AMERICAN FUTURE FUEL CORPORATION
(FORMERLY: FUTURE FUEL CORPORATION)

MANAGEMENT'S DISCUSSION & ANALYSIS

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of American Future Fuel Corporation (formerly: Future Fuel Corporation) ("AMPS" or the "Company") should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended December 31, 2023 and 2022. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Information contained herein is presented as of March 28, 2024, unless otherwise indicated. Additional information related to AMPS is available on SEDAR+ at www.sedarplus.ca.

The Company's board of directors approved the release of this MD&A on March 28, 2024.

FORWARD LOOKING INFORMATION

Certain statements and information contained herein may constitute "forward-looking statements" and "forward-looking information," respectively, under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information. The forward-looking statements are not historical facts, but reflect the current expectations of management of AMPS regarding future results or events and are based on information currently available to them. Certain material factors and assumptions were applied in providing these forward-looking statements.

Forward-looking statements regarding the Company are based on the Company's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of AMPS to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including capital expenditures and other costs. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. AMPS will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to, those contained in the Company's Filing Statement dated May 24, 2022 (the "Listing Statement") that is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

CORPORATE OVERVIEW

American Future Fuel Corporation (formerly: Future Fuel Corporation) ("AMPS" or the "Company") was incorporated on June 14, 2021 in the Province of British Columbia and is the parent company of Elephant Capital Corp. ("Elephant"). The Company's head office is located at 800 - 1199 West Hastings Street, Vancouver, BC, V6E 3T5. The Company's registered and records office address is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. Effective July 7, 2022, the Company changed its name from Future Fuel Corporation to American Future Fuel Corporation and trades under the trading symbol "AMPS" on the Canadian Securities Exchange ("CSE").

The Company's business is to acquire, explore, and develop interests in mining projects.

On September 27, 2022, the Company completed the acquisition of 1344726 B.C. Ltd., whose wholly owned subsidiary 1344726 Nevada Ltd. holds the rights to a series of four hundred (400) mineral claims located in Catron and McKinley Countries in the State of New Mexico, commonly known as the Red Basin Uranium Project, pursuant to the share purchase agreement effective September 27, 2022.

On May 24, 2022, the Company acquired all the issued and outstanding shares of Elephant by way of reverse takeover (the "Acquisition"). Pursuant to the Acquisition, Elephant became a wholly owned subsidiary of AMPS for legal purposes and the Company changed its name from Evolving Gold Corp. to Future Fuel Corporation, which was changed to American Future Fuel Corporation on July 7, 2022. Upon closing of the transaction, the shareholders of Elephant had control of the Company and as a result, the transaction is considered a reverse acquisition of AMPS by Elephant.

For accounting purposes, Elephant is considered the acquirer and AMPS the acquiree; therefore, the Company and these consolidated financial statements are a continuation of the financial statements of Elephant. The net assets of AMPS at the date of the reverse acquisition are deemed to have been acquired by Elephant and these consolidated financial statements include the results of operations of AMPS from the date of acquisition, May 24, 2022.

On May 20, 2022, Elephant completed the acquisition of Cibola Resources LLC ("Cibola"), pursuant to the share purchase agreement effective August 27, 2021, with Encore Energy Corp. ("Encore") to attain rights to the Cebolleta Uranium Project, which comprises approximately 6,700 acres of mineral rights and 5,700 acres of surface rights located in west-central New Mexico.

DESCRIPTION OF BUSINESS

The Company is engaged in the exploration and development of mineral resources, currently focusing on projects in New Mexico. The Company's material property is the Cebolleta Uranium Property (the "Cebolleta Property") in Cibola County, New Mexico, USA.

As of the date of the report, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. It is not known whether the Company's mineral properties contain reserves that are economically recoverable. The recoverability of amounts recorded by the Company for mineral property interests and related deferred exploration costs are dependent upon the discovery of economically recoverable reserves, the ability to raise funding for continued exploration and development, the completion of property option expenditures and acquisition requirements, or from proceeds from disposition.

