction, Smithe expects to complete a non-brokered concurrent financing (the "Concurrent Financing") of flow-through subscription receipts (the "FT Subscription Receipts") and non-flow-through subscription receipts (the "Non-FT Subscription Receipts"). Each FT Subscription Receipt issued under the Concurrent Financing will be automatically exchanged into one flow-through share (a "FT Share") of the Resulting Issuer, and each Non-FT Subscription Receipt issued under the Concurrent Financing will be automatically exchanged into one Resulting Issuer Share, in each case without further payment or action on the part of the holder, upon satisfaction of certain escrow release conditions (the "Release Conditions"), which will include the satisfaction of all conditions precedent to the Transaction.

It is anticipated that the Resulting Issuer will continue the business of TGC under the name "Toogood Gold Corp." (the "Name Change"). The business of the Resulting Issuer will be primarily focused on the exploration of the Toogood Gold Project.

The completion of the Transaction is subject to a number of terms and conditions. Upon completion of the Transaction, it is anticipated that the Resulting Issuer will be listed as a Tier 2 mining issuer on the TSXV.

DISCUSSION OF OPERATIONS

As at the date of the MD&A, the Company has not completed its Qualifying Transaction and all business activity was directed towards the identification of a Qualifying Transaction.

The Company's expenditures will include costs to maintain a public company in good standing and expenses to identify and evaluate acquisitions of companies, businesses, assets or properties. Public company costs include professional fees for audit and legal, transfer agent fees, Exchange listing and filing fees and costs of preparing, printing and filing continuous disclosure documents.

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Selected Financial Information and Summary of Quarterly Results

	Jan 31, 2025	Oct 31, 2024	Jul 31, 2024	Apr 30, 2024	Jan 31, 2024	Oct 31, 2023	July 31, 2023	Apr 30, 2023
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses	(47,291)	(\$18,848)	(\$7,010)	(\$40,472)	(\$16,778)	(\$9,618)	(\$16,598)	(\$36,976)
Net Loss and Comprehensive Loss	(47,291)	(\$18,848)	(\$7,010)	(\$40,472)	(\$16,778)	(\$9,618)	(\$16,598)	(\$36,976)
Basic and Diluted Loss Per Share	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)
Cash	\$263,599	\$285,527	\$295,156	\$309,723	\$334,179	\$362,045	\$379,232	\$384,668
Total Assets	\$269,830	\$286,507	\$297,607	\$313,644	\$359,179	\$363,025	\$381,683	\$388,590
Working Capital	\$222,290	\$269,581	\$288,429	\$295,439	\$335,911	\$352,689	\$362,307	\$378,905
Dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

During the quarter ended January 31, 2025, the Company incurred expenses of \$47,291 which included \$30,847 in professional fees, \$8,032 in public listing and regulatory fees, \$7,500 in consulting fees, and \$912 in office expenses.

During the quarter ended October 31, 2024, the Company incurred expenses of \$18,848 which included \$13,208 in professional fees, \$2,688 in public listing and regulatory fees, \$2,500 in consulting fees, and \$452 in office expenses.

During the quarter ended July 31, 2024, the Company incurred expenses of \$7,010 which included \$1,165 in professional fees, \$5,204 in public listing and regulatory fees, and \$641 in office expenses.

During the quarter ended April 30, 2024, the Company incurred expenses of \$40,472 which included \$11,913 in professional fees primarily related to the accrual of year end audit fees, \$3,179 in public listing and regulatory fees, \$25,000 loss on deposit and \$380 in office expenses.

During the quarter ended January 31, 2024, the Company incurred expenses of \$16,778 which included \$14,050 in professional fees, \$2,199 in public listing and regulatory fees, and \$529 in office expenses.

During the quarter ended October 31, 2023, the Company incurred expenses of \$9,618 which included \$3,236 in professional fees and \$5,832 in public listing and regulatory fees and \$550 in office expense.

During the quarter ended July 31, 2023, the Company incurred expenses of \$16,598 which included \$10,548 in professional fees and \$5,689 in public listing and regulatory fees and \$361 in office expense. During the quarter, the Company incurred legal fees related to its Annual General Meeting.

During the quarter ended April 30, 2023, the Company incurred expenses of \$36,976 which included \$8,279 in professional fees primarily related to the accrual of year end audit fees, \$3,178 in public listing and regulatory fees, \$519 in office expense, and \$25,000 loss on deposit.

As at January 31, 2025, cash, assets and working capital have decreased compared to previous quarters due to corporate expenditures throughout the year with no new financing.

