RUMBU HOLDINGS LTD.

Management's Discussion and Analysis
For the years ended December 31, 2023 and 2022

FORM 51-102F1

The following management's discussion and analysis ("MD&A") should be read in conjunction with the Company's audited Consolidated Financial Statements for the years ended December 31, 2023 and December 31, 2022. Additional information relating to the Company is available on SEDAR at www.sedar.com.

This MD&A has been prepared by management of Rumbu Holdings Ltd. (the "Company") and should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the years ended December 31, 2023 and December 31, 2022 (the" Financial Statements") and was approved by the Board of Directors on April 25, 2024. The Financial Statements have been prepared using International Financial Reporting Standards (**"IFRS"**) issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. All amounts are in Canadian dollars unless otherwise specified.

This MD&A contains commentary from the Company's management regarding the Company's strategy, operating results, financial position and outlook. Management is responsible for the accuracy, integrity, and objectivity of the MD&A, and develops, maintains and supports the necessary systems and controls to provide reasonable assurance as to the accuracy of the comments contained herein.

The Audit Committee and the Board of Directors of the Company provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "expect", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation to, update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by applicable securities law.

Corporate Profile and Overall Performance

The Company was incorporated on February 25, 2021 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The head office and registered office of the Company is located at 1150, 707-7th Avenue SW, Calgary, Alberta, T2R 1J4.

On May 01, 2023, the Company announced that it entered into a binding Letter of Agreement the ("Definitive Agreement") with Schrader Funeral Home and Cremation Services Ltd. ("Schrader"). The Definitive Agreement set forth the terms and conditions of the proposed business combination of the Company and the Funeral Home Business located in Smithers, British Columbia (the "Funeral Business") owned by the Lockyers (the "Transaction"). This constituted a Qualifying Transaction ("QT") pursuant to the rules of the TSX Venture Exchange (the "TSXV").

On October 16, 2023, the Shareholders of the Company approved the non-arm's length Qualifying Transaction whereby the Company acquired all of the issued and outstanding shares of Schrader Funeral Home and Cremation Services Ltd. ("Schrader") in exchange for the issuance by the Company of 6,000,000 Common Shares of the Company to the Lockyers. While the Company was the legal acquirer, Schrader was the accounting acquirer since the shareholders of Schrader held and controlled the majority of the issued and outstanding Common Shares of the Company upon completion of the Qualifying Transaction. Accordingly, the consolidated financial statements are presented with Schrader as the continuing entity.

On October 25, 2023, the TSXV approved the Qualifying Transaction and as a result, the Company was no longer considered as a Capital Pool Company and was classified as a Tier 2 Industrial Issuer in the Funeral Services Sector. The resulting issuer operates in the funeral business providing funeral and cremation services to the public in its market area. The Company is focused on the acquisition of additional funeral homes in Western Canada.

In connection with the QT, the Company completed a non-brokered private placement (the "Private Placement") of 282,500 Common Shares of the Company at a price of $0.20 per share for aggregate proceeds of $56,500. All securities issued in the Private Placement were subject to a statutory hold period of four (4) months from the date of issue.

The Company changed its fiscal year-end from June 30 to December 31 and this is the first financial reporting period adopting the new year-end date, to align with the financial reporting of most public issuers as well as the recent Transaction. The financial statements are therefore consolidated financial statements for the year ended December 31, 2023.

Strategy Update

The Company will provide a vehicle to expand the Funeral Business in Western Canada through the acquisition of additional funeral homes. The Company's objective is to acquire the additional funeral homes through debt and equity offerings and to partner with the local funeral home professionals embedded within the community to ensure a high level of service, care, commitment and accountability to families served by the Company. The plan is to scale the business accordingly by focusing on geographical clusters. This involves purchasing funeral homes within specific areas of western provinces to create synergies across locations, which ultimately will prevent industry competitors from trying to open in the Company's market areas.

