

AXCAP VENTURES INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024**

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

GENERAL

This Management's Discussion and Analysis of Axcap Ventures Inc. ("Axcap" or the "Company") ("MD&A") is dated August 28, 2025, provides analysis of the Company's financial results for the three and six months ended June 30, 2025 compared to the three and six months ended June 30, 2024. The following information should be read in conjunction with the condensed interim consolidated financial statements for the three and six months ended June 30, 2025 and 2024 with accompanying notes and the audited financial statements and related notes for the year ended December 31, 2024 and 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures are expressed in Canadian dollars unless otherwise stated.

COMPANY OVERVIEW

Axcap Ventures Inc. was incorporated on February 20, 1987 under the Business Corporation Act (Ontario). On August 31, 2018, the Company filed a Certificate of Continuance in the Province of British Columbia and adopted Articles of Continuance as a BC company under the Business Corporations Act of British Columbia (the "BCBCA"). These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

Axcap Ventures is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "AXCP". The Company's head office is 1030 West Georgia Street, Suite 1507, Vancouver, BC, V6E 2Y3, and registered and records office is located 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

On August 17, 2020, the Company announced that it will be pursuing a change of business from an industrial issuer to an investment company under the rules and policies of the Canadian Securities Exchange ("CSE"). The Company has adopted an investment policy to outline the nature, scope and character of the investments that the Company will undertake. On April 20, 2022, the Company officially changed its name to Axcap Ventures Inc.

The objective of the Company is to provide investors with long-term capital growth by investing in a portfolio of early stage or undervalued companies or natural resource projects ("Projects"). It is planned that the Company will "unlock" value or "accelerate" growth of investee companies or Projects as a provider of capital and strategic guidance. The Company will strive to complement management as an active participant generally assisting in every aspect of the business or project development, including providing board of director and capital market advisory services. In addition, the Company is currently conducting exploration programs on its Converse project. During the nine months ended September 30, 2024, the Company made an acquisition in the mining and exploration industry on August 23, 2024. As a result of this acquisition, the Company amended and restated its financial statements for the nine months ended September 30, 2024. Refer to Note 21 in the amended and restated consolidated financial statements for the nine months ended September 30, 2024.

On May 21, 2024, the Company completed a consolidation of its common shares with a ratio of ten pre-consolidation common shares for each one post-consolidation common share, which resulted in 2,181,124 shares outstanding post consolidation. On October 24, 2024, the Company completed its 1 for 2.4 share split of the issued and outstanding common shares of the Company. After the share split, the Company has 189,034,658 shares issued and outstanding. The common shares, options and warrants in these condensed interim financial statements have not been adjusted to reflect this change.

All references to common shares, stock options and warrants in this MD&A have been adjusted to reflect this change.

HIGHLIGHTS AND RECENT DEVELOPMENTS

In June 2024, the Company completed a non-brokered private placement of 2,000,000 common shares of the Company at a price of \$0.075 per common share for aggregate gross proceeds of \$150,000. Funds from the proceeds will primarily be used for investments and general administrative purposes. For additional information related to the use of proceeds, please refer to the offering document posted on SEDAR+ on June 4, 2024.

In addition, the Company amended and updated its investment policy to provide for investments, directly or indirectly, in natural resource companies or projects. The Company and its investment committee have determined that it is in the best interests of the company to participate in the natural resource market, which represents a significant sector in the junior markets. The Company intends to make investments in resource companies and/or in natural resource

projects directly. The company will advise and/or actively participate in the development of projects in which the company has invested.

On August 19, 2024, the Company announced it has closed the first tranche of its non-brokered private placement (the "First Tranche") in the amount of 35,028,006 units for gross proceeds of \$2,101,680. The Company did not pay any finder's fees in connection with the closing of the First Tranche.

In August 2024, the Company announced that it has entered into a share exchange agreement with PGV Patriot Gold Vault Ltd. ("PGV") and the shareholders of PGV, pursuant to which the Company made an investment and purchased 100% of the issued and outstanding common shares in the capital of PGV. PGV is a privately held company incorporated under the Business Corporations Act (British Columbia). PGV is a North American gold consolidator whose core focus is to continually drill its properties to add value. PGV has signed letters of intent to acquire the Cracker Creek project located in Oregon and the Rattlesnake Hills project in central Wyoming. Pursuant to the terms of the definitive agreement, as consideration for the investment in 100% of the issued and outstanding common shares of PGV, the Company issued an aggregate of 4,583,333 common shares in the capital of the Company pro rata to the PGV shareholders. Closing of the transaction occurred on August 30, 2024 with the shareholders of PGV unanimously approving the sale to the Company. No shareholder approval was required. The Canadian Securities Exchange has approved the share issuance of the transaction. The acquisition of PGV has no immediate effect on the financial conditions, financial performance and cash flows of the Company. Future exploration work on PGV's mineral properties is expected to be financed by issuance of shares of the Company.

On September 3, 2024, the Company closed the second and final tranche of its non-brokered private placement (the "Second Tranche") in the amount of 34,971,993 units for gross proceeds of \$2,098,319. The Company did not pay any finder's fees in connection with the closing of the Second Tranche.

On September 24, 2025, the Company, through its wholly-owned subsidiary PGV, signed a definitive agreement dated August 15, 2024, to acquire the Rattlesnake Hills gold project from GFG Resources Inc. ("GFG"). Pursuant to the terms of the agreement, PGV will pay GFG aggregate consideration of approximately \$3.3-million to acquire the project in addition to certain milestone and resource bonus payments.

Pursuant to the terms of the agreement, PGV shall make the following payments to GFG to acquire the project:

- Cash payment of \$250,000 to GFG on signing of the LOI; the LOI deposit was paid on May 8, 2024;
- Cash payment of \$250,000 to GFG upon the execution and delivery of the agreement; this was paid on August 23, 2024

On closing of the transaction, PGV will:

- Make a cash payment of \$1.2-million to GFG, paid on December 12, 2024;
- Issue to GFG the greater of three million common shares of PGV or \$600,000 in value of consideration shares based on the volume-weighted average trading price of the consideration shares for the 20 trading days immediately preceding the closing date; or, in the event that PGV is not listed, the value of the consideration shares shall be determined by the last financing price of common shares of PGV sold to arm's-length investors;
- On the date that is 12 months following the closing date of the transaction, PGV will pay GFG a cash payment of \$1-million. On closing of the transaction, PGV will replace the \$219,000 (U.S.) reclamation bond for the project. If a National Instrument 43-101, Standards for Disclosure for Mineral Projects, resource estimate in the project reveals a mineral resource of greater than three million ounces of gold in a measured and indicated or inferred category, PGV will pay to GFG a further \$1 per total mineral resource ounce in cash or consideration shares at the election of PGV.
- PGV shall reimburse GFG and cover all costs and expenses relating to the project incurred from the date of the signed LOI to the closing date, up to a maximum of \$228,000 (U.S.).