The consolidated financial statements have been prepared under a going concern assumption which contemplates the Company will continue in operation and realize its assets and discharge its liabilities in the normal course of operations. Should the going concern assumption not continue to be appropriate, adjustments to carrying values may be required. The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations.

DESCRIPTION OF BUSINESS (continued)

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company's future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment and global market conditions. For significant expenditures and resource property development, the Company will depend almost exclusively on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company's operating commitments and further exploration and development plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected.

American Future Fuel announced December 21, 2023 that it had closed its brokered private placement in which it issued 12,777,777 units of the Company at a price of C$0.27 per Unit, for aggregate gross proceeds $3,450,000, which reflects an exercise of the agent's option in full. Red Cloud Securities Inc. acted as agent and sole bookrunner under the Offering on behalf of a syndicate of agents that included Canaccord Genuity Corp. Each Unit consists of one common share of the Company and one common share purchase warrant Each Warrant entitles the holder to purchase one common share of the Company at a price of C$0.42 at any time on or before that December 21, 2026.

MINERAL PROPERTY INTERESTS

<u>Cebolleta Property</u>

The Cebolleta Property is in the northeastern corner of Cibola County in west central New Mexico, approximately 45 miles (75 km) west of the city of Albuquerque, NM. The Cebolleta Property encompasses 6,717 acres (2,718 hectares) of mineral rights and approximately 5,700 acres (2,307 hectares) of surface rights owned in fee by La Merced del Pueblo de Cebolleta (the "Cebolleta Land Grant"). Three tracts of land make up the Cebolleta Property and include the "South L Bar Tract" (1,917 acres) and the "St. Anthony Tracts" (4,800 acres). The Cebolleta Land Grant is a political subdivision of the State of New Mexico. It originally formed part of an expansive Spanish land grant that was made to certain individuals by the King of Spain when Mexico (and certain portions of New Mexico) was a Spanish colony. Under the Treaty of Guadalupe Hidalgo, which ended in the Mexican American War in 1848, the United States agreed to uphold private property within land grants in the territory ceded by Mexico to the United States. The legislation that admitted New Mexico as a State into the Union (enacted in 1912) contained further provisions recognizing and honoring the ownership rights of the Cebolleta Land Grant owners and their heirs. As a result of the federal legislation, the lands of the Cebolleta Land Grant are part of the United States; however, they are not subjected to land management practices of the United States government, such as the Bureau of Land Management.

On August 25, 2023, American Future Fuel Corporation announced the New Mexico Mining and Minerals Division issued the Company its first drilling permit at its 100% owned flagship Cebolleta Uranium Project located in the Grants Uranium Mineral Belt.

The Company engaged Mark Mathisen CPG. With SLR International Corporation, Denver, CO, an independent geological consultant to the Company, and a Qualified Person as defined in National Instrument 43-101. Mr. Mathisen's engagement was to oversee and provide third party oversight of the conversion drilling and data interpretation from the current Historical Resource to a 43-101 compliant Mineral Resource Estimate.

MINERAL PROPERTY INTERESTS (continued)

Cebolleta Property (continued)

During the year, the Company completed its phase 1 drilling program at the Cebolleta Property in the grants Uranium Mineral belt. The phase I drill program consisted of 26 drill holes averaging 336 feet (112 meters) deep for a total of 9,530 feet (2,904 meters). Radiometric equivalent U_3O_8 grade (% e U_3O_8) values closely match historical data from nearby holes completed by Sohio Western Mining Company ("Sohio") from over 50 years ago. The outstanding results presented are a testament to the quality of the Cebolleta deposit and Sohio's previous work that is the foundation of the 18.98M lbs U_3O_8 historical resource that the Company is confident will be brought current as part of the next two phases of drilling.

