MAGNETIC NORTH ACQUISITION CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2023

(Expressed in Canadian Dollars)

Introduction

This management's discussion and analysis ("MD&A") for Magnetic North Acquisition Corp. ("Magnetic North", the "Company", "we", "us" or "our") dated October 10, 2024, should be read in conjunction with our 2023 audited annual financial statements and accompanying notes.

All financial information, unless otherwise noted, presented in this MD&A is reported in Canadian dollars and has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information relating to the Company, including the annual and quarterly financial statements and MD&A, is available on SEDAR at www.sedar.com.

This MD&A addresses matters we consider important for an understanding of the Company's business, financial condition and results of operations as at and for the three and twelve months ended December 31, 2023.

Description of Business and Overview

Magnetic North, with its registered and head office at Suite 1000, 250 2nd Street SW, Calgary, AB T2P 0C1, and offices in Toronto, ON, was incorporated under the Business Corporations Act (Alberta) on July 18, 1997. On September 12, 2008, the Company continued under the Canada Business Corporations Act.

The Company's common shares and Series A preferred shares trade on the TSXV under the symbol "MNC"and "MNC.PR.A", respectively.

On October 22, 2019, the Company completed an asset purchase transaction with a group of investment and business professionals to effect an arm's length "Change of Business" (as defined in TSXV Policy 5.2) transaction (the "Transaction") within the meaning of such terms in the policies of the TSXV. Under the Transaction, the Company acquired certain shareholdings (the "PurchasedAssets") from Mr. Kevin Spall, Mr. Ian Wild and Mr. Andrew Osis (the "Vendors") in exchange for the issuance of 38,000,000 Common Shares of the Company at a deemed price of $0.05 per share and 100,000 Series A preferred shares of the Company at a deemed price of $10.00 per Series A preferred share. The Purchased Assets comprised of all the Vendors' equity interests in Previcare, Inc. ("Previcare"), Ignite Alliance Corp. ("Ignite"), and Power Symmetry Inc. With the completion of the Transaction, the Vendors were appointed officers and directors of the Company, the Company changed its primary business to merchant banking and changed its name from Black Bull Resources Inc. to Magnetic North Acquisition Corp.

Before the change of business, the Company was engaged in the acquisition, exploration, and evaluation of mineral properties of the Company's current holdings in Nova Scotia, Canada. After the completion of the Transaction, the Company changed its primary business to an investment entity comprised of a team of highly experienced professionals in finance and strategy. Magnetic North is primarily focused on investing in the following industries; clean power technology, oilfield services, consumer products, and technology (software and hardware).

In furtherance of the Company's new business objective, the following criteria is utilized to assess potential investment opportunities:

(a) management expertise and funding to expand, or improve the investee's business model, strategy,or geographic reach;

(b) an opportunity to provide strategic guidance on the investee's businesses or assets through board representation;

(c) cash flow positive, or close thereto, and through improvements to structure, operations or consolidation, cash flow can be positively impacted to provide sustainable cash flow;
(d) identifiable business improvements, expansion, consolidation, or acquisition opportunities that enhance the value of operations, and will result in increasing the investee company's valuation.

See also "Risks and Uncertainties" below.

Status as an Investment Entity

The following are the criteria within IFRS 10 Consolidated Financial Statements, which the Company used to evaluate and determine that it meets the definition of an Investment Entity;

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has evaluated the above criteria and determined that it meets the definition of an Investment Entity. As a result of meeting the definition of an Investment Entity, subsidiaries which otherwise would have been consolidated are carried at fair value through profit or loss ("FVTPL").