The closing of the transaction is expected to occur on or about 120 days from the effective date of the agreement. Closing of the transaction, as contemplated by the agreement, is subject to a number of customary conditions and approvals.

On October 18, 2024, the Company entered into a share purchase agreement dated October 7, 2024, among the Company, Converse Acquisition Company Ltd. and the sole shareholder of Converse, pursuant to which the Company will purchase all the issued and outstanding common shares in the capital of Converse from the shareholder. Converse indirectly owns a 100-per-cent interest in an advanced-stage gold project located in Nevada (the "Converse Project"). The acquisition of Converse is made in accordance with the Company's investment policy, pursuant to which the

Company is committed to providing investors with long-term capital growth by investing in a portfolio of early-stage or undervalued companies or natural resource projects.

Pursuant to the terms of the definitive agreement, as consideration for 100 per cent of the issued and outstanding common shares of Converse, the Company shall make the following payments:

- On the effective date of the letter of intent, the Company shall make a cash payment of \$500,000 to the shareholder, which the company paid on July 11, 2024;
- On closing of the proposed transaction, the Company shall make a cash payment of \$1-million to the shareholder;
- On closing of the offering (as defined below), issue to the shareholder an aggregate of 20 million common shares of the Company, on a post-split basis.

The Company is at arm's length from Converse. Completion of the proposed transaction remains subject to a number of conditions, including the completion of the Company's offering of securities for gross proceeds of not less than \$4-million and the receipt of any required regulatory approvals, including the Canadian Securities Exchange. The proposed transaction cannot be completed until these conditions have been satisfied. There can be no guarantees that the proposed transaction will be completed as contemplated or at all.

Converse acquired the Converse property in July 2024 pursuant to membership purchase agreement. Converse is required to make the following milestone payments:

- On the closing of the proposed transaction, Converse shall make a cash payment of \$1.5-million.
- On or before July 15, 2025, Converse shall make a cash payment of \$2-million.
- On or before July 15, 2026, Converse shall make a cash payment of \$2-million.
- On or before July 15, 2027, Converse shall make a cash payment of \$2-million.
- On or before July 15, 2028, Converse shall make a cash payment of \$3.5-million.

The obligations to make the milestone payments are secured against the Converse Property pursuant to a deed of trust and security agreement. If Converse defaults on these obligations, the vendor has a right to seize the collateral, being the Converse Property.

Converse shall have a right to elect to pay each milestone payment, in whole or in part, in shares of the Company. The payment shares shall be subject to voluntary hold periods as outlined in the definitive agreement: 2.5 per cent of the payment shares will be released and become freely tradable six months after the closing of the offering, with an additional 2.5 per cent released seven months and eight months following the closing of the offering, another 5 per cent of the payment shares will be released every month for the next 11 months, and another 7.5 per cent of the payment shares will be released 20 months following the closing of the offering, with an additional 7.5 per cent of the payment shares becoming freely tradable every month thereafter.

Converse's lease term for its 250 claims is until August 31, 2032, and that the lease can be extended for another 10-year term as long as the Company ensures there is development, mining, processing, reclamation or closure activities occurring on the leased claims.

The Converse project is a large, advanced-stage gold deposit located in Nevada, known for its significant gold and silver mineralization. It has been subject to extensive exploration and drilling. The project is strategically located in the Battle Mountain trend, near the Marigold and Lone Tree mines, placing it in a prime area within one of the world's most prolific gold mining regions.

According to the Converse Project recent Mineral Resource Estimate ("MRE"), the highlights are as follows:

- Measured and indicated resource of 262.7 million tonnes (Mt) at 0.61 gram per tonne gold (g/t Au) for 5.17 million ounces and inferred resource of 26.4 million tonnes (Mt) at 0.65 gram per tonne gold (g/t Au) for 550,000 ounces.
- Additional value potential: Copper and silver not included in resource but high-grade mineralization present in drilling.
- Strategic location: The Converse project is located in the prolific Battle Mountain-Eureka trend in Nevada, a region well known for large gold deposits.

- Resource growth potential: The project hosts a significant gold resource with substantial upside potential through further exploration and drilling. In particular, Converse intends to explore for more reactive lithological units which are known to host substantial mineralization at neighbouring assets (Marigold, Fortitude).

On February 25, 2025, the Company completed the acquisition of Converse.

On August 11, 2025, the Company and Waterton Nevada Splitter, LLC agreed to amend parts of the initial milestone payment rights agreement to the following:

- The first milestone to mean September 30, 2025;
- Any shares issued to Waterton shall be immediately freely tradeable.
- The Company agrees to issue Waterton an additional 1,550,000 common shares at a share price equal to the closing price of the shares on the date prior to the date of issuance.

The issuance of 1,550,000 commons shares to Waterton were completed on August 1, 2025 and August 11, 2025.

On December 12, 2024, the Company closed the first tranche of its non-brokered private placement financing (the "Offering"). Pursuant to the first tranche, the Company issued 71,153,500 special warrants at a price of \$0.20 per special warrant for the gross proceeds of \$14,230,700. Each special warrant will automatically convert into one unit of the company, as described below. Each unit shall consist of one common share of the company and one common share purchase warrant. Each warrant shall entitle the holder thereof to acquire one share at a price of \$0.20 per share for a period of five years following the closing date. Each special warrant will automatically convert, for no additional consideration, into one unit on the date that is the earlier of: (i) the third business day after (a) a receipt for a final prospectus or (b) the date of filing a prospectus supplement to a short form base shelf prospectus qualifying the distribution of the shares and warrants issuable upon the conversion of the special warrants; or (ii) four months and one day after the issue date of the special warrants. In connection with the first tranche of the Offering, the Company paid finders' fees to eligible finders, consisting of \$724,534 in cash and 3,622,670 finders' warrants. Each finder's warrant is exercisable to acquire one common share of the company at an exercise price of \$0.20 per common share for a period of five years.

