RUAGOLD

(Formerly, First Uranium Resources Ltd.)

Management's Discussion & Analysis

For the three months ended March 31, 2024 and 2023

This Management's Discussion and Analysis ("MD&A") of Rua Gold Inc. (formerly, First Uranium Resources Ltd.) (the "Company") is the responsibility of management and covers the three months ended March 31, 2024 and 2023. The MD&A takes into account information available up to, and is dated May 29, 2024 and should be read in conjunction with the Company's condensed interim consolidated financial statements and related notes for the three months ended March 31, 2024 and 2023 (the "financial statements").

Throughout this document the terms "we", "us", "our", the "Company" and "Rua" refer to Rua Gold Inc. All financial information in this document is prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and is presented in Canadian Dollars unless otherwise indicated.

This document contains forward-looking statements. Please refer to "*Note Regarding Forward-Looking Statements*" of this MD&A.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Business Corporations Act of British Columbia on December 14, 2016. The address of its registered head office is 1500 - 1055 West Georgia Street, Vancouver, BC, V6E 4N7. The Company, through its wholly owned subsidiary, Reefton Gold Limited ("RGL"), owns a group of minerals permits on New Zealand's South Island (the "Reefton Projects") and a mineral permit on New Zealand's North Island (the "Glamorgan Project").

The Company is listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "RUA" and on the OTC under the symbol "NZAUF."

REVERSE TAKEOVER TRANSACTION

On February 27, 2024, the Company completed a definitive agreement ("Agreement") with Reefton Goldfields Inc. ("Reefton"), pursuant to which the Company acquired all of the issued and outstanding shares of Reefton, (the "Transaction"), carried out by way of a three-cornered amalgamation.

In accordance with the terms and conditions of the Agreement, the Transaction was completed by way of a three-cornered amalgamation, whereby, among other things: (i) 1424060 B.C. Ltd., a wholly-owned subsidiary of First Uranium incorporated for the purpose of effecting the Transaction, amalgamated with Reefton to form an amalgamated company ("Amalco"); (ii) holders of common shares in the capital of Reefton received 1.6 common shares in the capital of First Uranium for each share held in Reefton (the "Exchange Ratio") and Reefton's shares were cancelled; (iii) First Uranium share purchase warrants were issued to the holders of Reefton's share purchase warrants in accordance with the Exchange Ratio, and Reefton's warrants were cancelled; (iv) Amalco became a wholly owned subsidiary of First Uranium; and (v) First Uranium changed its name to "Rua Gold Inc."

In connection with the Transaction, First Uranium entered into a term sheet to extend to Reefton a non-revolving secured loan credit facility of up to $805,000 (the "Loan") to fund exploration programs on the Reefton project and for general corporate and working capital purposes, which was drawn in full during the year ended December 31, 2023. On February 16, 2024, the Loan was amended and restated to allow for an additional $500,000 drawdown, which was received in full during the period ended March 31, 2024. The total principal amount outstanding of $1,350,000 and all interest accrued thereon was waived in its entirety upon completion of the Transaction.

Upon closing the Transaction, First Uranium issued 112,456,874 common shares to Reefton's shareholders. The First Uranium warrant holders retained 9,309,878 share purchase warrants on the Transaction, which were valued at $163,311. The fair value of the warrants was determined using the Black Scholes Option Pricing Model (Note 8) and First Uranium cancelled all 400,000 of its issued and outstanding stock options.

(Expressed in Canadian Dollars)

The Transaction was accounted for in accordance with guidance provided in IFRS 2 - Share-Based Payments, as First Uranium did not qualify as a business according to the definition of IFRS 3 – Business Combinations. Accordingly, the Transaction was accounted for as the purchase of First Uranium's net assets by Reefton.

The consideration was measured at the fair value of the shares that Reefton would have had to issue to shareholders of the Company to give the shareholders of the Company the same percentage equity interest in the combined entity that results from the Transaction has it taken the legal form of Reefton acquiring the Company.

The aggregate fair value of the consideration paid, less the net assets acquired has been recognized as a listing expense in the statements of loss and comprehensive loss.

The following table shows the consideration and allocation of the purchase price to the identifiable assets and liabilities based on their estimated fair values at the date of the Transaction:

Purchase Price		
Fair value of common shares issued	$	8,112,659
Fair value of share purchase warrants retained		163,311
Total consideration		**8,275,970**
Cash		5,611,189
GST receivables		87,358
Prepaid expenses		271,189
The Loan		1,305,000
Accounts payable and accrued liabilities		(273,807)
Net assets acquired		**7,000,929**
Listing expense	**$**	**1,275,041**

DIRECTOR AND OFFICER CHANGES

In connection with the Transaction, the existing directors and officers of First Uranium resigned, and following persons were appointed to the Board of Directors of the Company:

- Oliver Lennox-King
- Simon Henderson
- Robert Eckford
- Paul Criddle
- Mario Vetro

Also, in connection with the Transaction, Simon Henderson was appointed interim Chief Executive Officer and Zeenat Lokhandwala was appointed Chief Financial Officer of the Company.