Operational Highlights

- On March 23, 2023, the Company announced the addition of Lance McIntosh CPA,CA as Chief Financial Officer. Mr. McIntosh has over 45 years of experience in corporate finance, corporate financial reporting, audit and financial operations management in various industries including asset management, technology, pharmaceuticals and merchant banking.
- On May 2, 2023, Magnetic North announced a delay in filing of the Company's Annual Financial Statement and application for a Management Cease Trade Order during that period.
- On May 8, 2023, the Company announced the issuance of the Management Cease Trade Order by the Alberta Securities Commission ("ASC").
- On July 4, 2023, due to further delays in filing the Company's Annual Financial Statement, Magnetic North announced a Cease Trade Order ("CTO") by the ASC
- On July 5 2023, as a result of the CTO, the Canadian Investment Regulatory Organization announced a temporary suspension (halt) in the trading of Magnetic North securities.
- On September 22, 2023 Magnetic North announced that all of the required filings had been made.
- On September 25, 2023 Magnetic North announced that the CTO issued by the ASC had been revoked
- On October 11, 2023 Magnetic North announced that the temporary suspension (halt) in the trading of Magnetic North securities instituted by CIRO had been revoked.
- On November 29, 2023 the Company announced that it had entered into a Credit Agreement with a Canadian Financial Institution ("the Lender"). Under the Credit Agreement, the Lender made available to the Company a non-revolving demand facility in the principal amount of US$10,000,000. The facility bore interest at U.S. prime plus 1.5% per annum and was to be used by the Company for specific financial transactions and investment opportunities purposes. As the use of the loan proceeds was restricted to, and for, specific purposes the loan proceeds have been classified as 'Restricted cash' on the Company's Statement of Financial Position as at 31.12.2023.
  In addition, a third party, arm's length shareholder of the Company provided a Letter of Credit in the amount of CDN$ 14,000,000 as security for the Term Loan. The Company issued 450,000 Warrants to acquire Series A Preferred shares at an exercise price of $7.50 per share for a period of twenty four months from the date of issuance related to receiving the Letter of Credit as security for the non-revolving demand facility. In February, 2024 the Letter of Credit expired and was not renewed.
- On November 29, 2023 the Company also announced that it had received a non-interest-bearing loan in the principal amount of $250,000 from the arm's length shareholder of the Company to be used for general

corporate purposes. The Company issued 100,000 Warrants to acquire Series A Preferred shares at an exercise price of $7.50 per share for a period of twenty four months from the date of issuance related to receiving this non-interest-bearing loan.
The TSX Venture Exchange approved the Company's grant to the arm's length shareholder of an aggregate of 550,000 Warrants as partial consideration for providing the non-interest-bearing loan and for providing the stand-by Letter of Credit in connection with support for the Credit Agreement.

- During the course of the Company's 2023 audit, management reviewed the accounting for, and classification of, the Series A preferred shares. It was determined that the Series A preferred shares are not a financial liability, rather they are more properly classified as equity.
  There are three key terms, all of which were relevant to the determination of the classification of the Series A preferred shares:
    1. Redemption option - at the discretion of MNAC's Board of Directors.
    2. Dividend distribution - at the discretion of MNAC's Board of Directors.
    3. Entitlement - Distribution of net investment gain upon future events, non-discretionary.

  Each of these terms was analyzed individually under existing IFRS pronouncements.
  Based on the analysis undertaken, the Preferred Shares are considered a compound instrument, consisting of both an equity component and a liability component. However, the liability component is initially recognized at nil value due to its nature as a contingent obligation which has an indeterminable payment probability and an amount that cannot be reliably measured. Therefore, the entire amount of the proceeds from the issue of Series A preferred shares was reallocated to the equity component.
  The effect of this adjustment to the classification of the Series A preferred shares on the statement of financial position as at December 31, 2023 is a decrease in financial liability-Series A preferred shares within non-current liabilities of $17,404,079 and a net increase in Series A preferred shares within shareholders' equity of $16,467,597.
  The Company issued preferred units in previous years, each consisting of one preferred share and one warrant to purchase a preferred share. Previously, the Company allocated the cash proceeds only to its preferred shares and the fair value of warrants was included as Preferred share-based transaction costs in the Statement of Loss and Comprehensive Loss. Transaction costs related to the issuance of preferred units were also not allocated between warrants and preferred shares.
  The Company restated its financial statements to allocate the cash proceeds from these issuances of units to both the warrants and the preferred shares. The fair value of warrants was determined using the Black -Scholes valuation model in previous years. The same value was used to allocate the consideration between the warrants and the residual value was allocated to preferred shares. Transaction costs were also allocated to warrants and preferred shares based on their fair value. This resulted in a cumulative decrease in financial liability-Series A preferred shares and warrants by $937,152 and $28,326 as at December 31, 2022. The general and administrative expenses for the year ended decreased by $12,052 and preferred share-based transaction cost reduced by $207,810.
  During the year, the Company identified certain general and administrative expenses incurred by the Company and under accrued in the books of account. These expenses related to the 2022 financial year. Accordingly, the general and administrative expenses for the year ended December 31, 2022, have been restated to include these expenses amounting to $67,402 along with a corresponding adjustment to current liabilities.
  As at December 31, 2022 the accumulated deficit as a result of the above adjustments decreased by $898,076.
  These adjustments also had an effect on the Company's 2022 audited statement of Cash Flows and statement of Changes in Shareholders' Deficit.
  The Statement of Financial Position for 2021 has also been restated for the reclassification of Series A preferred shares and allocation of preferred share-based transaction cost to series A preferred shares and warrants. This resulted in a decrease in non-current liability for Series A preferred shares of $17,044,718, an increase of $16,310,597 in Series A preferred shares within Shareholder's Equity, a decrease in Warrants of $11,495 and a decrease in Accumulated Deficit of $745,616.
- On May 7, 2024 the Company was granted a Management Cease Trade Order by the ASC as the Company was late to file its 2023 annual audited financial statements.