On December 16, 2024, the Company closed the transaction closed pursuant to a mineral property purchase agreement dated August 15, 2024 with GFG Resources Inc., GFG Resources (U.S.) Inc. (GFG U.S.) and JMO Exploration (U.S.) Inc. (JMO U.S.), and the company's wholly owned subsidiaries, directly or indirectly, PGV Patriot Gold Vault Ltd. and PGV U.S. Corp., pursuant to which the company, through PGV U.S., is to purchase from the vendor and its subsidiaries, GFG U.S. and JMO U.S., certain mineral claims and leasehold interests in certain mineral leases comprising the Rattlesnake Hills gold project. As partial consideration for transaction, PGV has paid the vendor an aggregate purchase price of \$1.7-million and the company has issued to the vendor 3,061,224 common shares of the company at a deemed price of 19.6 cents per consideration share. On December 16, 2025, the company will pay the vendor an additional payment of \$1-million, which is evidenced by a promissory note.

On December 27, 2024, the Company closed the second tranche of its non-brokered private placement financing (the "Offering"). Pursuant to the second tranche, the Company issued 2,450,000 special warrants at a price of \$0.20 per special warrant for the gross proceeds of \$490,000.00. In connection with the second tranche of the offering, the company paid finders' fees to eligible finders consisting of \$250 in cash.

On February 3, 2025, the Company closed the third and final tranche private placement financing (the "Offering"). Pursuant to the third tranche, the company issued 5,540,000 special warrants at a price of \$0.20 per special warrant for the gross proceeds of \$1,108,000. Including the first, second and third tranches, the Company has issued an aggregate of 79,143,500 special warrants for total gross proceeds of \$15,828,700 in connection with the Offering. In connection with the third tranche of the offering, the company paid finders' fees to eligible finders consisting of \$7,000 in cash and issued an aggregate of 91,000 finders' warrants. Each finder's warrant is exercisable to acquire one common share of the company at an exercise price of \$0.20 per common share for a period of five years. The Company intends to use the net proceeds from the offering to advance its portfolio of investments in the mineral exploration space, as well as for working capital and general corporate purposes, including further investments in technology, industrial and natural resource projects.

On May 23, 2025, the Company entered into a definitive mineral property purchase agreement ("Purchase Agreement") with Carlyle Commodities Corp ("Carlyle") pursuant to which the Company will acquire 100% interest in Carlyle's Newton Gold Project (the "Newton Project").

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Under the terms of the Purchase Agreement, Carlyle will receive aggregate consideration comprising cash, shares, warrants and contingent milestone payments:

- \$500,000 in cash payments, \$100,000 of which has been previously paid and \$400,000 of which was paid upon the execution of the Agreement;
- 500,000 common share purchase warrants of the Company exercisable at \$0.20 per share for a period of 3 years to be issued on closing of this purchase transaction;
- 3,750,000 common shares of the Company to be issued on closing of this purchase transaction;
- Common shares of Axcap, valued at \$1,250,000 ("Secondary Payment Shares"), to be issued 12 months following the closing of this purchase transaction.

Additionally, upon completion of certain milestones, Axcap will pay Carlyle the following consideration:

Milestone	Share Payment	Cash Payment
2,000,000 oz Au (measured or indicated resource)	2,500,000 shares	\$ 250,000
3,000,000 oz Au (measured or indicated resource)	5,000,000 shares	\$ 250,000
Completion of NI 43-101 pre-feasibility study	5,000,000 shares	\$ 500,000
Completion of bankable feasibility study	10,000,000 shares	\$ 1,000,000

Further, in connection with this purchase transaction, the Company has agreed to pay a finder's fee by the issuance of 1,212,500 Axcap common shares to an arm's length finder, which 587,500 finder shares will be issued on the closing of this purchase transaction and 625,000 finder shares will be issued upon issuance of the Secondary Payment Shares.

On June 3, 2025, the Company completed its acquisition of the Newton Project.

INVESTMENTS

The Company is an investment company that currently holds investments in shares and warrants of both public and private companies. For the six months ended June 30, 2025, the Company had to sell some of its investments at a loss in order to generate cash flows for operations. Due to the poor performance of the stock markets in general, the investments of the Company are not doing well and had decreased in their fair values over the six-month period ended June 30, 2025.

Holdings of the Company's equity investments as at June 30, 2025 were as follows:

	Shares (#)	Warrants (#)	Cost (\$)	Principal Business	Factors affecting Valuation
1342300 BC Ltd.	100,000	-	100,000	Holding Company	General market conditions
1537559 BC Ltd.	1,000,000	-	100,000		General market conditions
Adyton Resources Corp	1,250,000	-	184,552	Mineral Resource	Commodity Prices and Capital Market Conditions
Alaska Energy Metals Corp	-	125,000	100,000	Mineral Resource	Commodity Prices and Capital Market Conditions
Copper X Mining Corp	30,000	-	9,000	Mineral Resource	Commodity Prices and Capital Market Conditions
Coppernico Metals Inc	-	10,000	-	Mineral Resource	Commodity Prices and Capital Market Conditions
GH Power Inc	83,333	-	20,000	Mineral Resource	Commodity Prices and Capital Market Conditions
Lannister Mining	100,000	-	125,100	Mineral Resource	Commodity prices and Capital Market Conditions
Light AI Inc.	158,000	-	107,761	Technology	Commodity Prices and Capital Market Conditions
MCF Energy Ltd	400,000	-	80,000	Mineral Resource	Commodity Prices and Capital Market Conditions
Newt Corporation	575,000	-	115,000	Technology	Technological innovations Commodity Prices and Capital Market Conditions
Orosur Mining Inc	-	100,000	-	Mineral Resource	Commodity Prices and Capital Market Conditions
Purpose ESG	300,000	-	75,000	Commodities	Commodity Prices and Capital Market Conditions
RUA Gold	47,223	-	19,324	Mineral Resource	Commodity prices and Capital Market Conditions
Spetz Inc.	200,000	100,000	107,154	Technology	Commodity prices and Capital Market Conditions
Sweet Earth Holdings Corp	43,500	-	22,198	Hemp Production	Commodity prices and

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Altura Energy Corp	-	200,000	-	Mineral Resource	Capital Market Conditions Commodity Prices and
Turmalina Metals Corp	200,000	-	10,000	Mineral Resource	Capital Market Conditions Commodity Prices and
Western Exploration Inc.	-	50,000	-	Mineral Resource	Capital Market Conditions Commodity Prices and
Zacatecas Silver Corp	400,000	-	20,000	Mineral Resource	Capital Market Conditions
			1,195,089		

In January 2025, the Company acquired interest in Creo West Limited Partnership for \$80,000.