On April 1, 2024, Robert Eckford was appointed Chief Executive Officer and Simon Henderson was appointed Chief Operating Officer of the Company.

On April 17, 2024, Tyron Breytenbach was appointed to the Board of Directors of the Company.

REVIEW OF PROJECTS

Rua Gold is a gold exploration company with two highly prospective land packages in New Zealand's historic gold districts – the Glamorgan Project on the North Island and Reefton Goldfield on the South Island.

(Expressed in Canadian Dollars)

Glamorgan Project

In 2023, Rua applied for a 100% interest in the Glamorgan Project. This project consists of the Glamorgan tenement EP 60950 within the Hauraki Goldfields, spanning 4644.5 hectares, situated on New Zealand's North Island. The exploration permit was granted to RGL on October 31, 2023.

This region boasts of a substantial presence of high-grade gold and silver mining, with approximately 50 epithermal deposits mined since the 1860s. These deposits have yielded over 15 Moz of gold and 60 Moz of silver. The Glamorgan Project has a 3.8 km zone displaying indications of gold mineralization, backed by soil and rock samples, suggesting the presence of an epithermal gold mineralized system at the property. Furthermore, the project is located 2.8 kms north of OceanaGold's recent significant discovery at Wharekirauponga.

The Company has applied for a minimum impact access agreement with the New Zealand Department of Conservation. Once granted, the company will commence an exploration program that includes soil sampling, magnetic and resistivity geophysical surveys, and geological mapping.

Reefton Projects

The Reefton Goldfield is a classic orogenic system containing numerous structurally controlled gold deposits, hosted in tightly-folded, greenschist facies Greenland Group sediments of the Buller Terrane in the western provide of the South Island of New Zealand. It hosts 62 historic gold mines, with total historic production of approximately 3 million ounces of gold.

Significant deposits are clustered along a mainly north-trending shear and fault zones that cut across the areas of most intense folding. Quartz veins are generally discordant to bedding and strike parallel to axial surfaces of regional-scale north-plunging folds. Approximately 800,000 ounces of gold have been produced from the Company's ground at an average head grade of ~20g/t gold. The ground covered approximately 716 square kilometers including 30 of the 62 historical gold mines in the district, which the Company believes has been underexplored using modern mining methods.[1]

Permit No.	Operation Name	Commodity	Term	Expiry date	Area (ha)
PP 60554	Kirwans East	Metallic minerals	4 years	Sep 26, 2023*	23,896
EP 60491	Capleston	Gold and silver	5 years	Apr 11, 2024**	2,424
EP 60624	Kirwans Hill	Metallic minerals	5 years	Sep 21, 2025	29,785
EP 60950	Glamorgan	Gold and silver	5 years	Oct 31, 2028	4,664

*PP 60554 Kirwans East will be subject to an Exploration Permit application prior to expiry, maintaining RGL's priority over the area. Whilst the application is being considered by New Zealand Petroleum and Minerals (NZPAM), the permit remains in good standing beyond the expiry date. The subsequent exploration permit will have a duration of 5 years, extendable to 10 years

**EP 60491 Capleston is subject to an Extension of Duration (EoD), which provides for an additional 5 years of exploration. While the EoD application is being considered by NZPAM, the permit remains in good standing beyond the expiry date.

Rua began its exploration program with a systematic and rigorous data collection, validation, integration and interpretation project over the Reefton Goldfield and a review of the applicability of a state-of-the-art PXRF analyzer for rapid geochemical sampling and evaluation in this district. This work resulted in a series of targets for on-the-ground exploration activities.

This work resulted in the discovery of the Pactolus Vein System, which has been the primary target of

[1] Ministry of Economic Development, Commerce. Crown Minerals - Mineral Report Series MR 4036. The History and Mineral Resources of the Reefton Goldfield. Author J.M. Barry 1993

(Expressed in Canadian Dollars)

drilling. To date, 30 diamond drill holes have been completed in the Pactolus Vein System, with two more holes targeting an inferred northern extension (Welcome-East target). Every drill hole has intersected the modelled Pactolus structure (steeply dipping mineralized shear zone with complex quartz veining, brecciation and arsenopyrite-pyrite-gold-mineralization, striking 355°, dipping 70° to the east). The intersections have been variously mineralized. Drilling commenced in December 2023 and continued through to May 2024.

Results from this drill program are being incorporated into the mineralization model and in the interim the team are moving the drill rigs to Murray Creek to commence the next phase of drilling.