- The specific financial transactions and investment opportunities contemplated when the Company entered into the Credit Agreement for a non-revolving demand facility in the amount of US$10,000,000 either did not materialize, were assessed to be inconsistent with the restrictions placed on the use of the funds or were not economically beneficial to the Company and, as a result, on June 28, 2024 the Company repaid the US$10,000,000 Term Loan using the Restricted Cash in the amount of US$10,000,000. Accrued interest on the Term Loan of $US 539,315.08 was converted to a non-interest bearing Demand Promissory Note.
- On July 15, 2024 the ASC issued a Cease Trade Order (the "CTO"). The CTO was issued as a result of the delay in the filing of the Company's audited annual financial statements and the accompanying corresponding interim financial statements, management discussion and analysis, and certifications for the period ended March 31, 2024.
- On July 15, 2024, the TSX Venture Exchange suspended trading in the Company's securities as a result of the CTO issued by the ASC.

Investments

The Company's investment portfolio consisted of the following as at December 31, 2023:

Investments	Instrument	Financial Instrument Fair Value Hierarchy	Cost	Fair Value	Company Ownership
CXTL Recycling (Canada) Corp.	Equity	3	$9,031,396	$ nil	50%
Previcare. Inc.	Equity	3	nil	nil	32%
			$9,031,396	$ nil	

The Company's management review and approve the valuation results of all investments in the portfolio based on all observable and unobservable inputs. For the year ended December 31, 2023 the Company maintained its prior year Investment valuations. As part of the prior year audit, the Company engaged an independent valuation firm to perform an independent valuation of both CXTL Recycling (Canada) Corp. ("CXTL") and Previcare, Inc. ("Previcare") as at December 31, 2022. The valuation results were reviewed with the audit committee as part of its quarterly and annual approval of the Company's financial statements.

For the purposes of the Fair Value ("FV") analysis for CXTL and Previcare, Management considered the following valuation approaches:

- Income approach utilizing:
  - the Discounted Cash Flow method ("DCF")
- Market approach utilizing:
  - trading multiples of comparable companies in the sector in which the entity operates.
  - transaction multiples observed within the industry sector in which the entity operates.

The primary valuation approach utilized was the income approach using the DCF method, as each entity was and is in the initial phase of its business cycle. The Company obtained an independent valuation report as at December 31, 2022 that supported both the carrying value of CXTL at the prior year's valuation of $4,259,265 and Previcare at a valuation of $5,000,000 respectively.

From a capital markets valuation perspective, management and the independent valuator judged the assumptions used to prepare the independent valuations to be reasonable and achievable. From an audit perspective under IFRS 13, use of the DCF approach refers to an entity's use of an expected cash flow ('ECF') technique and a discount rate adjustment technique. ECF refers to the "probability-weighted" average of possible cash flows. With regard to the key valuation assumptions, under IFRS 13 the probability of each key assumption could not be readily or sufficiently determined as at Dec. 31, 2022.

While Management and the independent valuators supported the valuation of CXTL and Previcare as at December 31, 2022 based on the income approach using the DCF method, insufficient audit support for the key assumptions underlying this approach required Magnetic North, as an Investment Entity, to adjust the carrying value of its investment in CXTL and Previcare to nil, consistent with the IFRS-specific definition of fair value, through profit and loss in accordance with IFRS 9 as at December 31, 2022.

The $nil valuations are being maintained for the year ended December 2023; separate valuations as at December 31, 2023 were not performed as there had been no sufficiently material changes in the key assumptions used and, under IFRS 13, the probability of each key assumption could still not be sufficiently determined. As soon as there is additional progress and/or events that would assist in the determination of the probability of the key assumptions used in the 2022 valuation exercise, the Company will re-evaluate the DCF model and determine a fair value in subsequent financial reporting periods.