The Company completed two tranches of private placement in August and September of 2024. Proceeds from these two tranches will be used for working capital and general corporate purposes, including investments in technology, industrial and natural resource projects.

On August 16, 2023, the Company entered into an agreement with an unrelated party ("Issuer") for convertible debentures of \$400,000 in principal with interest bearing at 6% per annum. The Issuer is expected to become a public company through a reverse takeover transaction (the "Transaction"). The convertible debentures are to automatically convert to common shares of the Issuer at \$0.90 per share upon the closing of the Transaction. The maturity date of the convertible debentures is the earlier of (i) October 30, 2023 or such other date as may be agreed to by the Company and the Issuer provided that no maturity shall occur on such date if the Transaction occurs at such time; (ii) the date of the Transaction closing; and (iii) the date of termination of the Transaction.

The Company is to receive \$200,000 from the Issuer if on the maturity date these debentures have not automatically converted into common shares of the Resulting Issuer, and the remaining balance of the principal amount plus all accrued and unpaid interest shall automatically convert into common shares of the Issuer at \$2.14 per share. As at September 30, 2024, these convertible debentures did not automatically convert into common shares of the Resulting Issuer, and the Company did not receive any cash nor common shares of the Issuer. The balance of the convertible debentures is \$429,793 with \$29,793 being the accrued interest.

During the year ended December 31, 2024, the Company agreed to extend the maturity date of the convertible debentures to the date of the Issuer's Transaction. The extension removes the partial conversion requirements noted in the original convertible debt agreement. The Issuer closed its Transaction on December 16, 2024; in addition, the Issuer also closed a financing on December 30, 2024 for gross proceeds in excess of \$16 million. Upon closing of the Transaction, the convertible debentures, totaled \$436,240 including interest, were automatically converted into 1,840,394 common shares of the Issuer. During the three months ended March 31, 2025, the Company sold 1,840,394 common shares of the Issuer to a relative to a former director for \$420,000.

On July 12, 2024, the Company entered into a promissory note with Converse Acquisitions Company, Limited ("Converse Acquisitions") for a loan of \$380,000 in principal with interest bearing at 10% per annum. The loan is unsecured and due on demand. As at December 31, 2024, the balance of the loan was \$397,907 which included \$17,907 in accrued interest.

In addition, the Company advanced \$271,710 to Converse Resources, LLC, the subsidiary of Converse Acquisitions during the year ended December 31, 2024. This advance is due on demand.

During the six months ended June 30, 2025, the Company completed its acquisition of 100% outstanding common shares of Converse Acquisitions, and the amounts due from Converse are considered due from related parties and eliminated upon consolidation. The Company also completed its acquisition of 100% interests in Newton Gold Project.

EXPLORATION AND EVALUATION ASSETS

The Company is actively reviewing mineral exploration projects for investments and exploration. The Company has particular focus on gold projects. But management is looking for other prospective precious, base and critical mineral projects that will not only augment shareholder value, but also align with the Company's investment policy.

	Gulliver River	Newton	Rattlesnake Hills	Converse	Total
	\$	\$	\$	\$	\$
Balance, December 31, 2023	-	-	-	-	-
Acquisition costs	20,000	-	2,281,633	-	2,301,633
Balance, December 31, 2024	20,000	-	2,281,633	-	2,301,633
Acquisition costs	-	2,484,869	2,561	13,838,724	16,326,154
Assaying	-	-	580	84,658	85,238
Bonding	-	-	306,606	22,584	329,190
Depreciation	-	-	6,094	5,628	11,722
Drilling	-	-	8,335	2,552,208	2,560,543
Geological consulting	-	2,083	32,544	135,515	170,142
Operating	-	-	32,859	267,694	300,553
Overheads	-	-	-	259,329	259,329
Travel	-	-	1,223	70,162	71,385
Balance, June 30, 2025	20,000	2,486,952	2,672,435	17,236,502	22,415,889

Rattlesnake Hills Gold Project (Wyoming, USA)

Rattlesnake Hills Gold Project ("Rattlesnake") is located in in Wyoming, USA. According to the Rattlesnake Project recent Mineral Resource Estimate ("MRE"), the highlights are as follows:

- Measured and Indicated Resource of 24,857 Kt at 0.77 g/t Au for 612,000 ounces and Inferred Resource of 19,626 Kt at 0.69 g/t Au for 432,000 ounces.
- Resource Potential: The project hosts a significant gold resource with substantial upside potential through further exploration and drilling.
- Established Infrastructure: Rattlesnake Hills benefits from nearby mining infrastructure, reducing the overall capital expenditures needed for future development including all weather roads and a substantial network of exploration infrastructure.
- Favorable Geology: The deposit is hosted in favorable geology with multiple mineralized zones, suggesting the potential for higher-grade zones and increased resource expansion.

During the year ended December 31, 2024, the Company reimbursed the vendors of Rattlesnake for exploration expenditures in accordance with the Definitive Agreement between PGV and GFG. The Company closed the acquisition of Rattlesnake on December 16, 2024.

Gulliver River Project (Ontario, Canada)

Gulliver River, comprised of 20 claims, is a grassroots gold exploration project located in Ontario, Canada, on the boundary of Kenora and Rainy River Districts.

Converse Project (Nevada, USA)

On July 15, 2024, the Company, through its wholly owned subsidiary, Converse, entered into a Membership Interest Purchase Agreement ("MIPA") with Waterton Nevada Splitter, LLC ("Waterton") to acquire Converse Resources LLC in order to gain access to a group of mineral claims known as the Converse Exploration property ("Converse Project").

