RUAGOLD

(Formerly, First Uranium Resources Ltd.)

Management's Discussion & Analysis

For the three and six months ended June 30, 2024 and 2023

This Management's Discussion and Analysis ("MD&A") of Rua Gold Inc. (formerly, First Uranium Resources Ltd.) (the "Company", "First Uranium", or "Rua") is the responsibility of management and covers the three and six months ended June 30, 2024 and 2023. The MD&A takes into account information available up to, and is dated August 21, 2024 and should be read in conjunction with the Company's condensed interim consolidated financial statements and related notes for the three and six months ended June 30, 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 Project") and a mineral permit on New Zealand's North Island (the "Glamorgan Project").

As of July 29, 2024, the Company's common shares are listed for trading on the TSX Venture Exchange ("TSX.V") under the symbol "RUA" and have been delisted from the Canadian Securities Exchange. The Company's common shares are also listed on the OTCQB under the symbol "NZAUF."

Rua is led by a board of directors and executive management team with a demonstrated track record of creating value through building gold mining companies, by both, organic growth and M&A. The Company completed the reverse takeover Transaction on February 27, 2024 and in a short time thereafter, set in place the foundations for growth with the OTCQB listing, TSX.V graduation, $8,000,100 financing and a formative transaction, all discussed in further detail in this MD&A.

The Company's strategy is to focus on its two New Zealand high grade gold projects with the aim of creating value through investing in near and undermine drill program, identifying greenfield opportunities and executing on accretive acquisitions. Rua Gold's first acquisition in New Zealand was announced in July 2024 and looks to bring scale to the already prospective Reefton Project on the South Island of New Zealand.

H1 2024 HIGHLIGHTS

- February - March 2024: Completed a definitive agreement ("Business Combination Agreement") with Reefton Goldfields Inc. ("Reefton") and commenced trading under "RUA".
- April 2024: Completed phase 1 of the exploration program with over 5,000 meters of drilling on the Pactolus target at the Reefton Project.
- May 2024: Commenced the exploration program at the Glamorgan Project with magnetic geophysical surveys.
- June 2024: Commenced trading on the OTCQB market under the symbol "NZAUF".
- July 2024: Obtained a 5-year extension to permits and access agreements at the Reefton Project.
- July 2024: Entered into a definitive share purchase agreement (the "Agreement") to acquire Reefton Resources Pty Limited ("RRL"), in order to triple the land package in the Reefton Goldfield.
- July 2024: Filed a base shelf prospectus for the offering of common shares of up to $25,000,000.
- July 2024: Completed a public offering for aggregate gross proceeds of $8,000,100 at a price of $0.18 per common share.

REVERSE TAKEOVER TRANSACTION

On February 27, 2024, the Company completed a definitive agreement (the "Business Combination 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 Business Combination 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 prior to closing the Transaction. 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 and First Uranium cancelled all 400,000 of its issued and outstanding stock options.

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.

(Expressed in Canadian Dollars)

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.

SHARE PURCHASE AGREEMENT

On July 12, 2024, the Company entered into the Agreement, pursuant to which the Company will acquire 100% of the issued and outstanding shares of Reefton Resources Pty Limited ("RRL"), a 100% owned subsidiary of Siren Gold Ltd. ("Siren") with tenements located adjacent to the Company's suite of properties in New Zealand's prolific Reefton Goldfield (the "Reefton Transaction"). As consideration for the acquisition of RRL, the Company will:

- pay an aggregate of A$2,000,000 (subject to a working capital adjustment) to Siren, of which (i) A$1,000,000 was paid by the Company upon entering into the Agreement in the form of a forgivable loan, repayable only in the event the Agreement is terminated prior to consummation of the Reefton Transaction, evidenced by a promissory note issued by Siren in favor of the Company and secured by an enforceable security interest in all of Reefton's present and after-acquired personal property; and (ii) A$1,000,000 will be payable at the completion of the Reefton Transaction (the "Closing Date"); and

- on the Closing Date, issue 83,927,383 common shares in the capital of the Company to Siren at a deemed price of $0.1983 per share, based on the 30-day volume-weighted average price of the common shares of the Company prior to the date of the Agreement, having an aggregate value of A$18,000,000 million (the "Consideration Shares").