SELECTED FINANCIAL INFORMATION

The Transaction constituted a reverse acquisition for accounting purposes whereby Reefton is treated as the accounting acquirer, and the Company is treated as the accounting acquiree. As Reefton was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in the financial statements as their historical carrying values. First Uranium's results of operations are included from the Transaction date. The comparative figures are those of Reefton prior to the Transaction.

The following table summarizes information regarding the Company's operations for the three months ended March 31, 2024 and 2023:

		Three months ended March 31,		
		2024		**2023**
Exploration and evaluation	**$**	**630,225**	$	224,551
Professional fees		**171,300**		19,285
Marketing expense		**87,599**		-
Share-based payments		**38,668**		-
Regulatory and filing		**23,200**		-
Office and administration		**16,140**		48,496
Depreciation		**6,496**		9,369
		(973,628)		(301,701)
Listing expense		**1,275,041**		-
Interest income		**1,340**		5,610
Other income		**-**		12,602
Net loss for the year	**$**	**(2,247,329)**	$	(283,489)

The following table summarizes information regarding the Company's exploration and evaluation expenditures for the three months ended March 31, 2024 and 2023:

		Three months ended March 31,		
		2024		**2023**
Drilling	**$**	**252,830**	$	6,281
Salaries		**153,685**		134,421
Office and other		**83,788**		32,940
Field expenses		**58,198**		48,688
Consultants		**51,908**		2,221
Permits		**29,816**		-
	$	**630,225**	$	224,551

(Expressed in Canadian Dollars)

SUMMARY OF QUARTERLY RESULTS

	For the three months ended			
	Mar 31, 2024	**Dec 31, 2023**	**Sept 30, 2023**	**Jun 30, 2023**
Exploration and evaluation expenditures	$ 630,225	$ 512,413	$ 277,426	$ 301,588
Net loss	$ (2,247,329)	$ (889,071)	$ (361,285)	$ (430,969)
Basic and diluted loss per share	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)

	For the three months ended			
	Mar 31, 2023	**Dec 31, 2022**	**Sept 30, 2022**	**Jun 30, 2022**
Exploration and evaluation expenditures	$ 224,551	259,124	$ 653,568	$ 473,165
Net loss	$ (283,489)	(332,052)	$ (812,630)	$ (539,050)
Basic and diluted loss per share	$ (0.00)	(0.00)	$ (0.01)	$ (0.01)

DISCUSSION OF OPERATIONS

During the three months ended March 31, 2024, the Company had a net loss of $2,247,329 (2023 – $283,489), including exploration and evaluation expenditures of $630,225 (2023 – $224,551), professional fees of $171,300 (2023 – $19,285) and marketing expense of $87,599 (2023 - $nil). The increase in exploration and evaluation expenditures and professional fees compared to the prior year was due to the Transaction and the Company having more funding available to explore its projects in New Zealand.

The Transaction was accounted for in accordance with guidance provided in IFRS 2, "Share-Based Payments" as First Uranium did not qualify as a business according to the definition of IFRS 3, "Business Combinations". Accordingly, the total purchase price of the Transaction was allocated to the assets acquired and liabilities assumed based on their respective fair values with excess accounted for as a listing expense. During the three months ended March 31, 2024, the Company recorded a listing expense of $1,275,041 (2023 - $nil).

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As of March 31, 2024, the Company had cash of $5,155,237 (December 31, 2023 – $207,733) and working capital of $5,135,299 (December 31, 2023 – working capital deficit of $910,884).

On close of the Transaction, the Company acquired $5,611,189 (2023 - $nil) of cash. Cash used in operating activities for the three months ended March 31, 2024 was $1,136,064 (2023 – $319,376), which was higher than the prior period due to the Transaction and the Company having more funding to be able to carry on exploration and corporate activities. During the three months ended March 31, 2024, the Company also received proceeds of $500,000 (2023 - $nil) from the Loan.

The Company has incurred operating losses to date and does not generate cash from operations to support its activities. The Company is subject to risks and challenges impacting its operations including, but not limited to, the ability to secure adequate financing to meet expenditure requirements including maintenance costs on its exploration and evaluation assets, and to successfully satisfy its commitments and continue as a going concern.

These factors represent material uncertainties which may cast significant doubt on the ability of the Company to continue as a going concern. The financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

(Expressed in Canadian Dollars)

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As of the date of this MDA, the Company has the following securities issued and outstanding:

	#
Common shares	193,583,463
Warrants	17,789,878
Options	12,500,000
Deferred Share Units	875,476

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company's key management personnel include all directors and officers of the Company and the companies controlled by these individuals.