Pursuant to MIPA, the Company agreed to acquire the interests of Converse Resources LLC for the following consideration:

- On the closing of the proposed transaction, Converse shall make a cash payment of \$1.5 million.
- On or before July 15, 2025, Converse shall make a cash payment of \$2 million.

- On or before July 15, 2026, Converse shall make a cash payment of \$2 million.
- On or before July 15, 2027, Converse shall make a cash payment of \$2 million. On or before July 15, 2028, Converse shall make a cash payment of \$3.5 million.

The obligations to make the milestone payments are secured against the Converse Property pursuant to a deed of trust and security agreement. If Converse defaults on these obligations, the vendor has a right to seize the collateral, being the Converse Property.

Converse shall have a right to elect to pay each milestone payment, in whole or in part, in shares of the Company. The payment shares shall be subject to voluntary hold periods as outlined in the definitive agreement 2.5 per cent of the payment shares will be released and become freely tradeable six months after the closing of the offering, with the additional 2.5% released seven months and eight months following the closing of the offering, another 5% of the payment shares will be released every month for the next 11 months, and another 7.5% of the payment shares will be released 20 months following the closing of the offering, with an additional 7.5% of the payment shares becoming freely tradeable every month thereafter.

The Converse Project consists of 41 claims are owned directly by Converse Resources LLC and 250 claims are owned by Nevada North Resources USA Inc. ("Nevada North") and leased by Converse. The project is located 30 miles southeast of Winnemucca in Humboldt County, Nevada, USA.

In accordance with a lease agreement with Nevada North, an annual royalty payment of US\$100,000 will be made to maintain access rights after exploration and evaluation activities at the site. The royalty payments are expected to continue until the end of the lease agreement, which expires on August 31, 2032. Management currently intends to renew the lease at the end of the agreement.

During the year ended December 31, 2016, Converse Resources LLC entered a lease agreement with Newmont USA Limited ("Newmont") to grant Newmont a mining lease.

During the year ended December 31, 2020, Converse Resources LLC entered into a royalty deed with Royalty Consolidation Company LLC, a subsidiary of Waterton, to grant mineral production royalty interest in the properties.

During the year ended December 31, 2021, Royalty Consolidation LLC and Royalty Portfolio LLC, a subsidiary of Waterton, entered Conveyance of Royalty Interest to acquire the mineral production royalty from Royalty Consolidation LLC.

During the year ended December 31, 2021, Premier Royalty USA and Royalty Portfolio LLC entered Conveyance of Royalty Interest to acquire the mineral production royalty from Royalty Portfolio LLC.

At the closing of the acquisition transaction, the Company paid \$1,000,000 cash and issued 27,500,000 common shares of the Company.

During the six months ended June 30, 2025 and prior to the closing date of the Converse transaction, the Company incurred \$106,732 on the Converse project and the amount was recorded as exploration expense in the consolidated interim statement of loss and comprehensive loss.

Newton Project (British Columbia, Canada)

On June 3, 2025, pursuant to the mineral property purchase agreement (the "MPPA"), between the Company Carlyle Commodities Corp. ("Carlyle"), the Company acquired 100% interest in Newton Gold Project ("Newton Project") located in British Columbia, Canada.

Under the terms of the MPPA, the consideration of the Newton Project is as follows:

- \$500,000 in cash payments;
- 500,000 common share purchase warrants of the Company, exercisable at \$0.20 per share until May 30, 2028;
- 3,750,000 common shares of the Company;
- Common shares of the Company valued at \$1,250,000 to be issued 12 months following the closing the Newton Project acquisition at a 20-day VWAP leading up to the anniversary of the Newton Project acquisition, subject to Canadian Securities Exchange minimum pricing agreements.

Additionally, upon completion of certain milestones, the Company will pay Carlyle the following consideration:

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Milestone	Share Payment	Cash Payment
2,000,000 oz gold (measured or indicated resource)	2,500,000 shares	\$ 250,000
3,000,000 oz gold (measured or indicated resource)	5,000,000 shares	\$ 250,000
Completion of NI 43-101 Pre-feasibility study	5,000,000 shares	\$ 500,000
Completion of bankable feasibility study	10,000,000 shares	\$ 1,000,000

The Newton Project, comprised of 62 claims, is located approximately 108 km west-southwest of Williams Lake, British Columbia, Canada.

DEPOSITS FOR MINERAL PROPERTIES

Cracker Creek Gold Project (Oregon, USA)

Cracker Creek, comprised of 84 claims, is a gold exploration project located in Baker County, Oregon, USA, in the Elkhorns Mountains, which are part of the Blue Mountains of northeastern Oregon and southwestern Washing.

As at December 31, 2024, the negotiation for Cracker Creek did not go well and the Company wrote off the acquisition costs of \$353,990.

SELECTED ANNUAL INFORMATION

The following sets out selected financial information from the Company's most recently completed financial period and are derived from, and should be read together with the Company's annual financial statements.

	Year Ended		
	December 31, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)
Current Assets	13,403,104	521,081	1,038,701
Current Liabilities	940,832	479,648	240,893
Total Assets	17,155,4036	1,234,460	2,712,870
Total Liabilities	940,832	479,648	240,893
Expenses	3,900,101	484,406	327,194
Net Income (Loss)	(4,365,555)	(1,717,165)	(901,201)
Earnings (Loss) per Share	(0.06)	(0.08)	(0.05)

During fiscal 2024, the Company incurred \$1,353,155 in consulting fees compared to \$74,280 in fiscal 2023 and \$nil in fiscal 2022. The Company was transitioning to an investment issuer since 2021 and hired consultants and advisors on this transition; as a result, incurred higher consulting fees. In fiscal 2024 and 2023, the Company identified a number of potential investment opportunities and hired consultants and advisors regarding this.

In fiscal 2024, the Company incurred \$652,949 in professional fees compared to \$94,293 in fiscal 2023 and \$106,857 in fiscal 2022. Professional fees include legal fees, audit fees and accounting fees. Higher legal fees incurred in 2024 due to the Company doing due diligence on potential investments and in 2022 as the Company transitioned to an investment issuer.