Within the funeral industry it is essential that local ownership and key staff be retained in acquisitions. While this will create accountability to improve margins and reduce costs, it is key to communities and surrounding areas that the Company's funeral homes continue to have local staff and personnel. Due to the nature of the Company's services, communities rely heavily on funeral homes for services and support during critical times. Local ownership will ensure a consistent and reliable delivery of services and support all communities serve by the Company.

The Company's ultimate goal is to acquire profitable funeral homes and increase the earnings of those funeral homes through synergies and developing partner-based management structures that will create accountability within the individual businesses, thus ensuring profitability and efficiencies in all aspects of the business and increasing the Company's earrings for investors.

Operational Plan

Upon completion of the acquisition of the Company's first funeral home business, Schrader became a wholly owned subsidiary of the Company. Schrader offers a full-service facility for traditional burial or fully-customized memorial services. The services offered are pre-need arrangements made by a person or family members in advance of death. Funeral home sector surveys reveal that one-in-five people above 55 years of age and older are using this pre-need funeral purchase and this will drive growth in the operations segment of the business. Other at-need arrangements are available at any time for sudden death due to medical conditions and fatalities.

The Company's main goal is to satisfactorily make the arrangements with the client and family to honour the deceased according to the wishes of the bereaved family. Pre-plan arrangements provide the preference for a style or theme of service, selection of a casket and urn, the drafting of an obituary, the planning of the funeral service which includes media such as video, pictures and music and any other final touches requested by the family.The Company is operating and will continue to operate as a funeral home investment and management company for expansion in the western provinces of British Columbia, Alberta, Saskatchewan and Manitoba. The core operations are managed by the executive team of the Company, which has over 60 years of industry experience that includes the acquisition and turn-around of a number of funeral homes in Western Canada. We expect benefits will arise from the economies of scale, operating efficiencies and margin growth. Conservative capitalization, accessible debt and cash flow will expedite and support acquisitions and organic growth.

Reverse takeover

On October 16, 2023, the Company completed the Qualifying Transaction, pursuant to which it acquired all of the issued and outstanding shares of Schrader (Note 1). While the Company was the legal acquirer, Schrader was the accounting acquirer since shareholders of Schrader were deemed to control the Company upon completion of the Qualifying Transaction. Accordingly, the transaction was recorded as a Reverse Take-over and the consolidated financial statements are presented with Schrader as the continuing entity.

The Qualifying Transaction was accounted for as an asset acquisition in accordance with IFRS 2, Share Based Payments, as the assets acquired and liabilities assumed did not constitute a business, as defined in IFRS 3, Business Combinations.

As Schrader is deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying values. A summary of the fair values of assets acquired and liabilities assumed as well as the consideration paid as at the RTO date is as follows:

Consideration paid		October 16, 2023
Fair value of 6,000,000 shares of Rumbu Holdings Ltd.	$	1,200,000
Fair value of stock options acquired (Note 13)		118,562
Fair value of agent's options acquired (Note 13)		61,447
		1,380,009
Fair value of net assets (liabilities) acquired		
Cash		324,222
Accounts payable and accruals		(2,800)
Net assets acquired		321,422
Listing expense before transaction costs		1,058,587
Transaction costs		159,154
Extinguishment of related party balances (Note 12)		155,728
Total listing expense	$	1,373,469

Results of Operations

Revenue

For the year ended December 31, 2023, the Company earned revenue of $958,671 compared to $862,000 for the year ended December 31, 2022. Overall, the revenue increased by 11% from one year to the next which is consistent with the Company's growth strategy and efficiencies in the business. Revenue for the three months ended December 31, 2023 was $228,052 as compared to $257,284 for the three months ended December 31, 2022.

Direct Costs

During the year ended December 31, 2023, the Company incurred cost of sales of $308,441 compared to $298,646 for the year ended December 31, 2022. The amount of expense for the cost of sales represents the finished goods and raw materials manufactured and sold. The increase in 2023 is due an increased cost of materials and products compared to December 31, 2022.

Direct costs for the three months ended December 31, 2023 were $76,593 as compared to $103,187 for the three months ended December 31, 2022. The decrease is related to the raw material purchased prior to the increase in raw materials.