	Three months ended March 31,			
		2024		**2023**
Short-term compensation	**$**	**51,282**	$	41,663
Consulting fees		**18,900**		6,511
Share-based payments		**31,321**		-
	$	**101,503**	$	48,174

During the three months ended March 31, 2024, the Company paid $48,205 (2023 - $41,633) in salaries to Simon Henderson, Interim Chief Executive Officer of the Company. During the three months ended March 31, 2024, the Company paid $12,977 (2023 - $nil) of salaries and consulting fees to Zeenat Lokhandwala, Chief Financial Officer of the Company.

During the three months ended March 31, 2024, the Company paid $9,000 (2023 - $nil) in consulting fees for financial advisory services to Mario Vetro, a director of the Company and the beneficial owner of Commodity Partners Inc. During the three months ended March 31, 2023, the Company paid $6,511 in consulting fees to Kylie Dickson, the beneficial owner of Cabeta Consulting for Chief Financial Officer services and Shayla Forster, the beneficial owner of Forster Corporate Consulting Inc., for corporate secretarial services.

During the three months ended March 31 2024, the Company incurred share-based payment expense of $31,321 (2023 - $nil) relating to the vesting of share options granted to Oliver Lennox-King, Simon Henderson, Robert Eckford, Mario Vetro, and Zeenat Lokhandwala, directors and officers of the Company.

Officers and directors of the Company were also reimbursed for out-of-pocket expenses that occur in the normal course of operations. As at March 31, 2024, there was $28,494 (December 31, 2023 – $2,375) payable to officers of the Company included in accounts payable and accrued liabilities. The amounts are unsecured, non-interest bearing and have no terms of repayment.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

<u>Financial instruments</u>

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 as follows:

- Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).
- Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

As at March 31, 2024 and December 31, 2023, the Company does not have any financial instruments carried at FVTPL. The carrying values of the Company's financial assets and liabilities carried at amortized cost, including cash, accounts payable and accrued liabilities, and promissory note payable, approximate fair value due to their short terms to maturity.

<u>Risk management</u>

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below:

i. Credit risk

Credit risk is the risk that may arise on outstanding financial instruments should a counter party default on its obligation. The Company's primary exposure to credit risk is in its cash accounts. The Company's cash balances are held with large, credit worthy financial institutions and as such, the risk of loss is considered to be low.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meetings its financial obligations as they fall due. The Company's financial liabilities consist of its accounts payable and accrued liabilities and the promissory note payable. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its budget, forecasts and expenditures accordingly. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at March 31, 2024 the Company had a cash balance of $5,155,237 (December 31, 2023 – $207,733) to cover its accounts payable and accrued liabilities of $468,888 (December 31, 2023 – $490,342). In order to maintain its current level of operations the Company may need to secure additional financing.

iii. Market price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations, amongst other things, in the market price of commodities, global financial markets and investor sentiment. The Company closely monitors commodity prices and financial markets to determine the appropriate course of action to be taken by the Company.

iv. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows on an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange relates primarily to those of the Company's net assets denominated in NZD. A 10% change in the value of CAD relative to NZD would not have a significant impact on these consolidated financial statements.

MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

The Company's material accounting policies, judgments and estimates are described in Notes 3 and 4 of the audited financial statements of Reefton for the year ended December 31, 2023.

RISK AND UNCERTAINTIES

In addition to the financial instrument risks described above, companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims to manage and reduce such risks to the greatest extent possible. The Company faces a variety of risks such as the ability to raise capital, project feasibility, risks related to determining the validity of mineral property title claims, commodity prices, and changes in laws and regulations in addition to successfully satisfying its commitments and continuing as a going concern. Management monitors its activities and those risk factors that could impact them in order to manage risk.

The Company cannot accurately predict the impact COVID-19 will have on the Company's business, including its ability to meet its obligations and raise additional financing as required to further its exploration program or business development needs, as a result of the uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In the event that the prevalence of COVID-19 continues to increase (or fears in respect of COVID-19 continue to increase), governments may increase regulations and restrictions regarding the flow of labour or products, and travel bans, and the business of the Company may be affected. In addition, to the extent that any employees or consultants of the Company become infected with COVID19 or similar pathogens, it could have a material negative impact on the Company.

Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, prospects and share price of the Company. If any of the risks actually occur, the business of the Company may be harmed, and its financial condition and results of operations may suffer significantly.

LIMITATIONS OF CONTROLS AND PROCEDURES

Any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, the Company's management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. The Company's officers are not required to certify the design and evaluation of the Company's disclosure controls and procedures and internal controls over financial reporting and have not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements or forward-looking information within the meaning of applicable securities laws concerning the Company's beliefs and plans, including but not limited to statements with respect to future plans and objectives of Reefton, potential mineralization, exploration results, the availability of financial resources; capital, operating and cash flow estimates; and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, intentions or future events or performance are not statements of historical fact and may be "forward-looking statements".

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and should not be relied on as representing the Company's views on any subsequent date. The Company specifically disclaims any intention or any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by applicable law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.