In fiscal 2024, the Company incurred \$695,924 in office and administrative expenses compared to \$269,597 in fiscal 2023 and \$105,757 in fiscal 2022. Office and administrative expenses mainly include management fees, telecommunication expenses and office supplies. In 2024, higher management fees were paid to directors and officers due to more officers were hired by the Company as well as the Company paid fees to its directors who assisted with potential investments of the Company. In 2023, management fees were paid to a Mario Vetro, a director of the Company, who assisted with the potential investment of the Company.

Overall, higher expenses incurred in 2024 compared to 2023 and 2022 due to higher management fees and consulting fees as the Company had identified a number of potential investments and performed due diligence on them.

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended June 30, 2025 and 2024 is summarized as follows, reported in Canadian dollars except for per share amounts:

	F2024-Q3 September 30, 2024 (\$)	F2024-Q4 December 31, 2024 (\$)	F2025-Q1 March 31, 2025 (\$)	F2025-Q2 June 30, 2025 (\$)
Total operating expenses	(688,929)	(2,684,190)	(2,856,423)	(4,041,620)
Other gains (losses)	(93,071)	(404,488)	(1,185,774)	(850,660)
Net income (loss)	(782,000)	(3,088,678)	(4,042,197)	(4,892,280)
Earnings (loss) per share	(0.01)	(0.02)	(0.02)	(0.02)

	F2023-Q3 September 30, 2023 (\$)	F2024-Q4 December 31, 2023 (\$)	F2024-Q1 March 31, 2024 (\$)	F2024-Q2 June 30, 2024 (\$)
Total operating expenses	(3422170)	(314,300)	(114,213)	(408,066)
Other gains (losses)	(1,570,623)	113,013	139,751	(112,349)
Net income (loss)	(1,604,840)	201,287	25,538	(520,415)
Earnings (loss) per share	(0.31)	0.01	0.00	(0.21)

As an investment issuer, the Company has seen the financial market volatility affecting its investment portfolio, investee companies, financial position and operations over the past eight quarters. The underlying general trends affecting the Company include rising interest rates, downward pressures on the capital markets, and in turn, liquidity positions of many of the Company's investee companies. As such, the Company has experienced realized losses on disposals and unrealized fair value losses.

	June 30, 2025 (\$)	December 31, 2024 (\$)
Current assets	3,285,595	13,403,104
Current liabilities	5,295,203	940,832
Total assets	26,664,163	17,155,403
Total Liabilities	10,003,926	940,832

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2025

Operating expenses

Expenses for the three months ended June 30, 2025 were \$4,041,620, compared to \$412,769 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Consulting and management fees: \$1,159,686 compared to \$221,018 during the same period in 2024; the Company engaged consultants and advisors in 2025 to assist with financial advisory as well as consulting on investment opportunities similar to PGV and Converse. The Company also hired geologists to advise management on its mineral projects.
- Office and administrative fees: \$(655,148) compared to \$61,465 during the same period in 2024. Office and administrative fees for 2025 Q2 were negative because management fees were included in 2025 Q1. Office and administrative fees include bank service charges and office expenses. Office and administrative fees were higher in 2025 due to higher fees incurred such as office rent and telephone expenses, as well as donations to charities.
- Professional fees: \$321,628 compared to \$102,557 during the same period in the prior year. Professional fees consist of legal fees, audit fees and accounting fees. The Company incurred higher legal fees in 2025 due to the financings, investments and acquisitions.
- Marketing and advertising: \$2,519,795 compared to \$nil during the same period in 2024. Marketing and advertising fees in 2025 were higher due to the Company's need to promote itself as an investment company in the mining sector to attract potential investors.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2025

Operating expenses

Expenses for the six months ended June 30, 2025 were \$6,898,043, compared to \$522,885 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Consulting and management fees: \$1,534,029 compared to \$278,933 during the same period in 2024; the Company engaged consultants and advisors in 2025 to assist with financial advisory as well as consulting on investment opportunities similar to PGV and Converse. In addition, the Company also hired geologists to advise management on its mineral projects.
- Office and administrative fees: \$140,636 compared to \$106,616 during the same period in 2014. Office and administrative fees include bank service charges and office expenses. Office and administrative fees were higher in 2025 due to higher fees incurred such as office rent and telephone expenses, as well as donations to charities.
- Professional fees: \$547,558 compared to \$110,584 during the same period in the prior year. Professional fees consist of legal fees, audit fees and accounting fees. The Company incurred higher legal fees in 2025 due to the financings, investments and acquisitions.
- Marketing and advertising: \$2,880,331 compared to \$nil during the same period in 2024. Marketing and advertising fees in 2025 were higher due to the Company's need to promote itself as an investment company in the mining sector to attract potential investors.

CAPITAL STRUCTURE

As of the date of this MD&A, the Company has 305,757,698 common shares issued and outstanding. In addition, there are outstanding warrants for a further 255,827,383 common shares, 11,525,184 stock options, and 5,234,692 Restricted Share Units ("RSUs").

The details of warrants outstanding are as follows:

Date Issued	Expiry Date	Exercise Price	Number of Warrants Outstanding
February 7, 2022	February 7, 2027	\$0.48	4,132,898
March 31, 2022	March 31, 2027	\$0.48	340,317
August 19, 2024	August 19, 2029	\$0.30	84,067,214
September 3, 2024	September 3, 2029	\$0.30	83,932,783
December 27, 2024	December 27, 2029	\$0.20	3,619,670
February 3, 2025	February 3, 2030	\$0.20	91,000
April 11, 2025	December 12, 2029	\$0.20	71,153,500
April 28, 2025	December 27, 2029	\$0.20	2,450,000
April 28, 2025	February 3, 2030	\$0.20	5,540,000
June 3, 2025	May 30, 2028	\$0.20	500,000
			255,827,382

On November 12, 2024, the Company granted a total of 11,525,184 (post-split) stock options and 5,234,692 (post-split) RSUs to certain directors, officers and consultants of the Company. Each stock option vests 50% in 12 months and 50% in 24 months and is exercisable for one common share of the Company at an exercise price of \$0.21 per share for a period of 5 years from the grant date. Each RSU vests 50% in 12 months and 50% in 24 months and expires on November 12, 2029.

On December 16, 2024, the Company issued 3,061,224 common shares for the acquisition of the Rattlesnake Hills Property.