The Cebolleta Property is held under the Cebolleta Lease, an agreement between the Cebolleta Land Grant and Neutron Energy Inc. ("NEI" or "Vendor"), a subsidiary of Encore. The lease was affirmed by the New Mexico District Court in April 2007 and provides NEI with the right to explore for, mine and process uranium deposits present on the Cebolleta Property and includes surface use and access rights. On August 27, 2021, Elephant Capital entered into a Share Purchase Agreement (the "Agreement") with Encore, NEI and Cibola. Under the terms and conditions of the Agreement, Elephant Capital agreed to purchase all the issued and outstanding share capital of Cibola (the "Corporation Interests") held by NEI, which includes the Cebolleta Uranium Property held under the Cebolleta Lease.

The Cebolleta Lease provides the Company with the right to explore for, mine, and process uranium deposits present on the Cebolleta project and was later amended in February 2012, January 2018, April 2021, and October 2023 extending the term of the lease to April 2029. The total cash consideration to be paid is as follows:

- Non-refundable cash payment of USD $20,000 paid by January 30th, 2007 (Paid);
- Refundable cash payment of USD $380,000 paid by February 21st, 2007 (Paid);
- Cash payment of USD $2,600,000 paid by April 9th, 2007 (Paid);
- Cash payment of USD $2,000,000 paid by October 9th, 2007 (Paid);
- Cash payment of USD $500,000 paid by April 9th, 2017 (Paid);
- Cash payment of USD $150,000 paid by April 9th, 2021 (Paid);
- Cash payment of USD $150,000 paid by April 9th, 2022 (Paid);
- Cash payment of USD $150,000 paid by April 9th, 2023 (Paid);
- Cash payment of USD $200,000 paid by April 6th, 2024;
- Cash payment of USD $200,000 paid by April 6th, 2025;
- Cash payment of USD $200,000 paid by April 6th, 2026;
- Cash payment of USD $200,000 paid by April 6th, 2027;
- Cash payment of USD $200,000 paid by April 6th, 2028; and
- Cash payment of USD $175,000 x (IPB published by the Bureau/Base IPD) paid by April 6th, 2029.

The lease agreement term has been extended to April 6, 2029, and for so long thereafter only if the Company can make the annual cash payments timely to indicate the good faith of operations. The Company will pay the lessor production royalties of 5.75% on uranium mined from the property and at the start of commercial operations, the lessee will make a production and resource bonus payment to the lessor, to be paid in cash or shares in the sole of discretion of the Company, for a total value of $4 million USD adjusted for inflation.

Red Basin Uranium

The Red Basin Uranium Project is located in the Red Basin – Pie Town Mining District of Catron and McKinley counties of New Mexico and is comprised of 400 staked lode claims.

During the year ended December 31, 2023, the Company allowed the Red Basin Uranium claims to lapse and recognized an impairment on mineral properties of $2,513,568.

(Expressed in Canadian Dollars)

SIGNIFICANT TRANSACTIONS

Reverse Takeover by Elephant Capital Corp.

On May 24, 2022, AMPS completed the acquisition of all issued and outstanding shares of Elephant pursuant to the share purchase agreement dated April 14, 2022. As a result of the transaction, the Company issued 56,541,251 common shares to Elephant shareholders. The Company also paid a finder's fee of 2,000,000 common shares to third parties who introduced the transaction to the Company valued at $100,000, which is recognized as part of consideration paid.

The transaction constituted a reverse acquisition ("RTO") of AMPS and had been accounted for as a reverse acquisition transaction in accordance with the guidance provided under IFRS 2, *Share-based Payment* and IFRS 3, *Business Combinations*. As AMPS did not qualify as a business according to the definition in IFRS 3, this reverse acquisition was accounted for as an asset acquisition by the issuance of shares and warrants of the Company for the net assets of AMPS.

The consideration paid was determined as equity settled share-based payment under IFRS 2, at the fair value of the equity of Elephant retained by the shareholders of AMPS based on the fair value of Elephant's common shares on the date of closing of the RTO at $0.05 per share. As a result of the transaction, the Company assumed 500,000 warrants, valued at $100. The warrants were valued using the Black-Scholes Option Pricing model using the following assumptions: Risk free rate of 2.51%; Volatility of 100%; Stock Price of $0.05; Exercise price of $0.80; Dividend yield of NIL% and expected life of 0.72 years.