Gross Margin

For the year ended December 31, 2023, the Company reported $ 650,230 in gross margin compared to $563,359, which is a 13% increase over last year which is consistent with the increase in sales. Gross margin for the three months ended December 31, 2023 was $151,459 compared to $154,097 for the three months ended December 31, 2022.

Total Operating Expense

For the years ended December 31, 2023 and 2022, total operating expenses are detailed as follows:

Operating Expenses	**December 31, 2023**	**December 31, 2022**
General and administrative	$412,260	$310,281
Interest and bank charges	45,210	32,047
Regulatory fees	20,772	-
Transaction cots	17,736	-
Maintenance	14,960	27,197
Depreciation	17,522	18,577
	$528,460	$388,102

General and administrative expenses are the costs incurred by the Company that are not directly related to the production of goods or services. These expense items include office supplies, accounting fees, salaries of support staff, insurance, management fees and other general costs. For the year ended December 31, 2023, the Company reported general and administrative expenses of $412,260 compared $310,281 in the previous year. The increase in costs is consistent with the increase of goods and services from one period to the next.

The Company reported $45,210 of interest and bank charges for the year ended December 31, 2023 compared to $58,618 for the period ended December 31, 2022. For the three months ended December 31, 2023, the Company reported $12,207 compared to $47,204 for the three months ended December 31, 2022. The interest expense includes both the bank charges and interest on loans outstanding.

The Company reported $20,772 of regulatory fees in connection with on-going public compliance costs for the year ended December 31, 2023 (2022-$nil).

The maintenance cost includes costs related to general office repair and maintenance as well as costs related to automobile expenses. For the year ended December 31, 2023, the Company incurred $14,960 compared to $27,197 in the previous year. For the three months ended December 31, 2023, maintenance costs were $4,044 versus $3,864 for period ending December 31, 2022.

The Company reported $17,522 of depreciation expense for the year ended December 31, 2023 compared to $18,577 for year ended December 31, 2022. For the three months ended December 31, 2023, the depreciation costs were $ 5,097 versus $9,289 for the comparative period.

Other Expenses

In connection with the Transaction, the Company incurred $1,373,469 of listing fees for the year ended December 31, 2023, which consisted of the fair value of assets acquired and liabilities assumed as well as the consideration paid in the Transaction.

The Company reported $83,231 of accretion expense for the year ended December 31, 2023 compared to $26,571 for the year ended December 31, 2022. During the year the Promissory note was settled and the fair value discount was fully unwound.

Selected Financial Information

	Three months Ended December 31, 2023 ($)	Three months Ended December 31, 2022 ($)	**Year Ended December 31, 2023 ($)**	Year Ended December 31 2022 ($)
Revenue	**228,052**	257,284	**958,671**	862,005
Direct costs	76,593	103,187	308,441	298,646
Gross profit	**151,459**	154,097	**650,230**	563,359
Expenses				
General and administrative	**167,284**	67,540	**412,260**	310,281
Interest and bank charges	**12,207**	20,633	**45,210**	32,047
Regulatory services	**20,772**	-	**20,772**	-
Depreciation	**5,097**	9,289	**17,522**	18,577
Maintenance	**4,044**	3,864	**14,960**	27,197
Transaction costs	**17,736**	-	**17,736**	-
Total operating expenses	**227,140**	101,326	**528,460**	388,102
Income from operations	**(75,681)**	52,771	**121,770**	175,257
Other expenses				
Listing expenses	**1,373,469**	-	**1,373,469**	**-**
Accretion on loans payable	**-**	26,571	**83,231**	26,571
Net (loss) income and comprehensive (loss) income before taxes	**(1,449,150)**	26,200	**(1,334,930)**	148,686
Current income taxes	33,913	8,522	48,339	20,119
Deferred Income tax recovery (expense)	(6,679)	(2,513)	(27,191)	(3,870)
Comprehensive income (loss) for the period	**(1,476,384)**	20,191	**(1,356,078)**	132,437