On February 25, 2025, the Company issued 27,500,000 common shares for the acquisition of Converse Acquisitions Company Ltd.

On December 10, 2024, December 27, 2024, and February 2, 2025, the Company closed its Special Warrants Units Offering by issuing a total of 79,143,500 Special Warrants at a price of \$0.20 per special warrant for gross proceeds of \$15,828,700. Each special warrant will automatically convert into one unit of the company, as described below. Each unit shall consist of one common share of the company and one common share purchase warrant. Each warrant shall entitle the holder thereof to acquire one share at a price of 20 cents per share for a period of five years following the closing date. Each special warrant will automatically convert, for no additional consideration, into one unit on the date

that is the earlier of: (i) the third business day after (a) a receipt for a final prospectus or (b) the date of filing a prospectus supplement to a short form base shelf prospectus qualifying the distribution of the shares and warrants issuable upon the conversion of the special warrants; or (ii) four months and one day after the issue date of the special warrants.

On April 11, 2025, 71,153,500 converted to units, which consists of one common share and one common share purchase warrant. On April 28, 2025, the remaining 7,990,000 converted to units, which consists of one common share and one common share purchase warrant.

On June 3, 2025, 3,750,000 common shares, 587,500 Finders' Shares and 500,000 warrants were issued for the acquisition of Newton Project.

CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's equity and due to a related party. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As June 30, 2025 and December 31, 2024, the Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the six months ended June 30, 2025 and the year ended December 31, 2024.

LIQUIDITY

The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements. The Company has historically financed its operations primarily through the sale of share capital by way of private placements.

At June 30, 2025, the Company had cash of \$1,831,239 (December 31, 2024 - \$11,849,696) and working capital deficiency of \$2,058,307 (December 31, 2024 – working capital surplus \$12,462,272). The change in working capital at June 30, 2025 and December 31, 2024 was significant as the Company closed 3 financings during the year ended December 31, 2024, raising total gross proceeds of \$19.07 million, and the Company acquired Converse, Converse Projects and Newton Gold Project.

Cash used in operating activities was \$4,612,272 during the six months ended June 30, 2025 compared to \$179,628 provided by operating activities during same period in the prior year. The change in operating cash flows in 2025 is mainly attributed to loss on sale of Light AI shares and prepaid expenses while the change in operating cash flows in 2024 was primarily due to loss in change in fair value of equity investments.

Cash used in investing activities was \$6,051,208 during the six months ended June 30, 2025, compared to \$94,490 from investing activities during the same period in the prior year. The change in investing cash flows is attributed primarily to the acquisition of Converse, Converse Project and Newton Gold Project, and the sales of the Company's marketable securities which generated cash for the Company and the purchase of marketable securities which used up cash of the Company in 2025.

Cash from financing activities was \$727,680 during the six months ended June 30, 2025, compared to \$150,000 from financing activities during the same period in the prior year. The change in financing cash flows is attributed to the financing and loan repayment in 2025.

The continued operation of the Company in the future may depend on the Company's ability to obtain additional financings. In the past years, the Company has relied on shareholder loans and cash generated from operations to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through equity financing, debt financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing; failure to obtain such additional financing could have a material adverse effect on the Company's operations.

AXCAP VENTURES INC.
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

INVESTMENTS

As at June 30, 2025, the Company's investments consisted of:

Description	Number of Securities		Cost	Fair Value
	Shares	Warrants		
<u>Investments in private companies</u>				
1342300 BC Ltd.	100,000	-	\$ 100,000	\$ -
1537559 BC Ltd.	1,000,000	-	100,000	100,000
Copper X Mining Corp	30,000	-	9,000	9,000
Lannister Mining Corp.	100,000	-	125,100	-
Newt Corporation	575,000	-	115,000	-
Purpose ESG	300,000	-	75,000	-
GH Power Inc.	83,333	-	20,000	20,000
<u>Investments in public companies</u>				
RUA Gold Inc.	47,223	-	19,324	32,112
MCF Energy Ltd.	400,000	-	80,000	18,000
Adyton Resources Corp.	1,250,000	-	184,552	350,000
Light AI Inc.	158,000	-	107,761	55,300
Orosur Mining Inc.	-	100,000	-	4,095
Spetz Inc.	200,000	100,000	107,154	174,650
Sweet Earth Holdings Corp.	43,500	-	22,198	22,185
Turmalina Metals Corp.	200,000	-	10,000	35,000
Zacatecas Silver Corp.	400,000	-	20,000	24,000
Alaska Energy Metals Corp.	-	125,000	100,000	-
Coppernico Metals Inc.	-	10,000	-	10
Altura Energy Corp.	-	200,000	-	8,320
Western Exploration Inc.	-	50,000	-	10,371
	4,145,556	585,000	\$ 1,195,089	\$863,043

In addition to the above investments, the Company also acquired interest in Creo West Limited Partnership for \$80,000 during the six months ended June 30, 2025.

RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

Key management personnel include the Company's Board of Directors and members of senior management. The Company's related parties include key management personnel, and companies related by way of management and directors in common, such as:

- Lannister Mining – an investee of the Company whereby a director and former interim CEO of Lannister Mining is a director of the Company and he holds, directly and indirectly, a total of 6.44% of Lannister Mining with a fair value of \$nil (December 31, 2024 - \$nil).
- Purpose ESG – an investee of the Company whereby the CFO of Purpose ESG was the former CFO of the Company. Axcap holds 2% of Purpose ESG with a fair value of \$nil (December 31, 2024 - \$nil).
- RUA Gold – investee of the Company whereby the Company and RUA Gold share common directors. Axcap holds 0.1% of RUA Gold with a fair value of \$32,112 (December 31, 2024 - \$28,334).
- Alaska Energy Metals Corp. ("AEMC") – investee of the Company whereby the Company and its investees share common directors and officers. Axcap holds 0.2% of AEMC's warrants with a fair value of \$0.33 (December 31, 2024 - \$714).
- Commodity Partners Inc. – a company sharing common directors with Axcap.

