ATHA
ENERGY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2023 and 2022

Dated May 30, 2023

Dated: May 30, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This interim management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Atha Energy Corp. (formerly Inglenook Ventures Ltd.) for the three months ended March 31, 2023 and is prepared as at May 30, 2023. Throughout this MD&A, unless otherwise specified, "Atha", "Company", "we", "us" and "our" refer to Atha Energy Corp. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"), together with the unaudited condensed interim financial statements as at and for the three months ended March 31, 2023 and March 31, 2022 which were prepared in accordance with IFRS and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting (collectively referred to as the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise. Additional information related to the Company is available on SEDAR at www.sedar.com.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that this filing does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods covered by this filing. The Financial Statements together with the other financial information included in this filing fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in this filing. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith, and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company's success at completing future financings;
- The Company's strategies and objectives;
- General business and economic conditions;
- The Company's ability to successfully negotiate mining licenses;
- The Company's ability to meet its financial obligations as they become due;
- The Company's ability to manage growth; and
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company.

Readers are cautioned that the preceding list of risks, uncertainties, assumptions, and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by these forward looking statements. Due to the risks, uncertainties, and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

CORPORATE OVERVIEW AND OUTLOOK

Atha was incorporated under the British Columbia Business Corporations Act on January 14, 2021. The Company's head office and its registered and records office is located at 1250 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1. On May 30, 2022, the Company changed its name from Inglenook Ventures Ltd. to Atha Energy Corp.

On March 8, 2022 the Company completed a consolidation of its issued and outstanding common shares on a 1.388:1 basis. All share and per share information in the Financial Statements and this MD&A have been retroactively adjusted to reflect the consolidation.

The Company is principally engaged in the acquisition, exploration, and evaluation of mineral resources, currently focusing on projects in the Athabasca Basin located in Saskatchewan, Canada, and in the Sudbury Mining District, located in Ontario, Canada. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for exploration and operations will be raised primarily through share offerings.

On March 29, 2023 the Company received the approval of the Canadian Securities Exchange (the "CSE") to list its common shares. The Company's common shares began trading on the CSE under symbol "SASK" on April 11, 2023.

On March 30, 2023 the Company completed the acquisition of the NSS Properties (the "Acquisition"). As consideration for the Acquisition, the Company paid to the vendors $1,000,000 ($2,000,000 total including previously paid deposits) and issued to the vendors an aggregate of 38,040,000 common shares of the Company.

On March 30, 2023 an aggregate of 33,725,000 common shares were issued on conversion of the subscription receipts from the non-brokered private placement financings that closed on October 28, 2022 and November 8, 2022 for aggregate proceeds of $33,725,000.

EXPLORATION AND EVALUATION ASSETS

March 31, 2023	NSS	Golden Rose	Total
Acquisition costs:			
Balance, beginning of year	**$ -**	**$ 110,000**	**$ 110,000**
Additions			
Shares issued on acquisition (Note 6b)	41,040,000	200,000	41,240,000
Cash paid on acquisition	2,000,000	-	2,000,000
Claims acquisition	46,642	-	46,642
Balance, end of period	**43,086,642**	**310,000**	**43,396,642**
Exploration costs:			
Balance, beginning of year	**$ -**	**$ -**	**$**
Incurred during the period:			
Data review	30,950	-	30,950
Field work	35,550	-	35,550
43-101 – Technical report	27,000	-	27,000
Balance, end of period	**93,500**	**-**	**93,500**
Total costs	**$43,180,142**	**$ 310,000**	**$ 43,490,142**

December 31, 2022	NSS	Golden Rose	Total
Acquisition costs:			
Balance, beginning of year	**$ -**	**$ -**	**$ -**
Additions	-	110,000	110,000
Balance, end of period	-	110,000	110,000
Total costs	**$ -**	**$ 110,000**	**$ 110,000**

New Saskatchewan Syndicate Properties ("NSS")

On September 20, 2022, the Company entered into an agreement (the "Purchase Agreement") to acquire a diversified portfolio of mineral exploration assets and carried interests in the Athabasca Basin (the "Acquired Assets") from The New Saskatchewan Syndicate (the "Vendors") which includes a 10% carried interest on certain land owned and operated by NexGen Energy Ltd. and IsoEnergy Ltd. (the "Acquisition").

