RUAGOLD

(Formerly, First Uranium Resources Ltd.)

Management's Discussion & Analysis

For the years ended December 31, 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 years ended December 31, 2024 and 2023. The MD&A takes into account information available up to, and is dated April 16, 2025 and should be read in conjunction with the Company's consolidated financial statements and related notes for the years ended December 31, 2024 and 2023 (the "financial statements"). These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") effective for the year ended December 31, 2024.

Throughout this document the terms "we", "us", "our", the "Company" and "Rua" refer to Rua Gold Inc. All financial information in this document 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 holds 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 were 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 and non-organic growth. The Company completed a 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 in July 2024 and $5,750,046 in February 2025, and a formative transaction for the purchase of Reefton Resources Limited ("RRL"), a wholly owned subsidiary of Siren Gold Ltd. ("Siren"), all discussed in further detail in this MD&A.

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

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: Entered into a definitive share purchase agreement (the "Agreement") to acquire 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 $1.08 per common share.
- July 2024: Commenced trading on the TSX.V under the symbol "RUA".
- November 2024: Completed the Reefton Transaction, as discussed below.
- December 2024: Completed a share consolidation of the Company's common shares on the

basis of six pre-consolidation common shares for every one post-consolidation common share. This share consolidation has been reflected retrospectively in this MD&A.

- February 2025: Completed a public offering for aggregate gross proceeds of $5,750,046 at a price of $0.60 per common share.

REVERSE TAKEOVER TRANSACTION

On February 27, 2024, the Company completed the Business Combination Agreement with 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 18,742,812 common shares to Reefton's shareholders. The First Uranium warrant holders retained 1,551,646 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 66,667 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**

SHARE PURCHASE AGREEMENT

On November 25, 2024, the Company completed the Agreement, whereby the Company acquired 100% of the issued and outstanding shares of RRL, a wholly owned subsidiary of 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:

- paid an aggregate of AUD$2,395,053 to Siren, of which (i) AUD$1,000,000 ($932,510) was paid by the Company upon entering into the Agreement in the form of a forgivable loan; (ii) AUD$1,346,234 ($1,234,752) at the completion of the Reefton Transaction (the "Closing Date"); and (iii) AUD$48,819 ($44,000) subsequent to the completion of the Reefton Transaction as a working capital adjustment.

- paid AUD$2,000,000 ($1,834,380) in cash in exchange for 10,000,000 common shares of Siren; and

- on the Closing Date, issued 13,987,900 common shares in the capital of the Company to Siren, having an aggregate value of $12,589,107 (the "Consideration Shares").

During the year ended December 31, 2024, the Company incurred $735,882 in transaction costs relating to the Reefton Transaction which were included in the total consideration calculation.

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

(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 Reefton Transaction:

Purchase Price		
Fair value of common shares issued	$	12,589,107
Promissory note issued		932,510
Cash consideration paid		1,278,752
Transaction costs		735,882
Total consideration		**15,536,251**
Cash		1,739
Receivables		25,684
Prepaid expenses		85,102
Reclamation bonds		204,450
Equipment		52,031
Exploration and evaluation assets expensed		15,187,176
Accounts payable and accrued liabilities		(19,931)
Net assets acquired	**$**	**15,536,251**

FINANCINGS

July 2024

On July 25, 2024, the Company closed a public offering consisting of 7,407,500 common shares of the Company at a price of $1.08 per common share for aggregate gross proceeds of $8,000,100 (the "July 2024 Offering").

In consideration for services rendered in connection with the July 2024 Offering, the Company paid the Agents an aggregate cash fee of approximately $402,000 and issued to the Agents an aggregate of 413,895 broker warrants (the "Broker Warrants"). Each Broker Warrant is exercisable to acquire one common share at the exercise price of $1.08 per common share for a period of 24 months following the closing of the July 2024 Offering.

February 2025

On February 20, 2025, the Company closed a public offering consisting of 9,583,410 common shares of the Company at a price of $0.60 per common share for aggregate gross proceeds of $5,750,046 (the "February 2025 Offering").

In consideration for services rendered in connection with the February 2025 Offering, the Company paid the Agents an aggregate cash fee of $269,999 and issued to the Agents an aggregate of 575,004 Broker Warrants. Each Broker Warrant is exercisable to acquire one common share at the exercise price of $0.60 per common share for a period of 24 months following the closing of the February 2025 Offering. The Company incurred an aggregate of $486,717 in transaction costs relating to 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 was granted the Glamorgan Project. This project consists of the Glamorgan tenement EP 60950 within the Hauraki Goldfields, spanning 14,964.8 hectares, situated on New Zealand's North Island.

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 adjacent to OceanaGold's significant project, Wharekirauponga.

The Company was granted a Minimum Impact Access Agreement ("MIA") with the New Zealand Department of Conservation in August 2024. Following this, the Company has:

- collected over 3,100 soil samples along 250m spaced crosslines with a sample spacing of 20m;
- completed the first full phase of UAV drone magnetic geophysical surveying, and commenced ground geological mapping.
- Completed a Controlled-Source Audio-Magnetotellurics ("CSAMT") ground geophysical survey. CSAMT is a tool used extensively and successfully in the delineation of Martha and Wharekirauponga gold deposits;

In 2025, the focus will be on interpreting the information as well as feeding the data into the VRIFY AI tool to rank the drill targets. This will then feed into the Access Agreement Application for drill permits which is anticipated to be approved in Q3 2025.