For accounting purposes, Elephant has been treated as the accounting parent company (legal subsidiary) and AMPS has been treated as the accounting subsidiary (legal parent) in these consolidated financial statements. As Elephant was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in these consolidated financial statements at their historical carrying value. The results of operations of AMPS are included in these consolidated financial statements from the date of the reverse acquisition of May 24, 2022.

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the date of acquisition:

Consideration paid:		
Fair value of 2,256,999 common shares at $0.05 per share	$	112,850
Fair value of 2,000,000 common shares at $0.05 per share (finders' fees)		100,000
Fair value of 500,000 warrants assumed		100
		212,950
Net assets acquired (liabilities)		
Cash		6,089
Amounts receivable		6,206
Reclamation bonds		18,803
Accounts payable and accrued liabilities		(263,681)
Asset retirement obligation		(18,803)
Total net assets		(251,386)
Transaction expense	$	464,336

(Expressed in Canadian Dollars)

SIGNIFICANT TRANSACTIONS (continued)

Acquisition of Cibola Resources LLC

On May 20, 2022, Elephant completed the acquisition of all of the issued and outstanding share capital of Cibola. In consideration for all of the shares of Cibola, Elephant issued consideration as follows:

a) US $250,000 cash; and
b) 11,308,250 common shares of Elephant representing twenty percent (20%) of the outstanding share capital of Elephant immediately prior to the completion of a going public transaction to list on a qualifying exchange.

Elephant also paid finders' fees of 1,500,000 common shares to third parties who introduced the transaction to Elephant valued at $75,000, which is recognized as part of consideration paid.

At the date of acquisition, Elephant determined that Cibola did not constitute a business as defined under IFRS 3, *Business Combinations*, and the Cibola acquisition was accounted for as an asset acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2, *Share-based Payment*, and recognized at the fair value of the common shares of Elephant at a price of $0.05 per share.

The following table shows the finalized allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the acquisition date:

Consideration paid:		
Cash	$	311,085
Fair value of 11,308,250 common shares at $0.05 per share		565,413
Fair value of 1,500,000 common shares at $0.05 per share (finders' fees)		75,000
		951,498
Net assets acquired (liabilities)		
Exploration and evaluation asset		951,498
Total net assets	$	951,498

(Expressed in Canadian Dollars)

SIGNIFICANT TRANSACTIONS (continued)

Acquisition of 1344726 B.C. Ltd

On September 27, 2022, the Company completed the acquisition of all issued and outstanding shares of 1344726 B.C. Ltd. ("134 BC"), pursuant to the share purchase agreement effective September 23, 2022, to attain the wholly owned subsidiary 1344726 Nevada Ltd. in order to acquire the rights to a series of four hundred (400) mineral claims located in Catron and McKinley Countries in the State of New Mexico, commonly known as the Red Basin Uranium Project. As a result of the transaction, the Company issued 6,000,100 common shares to 134 BC shareholders. The Company also issued 500,000 common shares to third parties who introduced the transaction to the Company valued at $190,000 and issued 120,002 common shares as administrative fees valued at $45,601.

At the date of acquisition, the Company determined that 134 BC did not constitute a business as defined under IFRS 3, *Business Combinations*, and the 134 BC acquisition was accounted for as an asset acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2, *Share-based Payment*, and recognized at the fair value of the common shares of the Company at a price of $0.38 per share.