In accordance with the terms of the Purchase Agreement, and as consideration for the Acquired Assets, the Company has agreed, among other things, to pay the Vendors the following:

- $2,000,000 cash to be paid as follows:
    - $200,000 non refundable deposit upon execution of the term sheet signed between the parties on January 11, 2022 (paid);

  - $800,000 non refundable deposit upon execution of the Purchase Agreement (paid); and
  - $1,000,000 upon listing of the Company on the CSE (paid).
- Issuance of common shares representing not less than 30% of the shares of the Company, on a fully diluted basis, upon Listing (issued 38,040,000 shares of the Company on March 30, 2023); and
- $3,000,000 to be made available to the Vendors for the purpose of acquiring additional prospective uranium exploration properties on behalf of, and for the benefit of, the Company.

The Vendors will retain a 10% interest in any additional prospective mineral exploration properties acquired. The Company has also agreed to grant the Vendors a 2% net smelter returns royalty and a 10% carried interest in and to the Acquired Assets. The initial $1,000,000 deposit was paid to the Vendors through promissory notes issued to various entities who paid the funds to the Vendors. These promissory notes bore no interest and were repaid by the Company within ten days after demand.

Golden Rose Property

Pursuant to a property option agreement dated July 18, 2022 between the Company and Conquest Resources Limited ("Conquest"), the Company has secured the sole and exclusive right and option (the "Golden Rose Option") to acquire up to a 100% undivided interest in certain mineral leases, known as the Golden Rose Gold Property, located in Ontario.

To fully exercise the Golden Rose Option, the Company must pay Conquest an aggregate of $1,000,000 and issue to Conquest an aggregate of 1,500,000 common shares of the Company over a period of 36 months, as follows:

- $100,000 plus the cost of obtaining a technical report on the effective date (paid);
- 200,000 common shares of the Company upon obtaining a public listing on a recognized Canadian stock exchange (issued on March 30, 2023) (issued);
- $200,000 and 300,000 common shares of the Company on the first anniversary of the effective date of the Golden Rose Option;
- $200,000 and 300,000 common shares of the Company on the second anniversary of the effective date of the Golden Rose Option; and
- $500,000 and 700,000 common shares of the Company on the third anniversary of the effective date of the Golden Rose Option.

The Company has also agreed to grant Conquest a 1.0% net smelter returns royalty on the Golden Rose Property, which can be purchased by the Company for $1,000,000.

PROPOSED TRANSACTION

On May 16, 2023 the Company entered into a binding letter of intent ("LOI") with Stallion Discoveries Corp. ("Stallion"), whereby the parties will work to negotiate a definitive option and joint venture agreement (the "Definitive Agreement") providing Stallion an ability to earn an option (the "Option") to acquire a 70% interest in 47 of the Company's mineral claims in Saskatchewan, Canada (the "Claims") by acquiring the requisite portion of the Company's current 90% interest, after meeting certain milestones.

These milestones include:

- within two days of the effective date of the Definitive Agreement ("Effective Date"), Stallion shall issue 3,333,333 Stallion shares to the Company;
- within twelve months after the Effective Date, Stallion shall incur $3,311,770 of Saskatchewan Exploration Expenditure Credits towards the exploration of the Claims;
- within sixty months after the Effective Date, Stallion shall incur a further $8,688,230 of Saskatchewan Exploration Expenditure Credits towards the exploration of the Claims.

Upon exercise of the Option, a joint venture agreement (the "Joint Venture Agreement") shall be entered into by the Company and Stallion, with Stallion and the Company (including the carried over interest of the legacy owner) holding a 70% and a 30% interest, respectively.

The Option is subject to the policies of the Canadian Securities Exchange on the part of the Company, the approval of the TSX Venture Exchange on the part of Stallion, execution of the Definitive Agreement, and other conditions as set out in the LOI.