Selected Statement of Financial Position Data

Consolidated Balance Sheet information	**December 31, 2023**	December 31, 2022
Total assets	1,279,177	1,218,940
Total liabilities	764,563	784,757
Total Shareholders' equity	514,614	434,183
Net working capital	282,884	470,753

Outstanding Securities

The Company's issued and outstanding securities as of December 31, 2023 and December 31, 2022 are as follows:

Description of securities	**Number of securities outstanding as at December 31, 2023**	Number of securities outstanding as at December 31, 2022*
Common Shares	12,782,500	6,000,000
Options	1,050,000	-
Equity fully diluted	**13,832,500**	6,000,000

***** *December 31, 2022 common shares outstanding have been adjusted to reflect the exchange ratio of 60 to 1 effected by the reverse take-over.*

Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments are comprised of cash, accounts receivable, due from shareholder, due from related party, due from Lockyer Management Corp., due from Lockyer Holdings Ltd., accounts payable and accrued liabilities, long-term debt and promissory note. Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured based on their classification.

The Company has made the following classifications:

- Cash, accounts receivable, due from shareholder, due from related party, due from Lockyer Management Corp. and due from Lockyer Holdings Ltd. are measured at amortized cost using the effective interest method.

- Accounts payable and accrued liabilities, promissory note and long-term debt are measured at amortized cost using the effective interest method.

Classification of financial instruments

The Company classifies its financial assets and financial liabilities in the following measurement categories:

i. those to be measured subsequently at fair value through profit or loss (FVTPL);

ii. those to be measured subsequently at fair value through other comprehensive income (FVOCI); and

iii. those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in the consolidated statements of earnings or other comprehensive income. The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Measurement of financial instruments

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or a financial liability not measured at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes recognized through the statement of earnings and comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

Impairment of financial assets

Impairment of financial assets is determined by measuring the assets' expected credit loss ("ECL"). The Company's financial assets are not considered to have a significant financing component and a lifetime ECL is measured at the date of initial recognition of the financial asset. ECLs are a probability-weighted estimate of all possible default events related to the financial asset (over the lifetime or within 12 months after the reporting period, as applicable) and are measured as the difference between the present value of the cash flows due to the Company and the cash flows the Company expects to receive, including cash flows expected from collateral and other credit enhancements that are a part of contractual terms.

ECL allowances have not been recognized for cash due to the virtual certainty associated with its collection. For accounts receivable and accruals the Company applies the simplified approach to providing for ECLs which is the lifetime expected loss provision.

The carrying amounts of financial assets are reduced by the amount of the ECL through an allowance account and losses are recognized within general and administrative expense in profit and loss.

Based on contractual terms and conditions, the Company considers its financial assets to be in default when the counterparty fails to make contractual payments as required. Once the Company has pursued collection activities and it has been determined that the incremental cost of pursuing collection outweighs the benefits, the Company derecognizes the gross carrying amount of the financial asset and the associated allowance from the statement of financial position.

Summary of Quarterly Results

The following table summarizes the Company's financial information for the last eight quarters:

	Dec 31, 2023 $	Sept. 30, 2023 $	June 30, 2023 $	Mar. 31, 2023 $	Dec 31, 2022 $	Sept.30, 2022 $	June 30, 2022 $	Mar. 31, 2022 $
Total Revenues	**228,052**	244,512	232,832	253,275	257,284	166,628	202,569	235,524
Total assets	**1,279,177**	1,216,884	1,153,158	1,105,430	1,218,940	1,343,465	1,328,648	1,287,926
Working capital surplus	**282,884**	353,750	294,684	241,033	470,853	412,089	384,443	349,197
Net (loss) income	**(1,476,384)**	39,905	63,649	16,752	12,131	40,307	41,902	35,509
Net (loss) income per share	**(0.21)**	0.03	0.05	0.01	0.01	0.03	0.03	0.03

Share Capital

Authorized

The authorized share capital of the Company consists of an unlimited number of Common Shares and Preferred Shares, issuable in series.