Reefton Projects

The Company is the dominant landholder in the Reefton Goldfield on New Zealand's South Island. Rua Gold has approximately 120,000 hectares of tenements in a district that historically produced over 2 million ounces of gold grading between 9 and 50 grams per tonne.

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.

Rua began its exploration program with a systematic and rigorous data collection, validation, integration and interpretation project over the Reefton Goldfield. The Company then applied cutting edge AI technology by partnering with VRIFY. All the data collected from Rua, Siren and any digitized historical data was put into the VRIFY AI platform and targets were identified and ranks by prospectivity.

This work has led to a well-defined 2025 drill program where by two rigs are currently operating at both near mine and greenfield opportunities.

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.

(Expressed in Canadian Dollars)

The following table summarizes information regarding the Company's operations for the years ended December 31, 2024, 2023 and 2022:

	Years ended December 31, 2024		2023		2022
Exploration and evaluation	**$**	**19,258,544**	$ 1,597,693	$	2,275,388
Marketing expense		**2,054,611**	-		-
Share-based payments		**649,222**	-		-
Transaction costs		**259,932**	262,513		-
Professional fees		**268,756**	84,449		87,801
Salaries and wages		**361,352**	-		-
Office and administration		**79,942**	39,900		18,265
Regulatory and filing		**64,187**	-		-
Depreciation		**37,014**	39,719		38,536
		(23,033,560)	(2,024,274)		(2,419,990)
Listing expense		**(1,275,041)**	-		-
Change in fair value of investments		**(1,333,258)**	-		-
Interest income		**71,866**	10,275		13,991
Other income		**13,518**	49,185		-
Net loss for the year	**$**	**(25,556,475)**	$ (1,964,814)	$	(2,405,999)

The following table summarizes information regarding the Company's exploration and evaluation expenditures for the years ended December 31, 2024, 2023 and 2022:

	Year ended December 31, 2024		2023		2022
Exploration costs expensed pursuant to Reefton Acquisition	**$**	**15,187,176**	$ **-**	$	-
Drilling		**1,638,727**	271,361		1,064,134
Salaries		**818,453**	552,381		570,328
Consultants		**584,723**	72,550		21,674
Office and other		**449,483**	328,732		271,081
Field expenses		**381,216**	272,005		246,254
Permits		**198,766**	100,664		101,917
	$	**19,258,544**	$ 1,597,693	$	2,275,388

SUMMARY OF QUARTERLY RESULTS

For the three months ended	Dec 31, 2024	Sept 30, 2024	Jun 30, 2024	Mar 31, 2024
Exploration and evaluation expenditures	$ 16,757,576	$ 1,272,754	$ 597,989	$ 630,225
Net loss	$ (19,291,796)	$ (2,365,780)	$ (1,651,570)	$ (2,247,329)
Basic and diluted loss per share	$ (0.43)	$ (0.06)	$ (0.05)	$ (0.10)

For the three months ended	Dec 31, 2023	Sept 30, 2023	Jun 30, 2023	Mar 31, 2023
Exploration and evaluation expenditures	$ 512,413	$ 277,426	$ 301,588	$ 224,551
Net loss	$ (889,071)	$ (361,285)	$ (430,969)	$ (283,489)
Basic and diluted loss per share	$ (0.06)	$ (0.03)	$ (0.04)	$ (0.02)

DISCUSSION OF OPERATIONS

Year ended December 31, 2024

During the year ended December 31, 2024, the Company incurred a net loss of $25,556,475 (2023 - $1,964,814). Included in the net loss was exploration and evaluation expenses of $19,258,544 (2023 - $1,597,693), of which $15,187,176 was a non-cash expense of exploration and evaluation assets acquired as part of the Reefton Transaction. The remaining exploration and evaluation expenses were higher than in the prior year due to the Company completing financings to increase its efforts of drilling at the Reefton Project and surface exploration at the Glamorgan Project.

Marketing expenses of $2,054,611 (2023 - $nil) were higher than the previous year due to the Transaction and Reefton Transaction and Company having more funding available. The Company also incurred $259,932 (2023 - $nil) of transaction costs on legal, technical and financial advisory fees relating to the Transaction and the listing of the Company's common shares on the TSX.V and OTCQB.

During the year ended December 31, 2024, the Company granted 2,083,334 share options and 383,895 deferred share units ("DSUs") to directors and officers of the Company. The Company recognized share-based compensation expense of $649,222 (2023 - $nil) for the year ended December 31, 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 year ended December 31, 2024, the Company recorded a listing expense of $1,275,041 (2023 - $nil).

Concurrent with the Reefton Transaction, the Company acquired 16,300,000 shares of Siren. During the year ended December 31, 2024, the Company recorded an unrealized loss on the change in the fair value of these shares of $1,333,258 (2023 - $nil).