SUMMARY OF QUARTERLY RESULTS[1]

	1st Quarter Ended March 31, 2023	**4th Quarter Ended December 31, 2022**	**3rd Quarter Ended September 30, 2022**	**2nd Quarter Ended June 30, 2022**
Income (loss) and comprehensive income (loss)	$9,977	$(261,118)	$(649,791)	$(81,127)
Income (loss) per share[2] (basic and diluted)	$0.00	$(0.00)	$(0.02)	$(0.00)
	1st Quarter Ended March 31, 2022	**4th Quarter Ended December 31, 2021**	**3rd Quarter Ended September 30, 2021**	**2nd Quarter Ended June 30, 2021**
Loss and comprehensive loss	$(38,207)	$(38,235)	$(33,284)	$(33,602)
Loss per share[2] (basic and diluted)	$(0.00)	$(0.00)	$(0.00)	$(0.00)

[1] *Unaudited financial information prepared in accordance with IFRS.*
[2] *On March 8, 2022, the Company completed a consolidation of its issued and outstanding common shares on a 1.388:1 basis. All share and per share information has been retroactively adjusted to reflect the share consolidation.*

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND MARCH 31, 2022

Interest income for the three months ended March 31, 2023 was $356,361 (2022 - $nil). The interest income was earned on the Company's cash balances.

Administration and bank charges for the three months ended March 31, 2023 were $20,228, (2022 - $3,016). These charges were incurred for the maintenance of the Company's bank account and office occupancy and administrative costs.

Consulting fees for the three months ended March 31, 2023 were $102,271, (2022 - $nil). These charges were incurred for consulting services with relation to the day to day operations of the Company and its strategic growth plans.

Depreciation for the three months ended March 31, 2023 was $27,637 (2022 - $nil). This non-cash expense was for the depreciation of the Company's property and equipment.

Management fees for the three months ended March 31, 2023 were $30,000 (2022 - $30,000). This expense was for ongoing accounting and administrative services.

Professional fees for the three months ended March 31, 2023 were $131,628 (2022 - $3,367). These expenses were for legal and auditing services.

Transfer agent and filing fees for the three months ended March 31, 2023 were $6,194 (2022 - $1,824). The fees include transfer agent, regulatory and SEDAR filing fees.

Travel and accommodation costs for the three months ended March 31, 2023 were $28,426 (2022 - $nil). These costs were incurred for meetings with investors, shareholders, and property investigations.

Income (loss) and comprehensive income (loss) for the period
As a result of the activities discussed above, the Company earned income and comprehensive income for the three months ended March 31, 2023 of $9,977 (2022 – ($38,207)).

SHARE CAPITAL

Authorized

Unlimited number of common and preferred shares without par value.

Issued and outstanding

As at March 31, 2023 and the date of this MD&A the Company had 126,306,388 common shares issued and outstanding.

On March 8, 2022 the Company completed a consolidation of its issued and outstanding common shares on a 1.388:1 basis. All share and per share information in the Financial Statements and this MD&A have been retroactively adjusted to reflect the consolidation.

On October 28, 2022 and November 8, 2022, the Company completed two tranches of a non-brokered private placement of an aggregate of 33,725,000 subscription receipts (the “Subscription Receipts”) of the Company at a price of $1.00 per Subscription Receipt, for aggregate proceeds of $33,725,000. The proceeds from the Subscription Receipts financings were held in escrow, pending the listing of the Company’s common shares on a recognized Canadian stock exchange (the “Listing”). On March 29, 2023 the Company received the approval of the CSE to list its common shares and on March 30, 2023, the Company issued 33,725,000 common shares upon conversion of the Subscription Receipts. The Company incurred $2,925,000 in costs in connection with the financing.

On March 30, 2023 the Company issued 200,000 common shares in connection with the Golden Rose Option.

On March 30, 2023 the Company issued 38,040,000 common shares in connection with the Acquisition of the NSS Property.

Additionally, in connection with the acquisition of the NSS Properties, on March 30, 2023 the Company issued an aggregate of 3,000,000 common shares to certain finders and consultants of the Company.

	Number of Shares	Amount
		$
Balance, December 31, 2021	**17,961,388**	**124,652**
Debt settlement	6,930,000	138,600
Private placement and loan settlement	12,050,000	1,205,000
Private placement	14,400,000	7,200,000
Share issuance costs	-	(37,007)
Balance, December 31, 2022	**51,341,388**	**8,631,245**
Conversion of Subscriptions Receipts	33,725,000	33,725,000
Share issuance costs	-	(2,925,000)
Issued in connection with purchase of the NSS Properties	38,040,000	38,040,000
Issued for consulting and finders fees	3,000,000	3,000,000
Issued in connection with the Golden Rose Option	200,000	200,000
Balance, March 31, 2023, and at the date of this MD&A	**126,306,388**	**80,671,245**