The following table shows the finalized allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the acquisition date:

Consideration paid:		
Fair value of 6,000,100 common shares at $0.38 per share	$	2,280,038
Fair value of 620,002 common shares at $0.38 per share (finders' and administration fees)		235,601
		2,515,639
Net assets acquired (liabilities)		
Cash (in trust)		$232,500
Accrued liabilities		(230,429)
Exploration and evaluation asset		2,513,568
Total net assets	$	2,515,639

SIGNIFICANT FINANCINGS

During the year ended December 31, 2023, the Company issued the following shares for cash:

On December 21, 2023, the Company closed a brokered private placement of 12,777,777 units at a price of $0.27 per unit for gross proceeds of $3,450,000. Each unit is comprised of one common share and one warrant, with each whole warrant exercisable at $0.42 per share and with an expiry date of December 21, 2026. The warrants were valued at $255,556 pursuant to the residual value method for accounting for warrants issued in a unit.

In accordance with the transaction, the Company paid $179,000 in cash finder's fees and $77,580 in broker legal fees. The Company issued 662,963 agent warrants with a fair value of $103,000, with an exercise price of $0.27, and an expiry date of December 21, 2026. The Company issued 255,555 common shares with a fair value of $63,889 as administrative fees to a third party for their assistance in the transaction recorded as share issue cost.

During the year ended December 31, 2022, the Company issued the following shares for cash:

On May 24, 2022, the Company completed a concurrent non-brokered private placement of 10,113,000 subscription receipts at a price of $0.50 per receipt for gross proceeds of $5,056,500. Each subscription receipt is comprised of one common share and one warrant, which have an exercise price of $1.25 and expire on March 8, 2026. The warrants have a fair value of $Nil based on the residual value method.

In connection with the private placement, the Company paid $175,000 in cash finders' fees and issued 350,000 agent warrants, which have an exercise price of $1.25 and expire on March 8, 2026, valued at $90,000. Additionally, the Company issued 201,060 common shares as administrative fees to third parties who assisted with facilitating the transaction, valued at $100,530, recorded as share issue cost.

(Expressed in Canadian Dollars)

SELECTED ANNUAL INFORMATION

The table below sets out certain selected financial information regarding the operations of the Company for the period indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements and related notes.

	December 31, 2023 $	**December 31, 2022 $**	**December 31, 2021 $**
	(Audited)	(Audited)	(Audited)
Total revenues	-	-	-
Net and comprehensive loss for the period	(7,493,090)	(3,179,213)	(303,975)
Basic and diluted income (loss) per share	(0.10)	(0.05)	(0.02)
Total assets	5,332,790	7,178,635	2,042,618
Total long-term liabilities	19,389	19,856	-
Cash dividends	-	-	-

SUMMARY OF QUARTERLY RESULTS

The following tables set forth selected financial information of the Company for the eight most recently completed quarters:

FOR THE THREE MONTHS ENDED

	December 31, 2023 $	**September 30, 2023** $	**June 30, 2023** $	**March 31, 2023** $
Revenues	-	-	-	-
Comprehensive loss for the period	(3,604,596)	(2,864,264)	(669,758)	(354,472)
Per Share – Basic and diluted	(0.05)	(0.04)	(0.01)	(0.00)

	December 31, 2022 $	**September 30, 2022** $	**June 30, 2022** $	**March 31, 2022** $
Revenues	-	-	-	-
Comprehensive loss for the period	(263,067)	(573,691)	(2,123,189)	(219,266)
Per Share – Basic and diluted	(0.00)	(0.01)	(0.04)	(0.01)

The Company was incorporated on June 14, 2021, and the quarter ended June 30, 2021 was the Company's first fiscal quarter reported. During the three-month period ended June 30, 2022, the Company achieved a public listing through the reverse acquisition transaction described above and in the accompanying consolidated financial statements of the Company.

RESULTS OF OPERATIONS

For the year ended December 31, 2023:

During the year ended December 31, 2023, the Company recorded a net loss of $7,469,882 as compared to a net loss of $3,179,213 for the comparable year ended December 31, 2022. Total expenses for the year amounted to $7,469,882 as compared to $3,179,213 for the comparable year ended December 31, 2022. The increase in overall expenditures can be attributed to the following:

- Advertising and marketing expenses have decreased to $322,722 from $1,328,672 as the Company has reduced the engagement of consultants for investor relations and digital marketing services. The decrease is attributed to the Company revised the allocation of funds from marketing efforts towards exploration expenditures.