Share transactions

During the year ended December 31, 2023, the Company completed the following transactions:

- On October 16, 2023, pursuant to the closing of the Transaction, the Company issued 6,000,000 Common Shares of the Company to the shareholders of Schrader with a fair value of $0.20 per Common Share for total fair value of $1,200,000.

- On October 16, 2023, concurrent with the closing of the Transaction, through a private placement, the Company issued 282,500 Common Shares of the Company at a price of $0.20 per Common Share for total proceeds of $56,500.

Escrow shares

Prior to October 16, 2023, the Company had 2,500,000 common shares held in escrow. These escrowed common shares are held in escrow until completion of a Qualifying Transaction. 25% of these common shares were released on the issuance of the Final Exchange Bulletin and an additional 25% will be released on each 6-month anniversary from the initial release.

After the completion of the Transaction on October 16, 2023, 625,000 common shares were released from escrow. As at December 31, 2023, 1,875,000 common shares were held in escrow.

Stock Options

The Company has adopted an incentive stock option plan (the "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 and technical consultants to the Company and Eligible Charitable Organizations, non-transferable options to purchase Common Shares (the "Options"), provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares as at the date of grant of any such option, and that the exercise period does not exceed 10 years from the date of grant.

The number of Common Shares issuable to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares of the Company as at the date of grant of such option. The number of Common Shares issuable at any given time to all technical consultants in aggregate will not exceed 2% of the issued and outstanding Common Shares of the Company as at the date of grant of such option.

On December 10, 2021, the Company granted 650,000 share purchase options to certain officers and directors to acquire Common Shares of the Company at a price of $0.10 per option, expiring 10 years from the date of grant. In addition, in connection with the closing of the Company's December 20, 2021 initial public offering, the Company granted 400,000 agent's options to the agent to acquire Common Shares of the Company at a price of $0.10 per option, expiring 5 years from the date of grant. At December 31, 2023, all options are outstanding and exercisable.

On October 16, 2023, as a result of the Transaction, all outstanding options were remeasured at the date of the Transaction and included in the consideration transferred, amounting to $118,562. The fair value of these options was determined using Black-Scholes option pricing model with the following market inputs: an average stock price of $0.20, average risk-free rate of 4.09%, expected life of 8.15, average volatility of 100% and dividend yield of 0%.

In addition, all outstanding agent's options at October 16, 2023 were remeasured at the date of the Transaction and included in the consideration transferred, amounting to $61,447. The fair value of these options was determined using Black-Scholes option pricing model with the following market inputs: an average stock price of $0.20, average risk-free rate of 4.93%, expected life of 3.15, average volatility of 100% and dividend yield of 0%.

Weighted Average Shares Outstanding

The following table summarizes the weighted average shares outstanding:

	December 31, 2023	December 31, 2022
Weighted Average Shares Outstanding, basic and diluted	7,021,836	6,000,000

The December 31, 2022 common shares outstanding have been adjusted to reflect the exchange ratio of 60 to 1 effected by the reverse take-over.

The effects of any potential dilutive instruments on loss per share are anti-dilutive and therefore have been excluded from the calculation of diluted loss per share.

Off-Balance Sheet Arrangements

As at the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company.

Financial Instruments and Financial Risk Management

The Company, as part of its operations, carries financial instruments consisting of cash, subscriptions receivable and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash, accounts receivable and account payable and accruals approximates its fair value due to the short-term maturities of these items.

The carrying amount of loans payable approximate its fair value due to the loans having a market rate of interest.

Financial risk management

The Company is exposed to credit risk, liquidity risk, and interest risk as part of its normal course of business. The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework and periodically reviews the results of all risk management activities and all outstanding positions.

Credit risk

The Company's exposure to credit risk relates to its cash, accounts receivable, and various amounts receivable from related parties. The Company's cash is held with large established financial institutions. The Company grants credit to customers in the normal course of business. The credit risk associated with receivables due from customers is generally considered minimal because of the diversification of the Company's customer base. In the opinion of management, none of the amounts comprising accounts receivable were considered impaired, except as provided for as bad debt expenses. The Company provides an allowance for losses based on a review of the current aging of receivables, historical experience, current and future and short-term business conditions, and management judgement. The amount of estimated credit losses for the years ended December 31, 2023 and 2022 was $nil.