Stock options

On January 20, 2023, the Company adopted a new equity incentive plan (the "Equity Incentive Plan"). The Equity Incentive Plan is a 10% rolling plan that allows the Company to grant incentive stock options, deferred share units ("DSUs"), performance share units ("PSUs"), and restricted share units ("RSUs"), ("Awards"). Pursuant to the Equity Incentive Plan, the Company can grant Awards to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Equity Incentive Plan is limited to 10% of the issued common shares of the Company at any time. The vesting period for all incentive stock options is at the discretion of the Board of Directors of the Company. The exercise price of incentive stock options will be set by the Board of Directors of the Company at the time of grant and cannot be less that the discounted market price of the Company's common shares.

The Equity Incentive Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all Awards held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All incentive stock options granted under the Equity Incentive Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) 90 days from the date of death or disability. Incentive stock options granted under the Equity Incentive Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

On April 20, 2023, the Company granted a total of 4,700,000 incentive stock options to directors, officers, and consultants of the Company, having an exercise price of $1.44 per share, and an expiry date of April 20, 2033. 200,000 of the options vest monthly over a period of two years, and 4,500,000 vest quarterly over a period of 1 year.

A summary of the Company's incentive stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2020	**-**	**$-**
Granted	1,404,899	$0.1388
Balance, December 31, 2021	**1,404,899**	**$0.1388**
Cancelled	(1,404,899)	$0.1388
Granted	1,937,500	$0.50
Cancelled	(1,250,000)	$0.50
Balance, December 31, 2022	**687,500**	**$0.50**
Granted	4,700,000	$1.44
Balance, as at March 31, 2023 and at the date of this MD&A	**5,387,500**	**$1.34**

As at March 31, 2023 and the date of this MD&A, outstanding incentive stock options were as follows:

Grant Date	Options Outstanding	Options Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (Years)
August 29, 2022	687,500	687,500	$0.50	August 29, 2027	4.66
April 20, 2023	4,700,000	8,333	$1.44	April 20, 2033	10.00
Total	**5,387,500**	**695,833**			

As of the date of this MD&A, the Company has not granted any DSUs, PSUs, or RSUs.

LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's equity (deficiency) (comprised of issued share capital, share-based payment reserve, and deficit). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at March 31, 2023 the Company is not subject to any externally imposed capital requirements or debt covenants. There were no changes in management's approach to capital management during the period ended March 31, 2023.

A summary of the Company's cash flows during the three months ended March 31, 2023 compared to the three months ended March 31, 2022 is as follows:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Cash flows provided by (used in) operating activities	**$ 169,670**	$ (9,972)
Cash flows used in investing activities	**(1,090,575)**	-
Cash flows provided by financing activities	**-**	-
Change in cash and restricted cash for the period	**(920,905)**	(9,972)
Cash and restricted cash, beginning of the period	**40,701,683**	18,339
Cash, end of the period	**$ 39,780,778**	$ 8,367

Cash flows provided by (used in) operating activities were $169,670 during the three months ended March 31, 2023 as compared to ($9,972) for the three months ended March 31, 2022. Cash was used to pay for administrative expenditures; in the current period the cash used was offset by the interest earned on the Company's cash balances.

Cash flows used in investing activities were $1,090,575 during the three months ended March 31, 2023 compared to $nil for the three months ended March 31, 2022. The cash was used to complete the acquisition of the NSS Properties, to complete the 43-101 report on NSS and for data compilation services and field work on the NSS Properties.

Cash flows provided by financing activities netted out to $nil during the three months ended March 31, 2023 compared to $nil for the three months ended March 31, 2022. In the current period, the Subscription Receipts received in the amount of $33,725,000 in 2022 were converted to 33,725,000 common shares on March 30, 2023, releasing the $33,725,000 in restricted cash to the Company.

The Financial Statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The accompanying Financial Statements do not reflect adjustments that may be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate, adjustments may be necessary to the carrying amounts and/or classification of assets and/or liabilities and the reported expenses in these financial statements. Such adjustments could be material.