The Company also held shares in the following companies that had nil fair value as at December 31, 2023: Ignite Alliance Corp.- 50,000 shares representing less than 1% of the common shares; Power Symmetry - 400,000 shares representing 40% of the common shares; and GrowthCell Global -335,000 common shares representing less than 1.5% of the common shares. No valuation work was performed on these investments due to the small ownership position held by Magnetic North and/or the investee is too early stage in its business plan.

As at December 31, 2023 all of the Company's investments are unlisted equity instruments and are categorized as Level 3 financial instruments. These investments are valued at cost for a limited period after the date of acquisition, provided the purchase price remains representative of the fair value at the reporting date; otherwise, these investments are valued using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment. Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding, which represents 100% of the Company's current portfolio, are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate. The Company may apply a further illiquidity discount to the fair value of an investment if conditions exist that could make it challenging to monetize the investment in the near term at a price indicated by the valuation models. The amount of illiquidity discount applied requires considerable judgment and is based on the facts and circumstances of each investment.

The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties, and the resulting values may differ significantly from the values that would have been used had a ready market existed for the investments. These differences could be material to the fair value of investments in the portfolio.

Selected Annual Financial Information

The Company's selected annual financial information as at the three most recently completed financial year ends is summarized as follows:

	Twelve Months Ended Dec. 31, 2023	**RESTATED Twelve Months Ended Dec. 31, 2022**	**RESTATED Twelve Months Ended Dec. 31, 2021**
Operating income (loss)	**$ (884,105)**	$ (1,372,696)	$ (1,456,747)
Net and comprehensive income (loss)	**(1,407,328)**	(5,698,325)	(3,109,489)
Earnings (loss) per share - basic and diluted	**(0.02)**	(0.10)	(0.05)
Total assets	**14,020,084**	554,116	5,242,291
Total liabilities	**15,887,643**	1,687,214	1,283,583
Shareholders' deficiency	**(1,867,559)**	(1,133,098)	3,958,708

Summary of Quarterly Results

Summary of Quarterly Results					RESTATED			
	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sept 30 2022	Jun 30 2022	Mar 31 2022
Revenue	$60,000	$ 60,000	$ 760,000	$ -	$ -	$ -	$ -	$ -
Operating income (loss)	(779,944)	(293,818)	447,831	(258,174)	(528,183)	(204,808)	(282,446)	(357,259)
Net income (loss)	(1,302,677)	(293,998)	447,651	(258,304)	(9,645,442)	4,795,002	(490,446)	(357,439)
Income (loss) per share - basic & diluted	(0.02)	(0.00)	0.01	(0.00)	(0.17)	0.08	(0.01)	(0.01)
Operating income (loss) full year	(884,105)				(1,372,696)			
Net income (loss) full year	(1,407,328)				(5,698,325)			

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates into both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Results of Operations

For the three months ended December 31, 2023 compared with the Restated three months ended December 31, 2022

For the three months ended December 31, 2023, the Company's net loss was $1,302,677 ($0.02 per share), compared to the Restated net loss of $9,645,442 ($0.17 per share) for the three months ended December 31, 2022. The 2022 period incorporated adjustments related to the reclassification of the Company's Series A Preferred shares from a long-term liability to shareholders' equity, in addition to the inclusion in the 2022 Restated Statement of Loss and Comprehensive Loss of adjustments to certain 2022-related expenses which were under accrued in the 2022 financial statements.

The decrease in comparative net loss for the three months ended December 31, 2023 is a result of the following:

Fair value adjustment of investments

For the three months ended December 31, 2023 the fair value adjustment related to the Company's investment in CXTL remained at $nil. During the three months ended December 31, 2022, the Company reported a decrease of $4,259,265 in the fair value of CXTL to $nil. In addition, the fair value of Previcare was increased to $5,000,000 for the nine months ended September 30, 2022 compared to $nil in the comparative period. As part of the 2022 year-end audit performed, the fair value of Previcare was reduced to a fair value of $nil in the three months ended December 31, 2022 which was also the fair value as at the comparative period. While management and the independent valuators supported the valuations of CXTL and Previcare as at December 31, 2022 (please see "Investments" section for further details) based on the income approach using the DCF method, insufficient audit support for the key assumptions underlying this approach required Magnetic North, as an Investment Entity, to adjust the carrying value of its investments in CXTL and Previcare, in accordance with IFRS 9, to $nil through profit and loss as at December 31, 2022.

Revenue

During the three months ended December 31, 2023, the Company reported revenue of $60,000 as compared to $nil in the comparative period in 2022. Revenue is comprised of advisory fees from its investees, CXTL and Previcare, Inc. Revenue is generated from providing management advisory services to Investee Entities.