The aging of the accounts receivables was as follows as at December 31, 2023, and 2022:

		December 31, 2023		December 31, 2022
Current	$	12,060	$	57,631
1-30 Days		17,508		24,371
31-60 Days		7,000		10,936
61-90 Days		4,317		81
Greater than 90 days		31,008		-
	$	71,893	$	93,019

Liquidity risk

The Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities that are settled by cash as they become due. The Company's approach to managing liquidity is to ensure, as much as possible, that it will have sufficient liquidity to meet its short-term and long-term financial obligations when due, under both normal and unusual conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company actively manages its liquidity using cash management programs. Strategies include monitoring forecast and actual cash flows from operating, financing, and investing activities and managing available working capital.

All the Company's contractual financial liabilities can be settled in cash. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

The table below summarizes the maturity profile of the Company's financial liabilities at December 31, 2023, based on contractual undiscounted payments:

		Less than 1 year		**1 to 2 years**		**2 to 6 years**		**Total**
Accounts payable and accrued liabilities	$	289,827		-	$	-	$	289,827
Loans payable		47,419		23,820		362,984		434,223
	$	337,246	$	23,820	$	362,984	$	724,050

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The BDC loan is subject to floating market rates. Based on the floating rate debt outstanding, a 1% increase/decrease in interest rates would result in an increase/decrease in net loss attributable to common shareholders of approximately $4,300 excluding the effect of income taxes.

Capital management

Management defines capital as the Company's total shareholders' equity, its long-term debt and promissory note. The Company manages its capital structure and adjusts it in response to changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish a quantitative return on capital for management, but rather promotes year over year sustainable profitable growth. In addition, the Board of Directors has established policies to monitor the Company's performance against its operating and capital budgets and forecasts.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so it can continue to add value for shareholders. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments as changes in economic conditions and the risk characteristics of the underlying assets occur. The Company is not subject to any externally imposed capital requirements.

The total capitalization of the Company as at December 31, 2023 and 2022 is outlined below:

		December 31, 2023		December 31, 2022
Loans payable	$	434,223	$	434,715
Promissory Note		-		216,769
Total Debt		**434,223**		651,484
Shareholder's Equity		514,614		434,183
	$	**948,837**	$	1,084,567

Related Party Transactions

The following are the related party transactions of the Company.

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	$ 455,428	$295,428
Advances	-	160,000
Reclassification of promissory note (Note 10)	(300,000)	-
Extinguishment of related party balance	(155,428)	-
	$ -	$455,428

		December 31, 2023		December 31, 2022
Due from shareholder	$	-	$	115,691
Due from related party		-		50,000
Due from Lockyer Management Corp.		-		26,100
Due from Lockyer Holdings Ltd.		-		263,637
	$	-	$	455,428

The due from related party, Lockyer Management Corp. and Lockyer Holdings Ltd. are all parties under common control through the shareholder noted above as due from shareholder. The amounts were due on demand and bear interest at 0%. During the year, the Company and the related parties agreed to extinguish the amount receivable.

Key management personnel of the Company consist of the officers and directors of the Company. During the year ended December 31, 2023, the Company incurred consulting fee expenses of $79,000 (December 31, 2022 - $60,000), of which $25,000 are included in listing expense.

Subsequent event

Subsequent to year end, the Company entered into a letter agreement with a major Canadian banking institution for a credit facility in the aggregate amount of $3,500,000 to provide funding to the Company for future acquisitions and operations.

Other Information

Additional information regarding the Company and its business and operations is available on the Company's profile on SEDAR. Copies of the information can also be obtained from Ross O. Drysdale, the Company's Chairman through email at ross@drysdalelaw.com.

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DIRECTORS

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OFFICERS

Ross O. Drysdale, Chairman and Corporate Secretary and Director
Daryl Lockyer, President and Chief Executive Officer
Jamie D. Lockyer, Vice President and Director
Shelina Hirji, Chief Financial Officer

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