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 personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

During the period ended March 31, 2023, $50,000 (2022 - $nil) was recorded as consulting fees to a company controlled by the CEO of the Company. There were no other related party transactions.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring mineral properties. It is exposed to several risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation, and other risks. The Company currently has no source of revenue. The Company relies on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

An investment in the Company's common shares should be considered highly speculative due to the nature of the Company's existing business and operations.

The Company requires financing in order to maintain and continue its operations
The Company's ability to continue will largely be reliant on its continued attractiveness to equity investors and its ability to obtain additional financing to maintain and grow operations. Failure to obtain sufficient financing may result in delaying, scaling back, elimination of, or indefinite postponement of, the exploration schedule and its current or future programs. Additionally, should the Company require additional capital to continue, failure to raise such capital could result in the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

From time to time, the Company may issue new shares, seek debt financing, dispose of assets, or enter transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards.

Exploration and Development
Mineral exploration and development is a speculative business, characterized by several 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 of insufficient size and/or grade to return a profit from production. All the mineral claims in which the Company has a right to acquire an interest are in the exploration stages only and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Operating Hazards and Risks
Mining operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. During exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding, and earthquakes, may occur. Operations in which the Company has a direct or indirect interest are subject to all the hazards and risks normally incidental to exploration, development, and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage, and possible legal liability for any or all damage. Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in

which event the Company could incur significant costs that could have a materially adverse effect upon its financial conditions.

Supplies and Infrastructure

The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surface access, skilled labor, fuel, and power at an economic cost cannot be assured. These are integral requirements for exploration, production, and development facilities on mineral properties. Power may need to be generated onsite.

Metal Prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced, even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production, and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that it can be mined at a profit.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements, transfers or native claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labor standards, occupational health, waste disposal, safety, and other matters. Environmental legislation provides restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers, and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations. The current operations of the Company require permits from various Canadian authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters. The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. However, there can be no assurance that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms, a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties
The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future. The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Economic Conditions
Unfavourable economic conditions may negatively impact the Company's financial viability. Unfavourable economic conditions could also increase the Company's financing costs, decrease net income, or increase net loss, limit access to capital markets and negatively impact the availability of credit facilities to the Company.

Properties held under option
One of the Company's mineral exploration properties is currently held under option. The Company has no ownership interest in its properties until all required property expenditures and cash payments have been made. If the Company is unable to fulfill the requirements of the option agreement, it is likely that the Company would be considered in default of the agreement and the option agreement could terminate resulting in the complete loss of all expenditures and option payments made on the property to that date.

Lack of Dividend Policy
The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders
The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of Key Personnel
The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

FINANCIAL INSTRUMENTS

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. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at March 31, 2023, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company’s sensitivity to interest rates relative to its cash balances is currently insignificant. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Management closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company’s credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible. The Company’s maximum exposure to credit risk is equal to the carrying amount of cash, and GST receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At March 31, 2023, the Company has no sources of revenue (other than interest income) and has a cash balance of $39,780,778 to settle current liabilities of $3,587,044.

Since inception the Company has relied solely on private placements to fund its operations. Management believes these financings will fund the Company's exploration work on its resource projects, as well as the existing administrative needs. The Company may require additional financing to accomplish long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. As at March 31, 2023, the Company was exposed to a low level of liquidity risk.

Fair Value Measurements

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.

As of March 31, 2023 the Company's financial instruments consist of cash, GST receivable, and accounts payable and accrued liabilities. These financial instruments are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year included:

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Stock options

Determining the fair value of stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

Exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves.

Additionally, there are numerous geological, economic, environmental, and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Provision for environmental rehabilitation

Liabilities for environmental provisions are recognized at the time of environmental disturbance, in amounts equal to the discounted value of expected future reclamation. The provision for environmental rehabilitation represents management's best estimate of the present value of the future cash outflows required to settle the liability.

Factors that affect the final cost of remediation include estimates of the extent and costs of rehabilitation activities, the expected timing, technological changes, cost increases and changes in discount rates. Changes in the above factors can result in a change to the asset retirement obligation. This liability is reassessed and re-measured at each reporting date.

CRITICAL ACCOUNTING JUDGEMENT

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

Going Concern

The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1 of the Financial Statements.

SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of mineral properties. All of the Company’s non-current assets are located in Canada.

OFF-BALANCE SHEET ARRANGEMENT

The Company currently has no off-balance sheet arrangement.