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OUTSTANDING SHARE CAPITAL

The Company has authorized an unlimited number of common shares without par value. As at the date of the MD&A, the Company has the following securities outstanding:

	Number of Units
Common Shares	7,400,000
Stock Options	740,000
Warrants	-
Fully Diluted Shares Outstanding	8,140,000

LIQUIDITY AND CAPITAL RESOURCES

	Nine months ended January 31, 2025	Nine months ended January 31, 2024
Cash used in operating activities	\$(46,124)	\$(50,489)
Decrease in cash during the period	\$(46,124)	\$(50,489)
Cash, Beginning of Period	\$309,723	\$384,668
Cash, End of Period	\$263,599	\$334,179

As at January 31, 2025, the Company had cash of \$263,599 (April 30, 2024 – \$309,723) and net working capital of \$222,290 (April 30, 2024 – \$295,439). The decrease in cash and net working capital compared to year ended April 30, 2024 is due to corporate expenditures throughout the year with no new financing.

For the period ended January 31, 2025, cash used in operating activities was \$46,124, compared to \$50,489 in the same period last year. The slight decrease in cash used in operating activities in the current period relates to timing differences in the payment of accounts payable.

The Company utilizes existing cash and the issuance of common shares to provide liquidity to the Company. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue the plans of identifying and completing a Qualifying Transaction, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company has no long-term debt obligations.

TRANSACTION WITH RELATED PARTIES

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of its Executive Officers and Directors. Other related parties to the Company include companies in which key management have control or significant influence. Key management personnel receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company.

OFF-BALANCE SHEET ARRANGEMENTS

As at January 31, 2025, and up to the date of this MD&A, the Company does not have any off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of condensed interim 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 balance sheet date and the reported amounts of revenues and expenses during the period. It is management's opinion that there are no significant estimates that affected the reported amounts as at or for the period ended January 31, 2025.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's material accounting policies during the period ended January 31, 2025 that had a material effect on its condensed interim financial statements. The Company's material accounting policies are disclosed in the condensed interim financial statements for the period ended January 31, 2025.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) 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. Concentration of credit risk exists with respect to the Company's cash, as all amounts are held at a single major Canadian financial institution. The Company's maximum exposure to credit risk, as at year-end, is the carrying value of its financial assets.

Credit risk is minimized by ensuring that these financial assets are placed with a major Canadian financial institution with a strong investment-grade rating by a primary ratings agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal year.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.

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CAPITAL MANAGEMENT

The Company is a CPC and considers items included in shareholders' equity as capital. The Company has no long-term debt.

The Company's primary objective with respect to its capital management is to ensure that it has enough cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue the plans of identifying and completing a Qualifying Transaction, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There has been no change to the Company's capital management practices since incorporation.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A, including statements or information that contain terminology such as "anticipate", "believe", "intend", "expect", "estimate", "may", "could", "will", and similar expressions constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, that address activities, events, or developments that we or a third party expect or anticipate will or may occur in the future, including our future growth, results of operations, performance and business prospects and opportunities are forward-looking statements.

These forward-looking statements reflect our current beliefs and are based on information currently available to us. These statements require us to make assumptions we believe are reasonable and are subject to inherent risks and uncertainties. Actual results and developments may differ materially from the results and developments discussed in the forward-looking statements as certain of these risks and uncertainties are beyond our control.

Examples of such forward-looking statements in this MD&A include, but are not limited to, our ability to complete a Qualifying Transaction at all, or if completed, on terms that are ultimately beneficial to shareholders. These forward-looking statements are based on a number of assumptions that may prove to be incorrect, which include, but are not limited to:

- our ability to obtain necessary financing to complete a Qualifying Transaction;
- our ability to satisfy conditions under any acquisition agreement for a Qualifying Transaction; and
- meeting the conditions of the Exchange with respect to the Qualifying Transaction.

Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this MD&A. Except as required by applicable securities legislation, we assume no obligation to update publicly or revise any forward-looking statements to reflect subsequent information, events, or circumstances.

RISKS AND UNCERTAINTIES

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Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all the other information included in this MD&A before making an investment decision. If any of the following risks occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline, and prospective investors may lose part or all their investment.

No Operating History

The Company was incorporated on February 17, 2021 and has not commenced commercial operations. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. The Company has only limited funds with which to identify and evaluate potential acquisitions of a material asset or a business (Qualifying Transaction) and there can be no assurance that the Company will be able to do so. Even if a Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

Halt of Trading

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until Completion of the Qualifying Transaction, or sooner pursuant to Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

Exchange May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction, the Exchange may not approve a proposed transaction:

- a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the Exchange upon Completion of the proposed Qualifying Transaction;
- b) if, following Completion of the proposed Qualifying Transaction, the Company will be a finance company, or a mutual fund as defined under applicable securities laws;
- c) the consideration proposed to be paid by the Company in connection with the proposed Qualifying Transaction is not acceptable to the Exchange; or
- d) for any other reason at the sole discretion of the Exchange.

Approval by the Majority of the Minority

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Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change, and subscribers may suffer dilution of their investment.

Reliance on Directors and Officers

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Changes in Political and Market Conditions

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR+ web site at www.sedarplus.ca.