Three months ended December 31, 2024

During the three months ended December 31, 2024, the Company incurred a net loss of $19,291,796 (2023 - $889,071). Included in the net loss was exploration and evaluation expenses of $16,757,576 (2023 – $512,413), of which $15,187,176 was a non-cash expense of exploration and evaluation assets acquired as part of the Reefton Transaction. The remaining exploration and evaluation expenses were higher than in the prior year due to the Company completing financings to increase its efforts of drilling at the Reefton Project and surface exploration at the Glamorgan Project.

Marketing expenses of $685,776 (2023 - $nil) were higher than the previous year due to the Reefton Transaction and Company having more funding available.

During the year ended December 31, 2024, the Company granted 2,083,334 share options and 383,895 DSUs to directors and officers of the Company. The Company recognized share-based compensation expense of $217,305 (2023 - $nil) for the three months ended December 31, 2024 relating to the vesting of the share options and DSUs.

Concurrent with the Reefton Transaction, the Company acquired 16,300,000 shares of Siren. During the three months ended December 31, 2024, the Company recorded an unrealized loss on the change in the fair value of these shares of $1,333,258 (2023 - $nil).

(Expressed in Canadian Dollars)

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As of December 31, 2024, the Company had cash of $1,206,463 (2023 – $207,733) and working capital of $1,837,429 (2023 – working capital deficit of $910,884).

Cash used in operating activities for the year ended December 31, 2024 was $6,899,207 (2023 – $1,670,496), which was higher than the prior period due to the Transaction and Reefton Transaction and the Company having more funding to be able to carry on exploration and corporate activities.

On close of the Transaction, the Company acquired $5,611,189 (2023 - $nil) of cash. The Company paid Siren $932,510 (2023 - $nil) in the form of a forgivable loan upon entering the Agreement and $1,278,752 (2023 - $nil) at the completion of the Reefton Transaction. The Company also incurred $735,882 (2023 - $nil) of transaction costs relating to the Reefton Transaction. During the year ended December 31, 2024, the Company also spent $2,277,803 to purchase 16,300,000 shares of Siren.

Gross proceeds from the Offering were $8,000,100 (2023 - $nil), net of share issuance costs of $845,173 (2023 - $nil). During the year ended December 31, 2024, the Company also received proceeds of $500,000 (2023 - $805,000) 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.

SUBSEQUENT EVENTS

Subsequent to December 31, 2024, the Company granted 263,188 DSUs with a resulting fair value of $159,668. 101,208 of the DSUs vest over a period of three years and 161,980 DSUs vest over a period of one year.

USE OF PROCEEDS

The following table includes a comparison of actual use of proceeds, for the most recently completed financial year, to previous disclosures made by the Company:

	Intended Use of Proceeds	Actual Use of Proceeds
Exploration at the Reefton Project	$ 6,265,794	$ 2,864,769
General corporate and working capital purposes	954,300	954,300
	$ 7,220,094	$ 3,819,069

The Company is on track to complete the recommended exploration work program at Murray Creek as set out in the Reefton Gold Technical Report[1], by May 2025. The Company will be prioritizing Phase 1 of the recommended exploration program at the Reefton Resources Project, as set out in the Reefton Resources Technical Report[2], by August 2025.

[1] Technical report entitled "Technical Report on the Reefton Project, New Zealand", with an effective date of July 8, 2024, issued by RSC Consulting Ltd. ("RSC") and authored by Sean Aldrich, MSC, MAusIMM, MAIG, of RSC, a "qualified person" as defined in NI 43-101.

[2] Technical report entitled "Technical Report on Reefton Project, New Zealand" with an effective date of October 30, 2024,

(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	63,242,720
Options	3,785,334
Warrants	988,899
Deferred Share Units	647,081

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 year were as follows:

	Year ended December 31,	
	2024	**2023**
Salaries and wages	**$ 630,292**	$ 166,082
Professional fees	**199,900**	26,322
Share-options granted	**448,803**	-
DSUs granted	**126,951**	-
	$ 1,405,946	$ 192,404

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, and Tyron Breytenbach, a director of the Company. During the year ended December 31, 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, Brian Rodan 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, Brian Rodan 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 December 31, 2024, there was $165,222 (2023 – $2,375) payable to directors and officers of the Company included in accounts payable and accrued liabilities. The

issued by RSC and authored by Sean Aldrich, MSC, MAusIMM, MAIG and Abraham Whaanga, BSc MAusIMM (CP), each a "qualified person" as defined in NI 43-101.

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 December 31, 2024 and 2023, the Company carried its investment at FVTPL as a level 1 financial instrument. The carrying values of the Company's financial assets and liabilities carried at amortized cost, including cash and cash equivalents, reclamation bonds, 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 and cash equivalent 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 December 31, 2024 the Company had a cash balance of $1,206,463 (2023 – $207,733) to cover its accounts payable and accrued liabilities of $1,264,076 (2023 – $1,295,342). 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 material impact on the 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 Company's audited financial statements for the year ended December 31, 2024.

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.