- Consulting fees have increased to $592,436 from $549,780 as the Company has engaged consultants and executive management to provide advisory, management, and business development services.

- Exploration expenditures have increased to $1,247,515 from $386,572 for exploration activity performed on the Company's principal Cebolleta property. The Company has commenced a larger scale exploration program where analytical and assay work has been performed on the Cebolleta property whereby targets were identified and drilled.

- Impairment of mineral properties have increased to $2,513,568 from $NIL as the Company allowed all claims related to the Red Basin Uranium project to lapse to focus efforts on the Cebolleta property.

- Professional fees have decreased to $233,610 from $239,017 that are attributed to the fees paid to third party consultants for professional services and to assist the Company with research and advisory services, communications, and corporate development and legal fees, which has remained consistent year-over-year. Professional fees in the previous year were slightly higher due to legal fees incurred in accordance with the reverse takeover transaction between the Company and Elephant.

- Transfer agent and filing fees have decreased to $45,875 from $110,175 as the Company incurs public company costs to maintain its listing and file documents to maintain regulatory compliance. In the previous year, the Company incurred substantial fees associated with the filing statement to effect the reverse takeover transaction between the Company and Elephant.

- Share based compensation have increased to $2,341,545 from $Nil as the Company has engaged consultants and executive management to provide advisory, management, and business development services. After completing matters related to the reverse takeover acquisition in the previous year, management and the Board of Directors determined it was appropriate to issue equity instruments to motivate and incentivize individuals associated with the Company to promote operational success.

RESULTS OF OPERATIONS (continued)

For the three months ended December 31, 2023:

During the three months ended December 31, 2023, the Company recorded a net loss of $3,586,456 as compared to a net loss of $263,067 for the comparable period ended December 31, 2022. Total expenses for the three months amounted to $3,586,456 as compared to $263,067 for the comparable period ended December 31, 2022. The increase in overall expenditures can be attributed to the following:

- Advertising and marketing expenses have decreased to $117,243 from $330,252 as the Company has reduced the engagement of consultants for investor relations and digital marketing services. The decrease is attributed to the Company revised the allocation of funds from marketing efforts towards exploration expenditures.

- Consulting fees have increased to $181,224 from $126,324 as the company has engaged consultants and executive management to provide advisory, management, and business development services.

- Exploration expenditures have increased to $449,329 from $25,200 for exploration activity performed on the Company's principal Cebolleta property. The Company has commenced a larger scale exploration program where analytical and assay work has been performed on the Cebolleta property whereby targets were identified and drilled.

- Impairment of mineral properties have increased to $2,513,568 from $NIL as the Company allowed all claims related to the Red Basin Uranium project to lapse to focus efforts on the Cebolleta property.

- Professional fees have increased to $132,181 from $79,200 that can be attributed to the fees paid to third party consultants for professional services and to assist the Company with research and advisory services, communications, and corporate development and legal fees. During the three months ended December 31, 2023, the Company incurred legal fees associated with the closing of the private placement and ongoing matters related to the mining and lease agreement.

- Transfer agent and filing fees have increased to $5,700 from $2,900 as the Company incurs public company costs to maintain its listing and file documents to maintain regulatory compliance. In the previous year, the Company incurred substantial fees associated with the filing statement to effect the reverse takeover transaction between the Company and Elephant.

- Share based compensation have increased to $113,872 from $Nil as the Company has engaged consultants and executive management to provide advisory, management, and business development services. After completing matters related to the reverse takeover acquisition in the previous year, management and the Board of Directors determined it was appropriate to issue equity instruments to motivate and incentivize individuals associated with the Company to promote operational success.

LIQUIDITY

As at December 31, 2023, the Company had cash of $3,693,333 and a working capital of $3,755,586 compared to a cash balance of $3,515,505 and a working capital of $3,416,870 as at December 31, 2022. The increase in working capital was primarily a result of the Company completing financing from a private placement in the current year.