During the three and six months ended June 30, 2025 and 2024, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

AXCAP VENTURES INC.
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

For the three months ended June 30, 2025:

	Consulting (\$)	Management (\$)	Legal (\$)	Rent (\$)	Share- Based Payments – Options (\$)	Share- Based Payments – RSUs (\$)	Total (\$)
Management	-	117,249	-	-	111,207	50,546	279,002
Directors	180,000	-	450,893	15,000	123,773	121,309	890,975
	180,000	117,249	450,893	15,000	234,980	171,855	1,169,977

For the three months ended June 30, 2024:

	Consulting (\$)	Management (\$)	Legal (\$)	Rent (\$)	Share- Based Payments – Options (\$)	Share- Based Payments – RSUs (\$)	Total (\$)
Management	-	25,500	-	-	-	-	25,500
Directors	92,500	-	1,740	-	-	-	94,240
	92,500	25,500	1,740	-	-	-	119,740

For the six months ended June 30, 2025:

	Consulting (\$)	Management (\$)	Legal (\$)	Rent (\$)	Share- Based Payments – Options (\$)	Share- Based Payments – RSUs (\$)	Total (\$)
Management	-	289,498	-	-	221,191	100,536	611,225
Directors	983,667	-	598,667	30,000	246,184	241,285	2,132,536
	983,667	289,498	598,667	30,000	467,375	341,821	2,743,761

For the six months ended June 30, 2024:

	Consulting (\$)	Management (\$)	Legal (\$)	Rent (\$)	Share- Based Payments – Options (\$)	Share- Based Payments – RSUs (\$)	Total (\$)
Management	-	40,500	-	-	-	-	40,500
Directors	122,500	-	1,740	-	-	-	124,240
	122,500	40,500	1,740	-	-	-	164,740

During the year ended December 31, 2024, related parties of the Company participated in the financings of the Company:

- A total of 29,400,005 units were subscribed by related parties for the financings that closed on August 19, 2024 and September 3, 2024 for gross proceeds of \$735,000;
- A total of 100,000 Special Warrants were subscribed by related parties that closed in December 2024, for proceeds of \$20,000.

During the three and six months ended June 30, 2025, the Company incurred legal expenses of \$418,160 and \$598,667 (June 30, 2024 - \$1,740 and \$1,740), respectively, to a law firm, a partner of which is a director of the Company. As at June 30, 2025, the Company owed \$110,601 (December 31, 2024 - \$56,876) to the law firm.

During the six months ended June 30, 2025, the Company repaid a loan of \$120,000 to a director.

During the six months ended June 30, 2025, the Company prepaid a director for his service, and during the year ended December 31, 2024, the Company prepaid 3 directors for their services.

During the year ended December 31, 2024, PGV, the Company's subsidiary, borrowed \$250,000 from Commodity Partners Inc. During the six months ended June 30, 2025, the Company repaid the loan in full, see Note 5.

Due to Related Parties

As at June 30, 2025 and December 31, 2024, the Company has the following amounts due to related parties:

		June 30, 2025		December 31, 2024
Accounts payable and accrued liabilities	\$	76,936	\$	63,531

The amounts due to related parties are unsecured, non-interest bearing and due on demand.

OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The Company's cash and marketable securities are measured at fair value. The Company considers that the carrying amount of its trade and other payables recognized at amortized cost in the financial statements approximates their fair value due to the demand nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks, cash on deposit with fiat to cryptocurrency exchanges and from outstanding trade receivables. The Company minimizes credit risk associated with its cash balance substantially by dealing with financial institutions deemed to be reliable due to their history of operations. The Company assessed its credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is exposed to liquidity risk, but has assessed liquidity risk to be low.

Foreign Currency Risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company previously was exposed to foreign currency risk through cash in banks and cash on deposit with fiat to cryptocurrency exchanges which are denominated in United States dollars (USD).

Price Risk

The Company's net income or loss, and financial condition were subject to price risk due to fluctuations of the following:

Equity Price Risk

The Company is exposed to equity price risk through its equity investments and unfavourable market conditions could result in dispositions of marketable securities at less than favourable prices, especially during periods of overall market instability. The Company manages its equity price risk by having a portfolio of equity investments not singularly exposed to any one issuer.

BUSINESS RISKS AND UNCERTAINTIES

Additional information on risks and uncertainties relating to the Company's business is provided in GAR's Listing Statement dated February 28, 2018, under the heading "Risk Factors".

CONTRACTUAL OBLIGATIONS

The Company presently has no contractual obligations pursuant to which the Company has any payments owing in the next five years.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

The following discusses the most significant accounting judgements, estimates and assumptions that the Company has made in the preparation of its financial statements.

Areas of judgment:

- Exception to Consolidation

Prior to August 30, 2024, the Company applied the exception to consolidation of subsidiaries available to investment entities. Management had determined that the Company qualified for the exemption as per IFRS 10, *Consolidated Financial Statements* from consolidation given that the Company had the following typical characteristics of an investment entity prior to August 30, 2024:

- a. Obtained funds from one or more investors for the purpose of providing those investors with investment management services;
- b. Committed to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c. Measured and evaluated the performance of substantially all of its investments on a fair value basis.

- Assessment of Impairment Indicators

The Company assesses at each reporting period whether there is an indication of impairment. Material judgment is applied in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (1) a significant decline in the market value of the Company's share price; (2) changes in the quantity of the recoverable resources and reserves; (3) changes in precious metal prices; and (4) changes in inflation, interest, and exchange rates, are evaluated in determining whether there are any indicators of impairment.

- Going concern

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern.

- Deferred tax assets

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

- Determination of fair values

Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company estimates the fair value based on the criteria described under Note 4(iii) in the financial statements for the year ended December 31, 2024. Significant judgement is required for the Company's investment in non-public companies using Level 2 and Level 3 inputs.

- Reclamation Liability

The valuation of any reclamation liability is subject to significant judgement and estimates. Assumptions, based on the current economic environment, are made to estimate the future liability. These estimates consider any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to the liability from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the expenditures are actually incurred. The final cost of the reclamation liability currently recognized may be higher or lower than currently provided for.

- Tax assets and liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the

amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rate as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

- Share-based payments

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however, the most significant estimate is the volatility.

MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies are summarized in Note 4 of the financial statements for the years ended December 31, 2024 and 2023.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed "forward-looking statements", including statements regarding developments in the Company's operations in future periods, adequacy of financial resources and future plans and objectives of the Company. All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future expenditures on research and development and operating expenses, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that Management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on this forward-looking information.