The Reefton Transaction is expected to close in the last quarter of 2024, subject to regulatory approvals and satisfaction of all conditions under the Agreement.

PUBLIC OFFERING

On July 25, 2024, the Company closed a public offering consisting of 44,445,000 common shares of the Company at a price of $0.18 per common share for aggregate gross proceeds of $8,000,100 (the "Offering"). The Offering was completed pursuant to an agency agreement (the "Agency Agreement") between the Company and a syndicate of agents including Cormark Securities Inc., as lead agent and sole book-runner, Ventum Financial Corp. and Red Cloud Securities Inc. (collectively, the "Agents"). Pursuant to the Agency Agreement, the Company has granted the Agents an over-allotment option (the "Over-Allotment Option") exercisable, in whole or in part, in the sole discretion of the Agents, to sell up to an additional 6,666,750 common shares for up to 30 days following closing of the Offering, on the same terms and conditions as the Offering.

In consideration for services rendered in connection with the Offering, the Company paid the Agents an aggregate cash fee of approximately $402,000 and issued to the Agents an aggregate of 2,483,366 broker warrants (the "Broker Warrants"). Each Broker Warrant is exercisable to acquire one common share at the exercise price of $0.18 per common share for a period of 24 months following the closing of the Offering.

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.

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]

(Expressed in Canadian Dollars)

Permit No.	Operation Name	Commodity	Term	Expiry date	Area (ha)
EP 61062	Kirwans East	Metallic minerals	5 years	May 16, 2029	23,896
EP 60491	Capleston	Gold and silver	5 years	Apr 11, 2029	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

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 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 August 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.

[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)

The following table summarizes information regarding the Company's operations for the three and six months ended June 30, 2024 and 2023:

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Exploration and evaluation	**$ 597,989**	$ 301,588	**$ 1,228,214**	$ 526,139
Marketing expense	**546,418**	**-**	**634,017**	-
Transaction costs	**144,000**	**-**	**274,500**	-
Share-based payments	**192,507**	**-**	**231,175**	-
Professional fees	**67,685**	61,011	**128,985**	80,296
Salaries and wages	**89,874**	**-**	**93,190**	-
Office and administration	**30,642**	65,520	**43,466**	114,016
Regulatory and filing	**20,694**	**-**	**23,394**	-
Depreciation	**7,959**	9,369	**14,455**	18,738
	(1,697,768)	(437,488)	**(2,671,396)**	(739,189)
Listing expense	**-**	**-**	**(1,275,041)**	-
Interest income	**32,470**	3,854	**33,810**	9,464
Other income	**13,728**	2,665	**13,728**	15,267
Net loss for the year	**$ (1,651,570)**	$ (430,969)	**$ (3,898,899)**	$ (714,458)

The following table summarizes information regarding the Company's exploration and evaluation expenditures for the three and six months ended June 30, 2024 and 2023:

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Drilling	**$ 151,594**	$ 9,768	**$ 404,424**	$ 16,049
Salaries	**166,712**	138,396	**320,397**	272,817
Office and other	**119,152**	32,727	**202,940**	65,667
Field expenses	**75,720**	60,185	**133,918**	108,873
Consultants	**50,337**	60,512	**102,245**	62,733
Permits	**34,474**	-	**64,290**	-
	$ 597,989	$ 301,588	**$ 1,228,214**	$ 526,139

SUMMARY OF QUARTERLY RESULTS

	For the three months ended			
	Jun 30, 2024	**Mar 31, 2024**	**Dec 31, 2023**	**Sept 30, 2023**
Exploration and evaluation expenditures	$ 597,989	$ 630,225	$ 512,413	$ 277,426
Net loss	$ (1,651,570)	$ (2,247,329)	$ (889,071)	$ (361,285)
Basic and diluted loss per share	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)

	For the three months ended			
	Jun 30, 2023	**Mar 31, 2023**	**Dec 31, 2022**	**Sept 30, 2022**
Exploration and evaluation expenditures	$ 301,588	$ 224,551	$ 259,124	$ 653,568
Net loss	$ (430,969)	$ (283,489)	$ (332,052)	$ (812,630)
Basic and diluted loss per share	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.01)