The Company believes that the current capital resources are not sufficient to satisfy its current liabilities and pay overhead expenses for the next twelve months and will need to seek additional financing to fund its operations and pursue future expansions. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects. As the Company is currently not able to generate sufficient cash from its operations to fund its operations, the Company will have to rely on issuing shares for cash or to settle debt, loans, and related party loans to fund ongoing operations and investments.

This MD&A has been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at December 31, 2023, the Company has accumulated losses of $10,880,743 since inception and expects to incur further losses in the development of its business, all of which are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations.

Although the Company has been successful in the past in raising funds to continue operations and management is intending to secure additional financing as may be required, there is no assurance it will be able to do so in the future.

CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its mineral properties; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements.

There was no change to the Company's management of capital during the year ended December 31, 2023.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

None to report.

(Expressed in Canadian Dollars)

RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel include those people who have authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of directors (executive and non-executive) and officers of the Company.

These amounts of key management compensation are included in the amounts shown on the statement of loss and comprehensive loss:

	Year ended December 31, 2023 $	**Year ended December 31, 2022 $**
Consulting and management fees		
David Suda, CEO	166,667	-
Joel Shacker, Director	20,500	-
Wild Mountain Consulting Corp., a company owned by Luke Montaine, Former CEO	30,000	120,000
	217,167	120,000
Share-based compensation		
David Suda, CEO	144,654	-
Geoff Balderson, CFO	36,164	-
1156724 BC Ltd., a company owned by Joel Shacker, Director	41,950	-
Michael Henrichsen, Director	144,654	-
Stephen Goodman, Former Director	72,327	-
	439,749	-
	656,916	**120,000**

As at December 31, 2023, the Company has outstanding amounts payable to the CEO and former CEO of the Company of $37,238 (December 31, 2022 - $21,000) for outstanding fees. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are disclosed in Note 4 of the financial statements.

FINANCIAL AND OTHER INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, interest rate risk and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The fair value of financial instruments, which include cash, reclamation bonds and accounts payable and accrued liabilities approximate their carrying values due to the nature of the maturity terms of these instruments.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash and its reclamation bonds. The Company's cash is held at a large Canadian financial institution. The Company's reclamation bonds are posted with a large Canadian financial institution designated by the Energy Minerals and Natural Resources Department.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days, which are settled using cash. As at December 31, 2023, the Company has a working capital of $3,755,586. The liquidity risk is low.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income, or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at December 31, 2023.

(ii) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. The Company's exposure is limited to movements in its own share price.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency rates. As at December 31, 2023, the Company had US $215,209 held at a major financial institution, accounts payable denominated in USD of US $8,000, and accounts payable denominated in EURO of $2,486. A 10% fluctuation in the foreign exchange rate would result in a difference of $27,000. The Company does not use any techniques to mitigate foreign currency risk.

(Expressed in Canadian Dollars)

SUBSEQUENT EVENTS

On February 19, 2024, the Company issued 250,000 common shares pursuant to the vesting of 250,000 RSUs granted on October 19, 2023.

On March 19, 2024, the Company entered into a definitive agreement with Premier American Uranium Inc. ("PUR" or Premier American Uranium") whereby PUR will acquire 100% of the issued and outstanding common shares of the Company. Shareholders of the Company will receive 0.17 common shares of PUR for each 1 common share of the Company held.

OUTSTANDING SHARE DATA

	December 31, 2022	December 31, 2023	March 28, 2024
Common shares	77,732,412	90,765,744	91,015,744
Warrants	10,613,000	22,890,777	22,890,777
Stock options	7,950,000	7,700,000	7,700,000
Agent warrants	350,000	1,012,963	1,012,963
Restricted share units	-	250,000	-
Fully diluted shares	88,695,412	122,619,484	122,619,484

OTHER

Additional information and other publicly filed documents relating to the Company, including its press releases and quarterly and annual reports, are available on SEDAR+ and can be accessed at www.sedarplus.ca.