DISCUSSION OF OPERATIONS

Six months ended June 30, 2024

During the six months ended June 30, 2024, the Company incurred a net loss of $3,898,899 (June 30, 2023 - $714,458). Included in the net loss was exploration and evaluation expenses of $1,228,214 (June 30, 2023 – $526,139) and marketing expenses of $634,017 (June 30, 2023 - $nil) which were higher than the previous year due to the Transaction and Company having more funding available. The Company also incurred $274,500 (June 30, 2023 - $nil) of transaction costs on legal, technical and financial advisory fees relating to the Transaction, the Reefton Transaction, and the listing of the Company's common shares on the TSX.V and OTCQB.

During the six months ended June 30, 2024, the Company granted 12,500,000 share options and 1,201,803 deferred share units ("DSUs") to directors and officers of the Company. The Company recognized share-based compensation expense of $231,175 (June 30, 2023 - $nil) for the six months ended June 30, 2024 relating to the vesting of the share options and DSUs.

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 six months ended June 30, 2024, the Company recorded a listing expense of $1,275,041 (June 30, 2023 - $nil).

Three months ended June 30, 2024

During the three months ended June 30, 2024, the Company incurred a net loss of $1,651,570 (June 30, 2023 – $430,969). Included in the net loss was exploration and evaluation expenditures of $597,989 (June 30, 2023 – $301,588) and marketing expenses of $546,418 (June 30, 2023 - $nil) which were higher than the previous period due to the Transaction and the Company having more funding available. The Company also incurred $144,000 (June 30, 2023 - $nil) of transaction costs on legal, technical and financial advisory fees relating to the Reefton Transaction, and the listing of the Company's common shares on the TSX.V on OTCQB.

The Company also recognized share-based compensation expense of $192,507 (June 30, 2023 - $nil) for the three months ended June 30, 2024 relating to the vesting of the share options and DSUs.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As of June 30, 2024, the Company had cash of $3,375,631 (December 31, 2023 – $207,733) and working capital of $3,666,098 (December 31, 2023 – working capital deficit of $910,884).

On close of the Transaction, the Company acquired $5,611,189 (June 30, 2023 - $nil) of cash. Cash used in operating activities for the six months ended June 30, 2024 was $2,897,573 (June 30, 2023 – $639,646), 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 six months ended June 30, 2024, the Company also received proceeds of $500,000 (June 30, 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	238,028,463
Warrants	15,980,000
Options	12,500,000
Deferred Share Units	1,201,803

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. The remuneration of key management personnel during the period were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Salaries and wages	**$ 145,102**	$ 42,205	**$ 196,430**	$ 84,745
Professional fees	**27,000**	6,055	**45,900**	12,565
Share-options expense	**131,674**	-	**162,995**	-
DSUs expense	**38,793**	-	**38,793**	-
	$ 342,569	$ 48,260	**$ 444,118**	$ 97,310

Salaries and wages are paid to the Company's management personnel, including Robert Eckford, Chief Executive Officer, Simon Henderson, Chief Operation Officer, and Zeenat Lokhandwala, Chief Financial Officer.

Professional fees for financial advisory services are paid to Commodity Partners Inc., which is owned by Mario Vetro, a director of the Company. During the three and six months ended June 30, 2023, Professional fees were paid to Kylie Dickson, the beneficial owner of Cabeta Consulting for Chief Financial Officer services, Shayla Forster, the beneficial owner of Forster Corporate Consulting Inc., for corporate secretarial services.

Share-options expense relate to the vesting of share-options granted to Oliver Lennox-King, Simon Henderson, Robert Eckford, Mario Vetro, Tyron Breytenbach and Zeenat Lokhandwala, directors and officers of the Company.

DSU expense relate to the vesting of DSUs granted to Oliver Lennox-King, Robert Eckford, Mario Vetro, Tyron Breytenbach and Paul Criddle, directors 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 June 30, 2024, there was $18,264 (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

Financial instruments

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 June 30, 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.

Risk management

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 June 30, 2024 the Company had a cash balance of $3,375,631 (December 31, 2023 – $207,733) to cover its accounts payable and accrued liabilities of $374,171 (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.