General and Administrative Expenses ("G&A")

G&A include consulting fees, professional fees, investor relations, salaries and benefits, office and general, travel expenses and regulatory fees.
G&A decreased by $117,263 for the three months ended December 31,2023 due to increased office and general expenses and consulting fees compared to the prior year period, reflecting increased corporate activity in the 2023 period related to the Company's investments and financing activities, which were more than offset by reductions in professional fees and salaries and benefits compared to the same period in 2022. The decrease in professional fees expense reflects lower 2023 audit costs compared to the 2022 period, due in part to the valuation work on Investee Entities that was only undertaken in 2022; and, lower salaries and benefits costs in the quarter are a result of year-end audit adjustments made in 2022 which were not repeated in 2023.

Share-based compensation

Share-based compensation expense decreased by $37,092 for the three months ended December 31, 2023 compared to the 2022 period. Share-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date. The comparatively lower fair value of the options granted more recently also impacts on share-based compensation expense.

Exploration and Evaluation expense

Exploration and evaluation expense increased by $466,865 for the three months ended December 31, 2023 compared to the 2022 period. The Company's total asset retirement obligation ("ARO") is estimated based on the Company's net ownership interest in mineral leases and management's estimate of costs to abandon and reclaim these leases, as well as an estimate of the future timing of the costs to be incurred. Under the terms of the agreement with the Province of Nova Scotia, the Company is obligated to update its reclamation plan for the mine every three years. The reclamation plan was previously updated in November 2020 using acceptable unit costs and information reflecting then current site conditions and disturbed areas. The reclamation plan has now been updated to an effective date of December 31, 2023. The financial effect of the change in ARO estimates based on the updated reclamation plan is included in Exploration and evaluation expense.

Other items

Other items expense includes Accretion, net Finance income/(cost) and Expected credit losses. Other items expense increased by $456,829 in the three months ended December 31, 2023 compared to the 2022 period primarily due to interest expense on the US$10.0M loan and amortization of commitment fees incurred related to securing the letter of credit supporting the loan, partially offset by a slightly reduced Expected credit loss.

<u>For the year ended December 31, 2023 compared with the Restated year ended December 31, 2022</u>

For the twelve months ended December 31, 2023, the Company's net loss was $1,407,328 ($0.02 per share), compared to the Restated net loss of $5,698,325 ($0.10 per share) for the twelve months ended December 31, 2022 which incorporated adjustments related to the reclassification of the Company's Series A Preferred shares from a long-term liability to shareholders' equity, in addition to the inclusion in the 2022 restated Statement of Loss and Comprehensive Loss of adjustments to certain 2022-related expenses which were under accrued in the 2022 financial statements.

The decrease in net loss for the twelve months ended December 31, 2023 is a result of the following:

Fair value adjustment of investments

For the year ended December 31, 2023 the fair value adjustment related to the Company's investments in CXTL and Previcare was assessed as $ nil. During the twelve months ended December 31, 2022, the Company reported a decrease of $4,259,265 in the fair value of CXTL to $nil compared to a fair value of $4,259,265 in the comparative 2021 period. The fair value of Previcare was increased to $5,000,000 for the nine months ended September 30, 2022, compared to $nil in the comparative period. For the twelve months ended December 31, 2022, the investment in Previcare was reduced to a fair value of $nil which was also the fair value in the comparative 2022 period. While management and the independent valuators supported the valuations of CXTL and Previcare as at December 31, 2022 (please see "Investments" section for further details) based on the income approach using the DCF method, insufficient audit support for the key assumptions underlying this approach required Magnetic North, as an Investment Entity, to adjust the carrying value of its investment in CXTL and Previcare, in accordance with IFRS 9, to $nil through profit and loss as at December 31, 2022.

Revenue

During the twelve months ended December 31, 2023, the Company reported revenue of $880,000 as compared to $nil in the comparative period in 2022. Revenue is comprised of advisory fees from its investees CXTL and Previcare. Revenue is generated from providing management advisory services to investee entities. Generally, revenue should be recognized when it is earned and can be reliably measured, regardless of when it is collected. Advisory fees received in the year encompass amounts owing for the period from mid-2020 to mid-2023.The portion of advisory fee revenue related to those prior fiscal periods was not recognized in the Company's annual audited financial statements in those prior fiscal periods due to collectability concerns. IFRS accounting pronouncements recommend that, if the collectability issue has been resolved and the revenue is now reliably measurable, it should be recognized in the current period when it is collected, rather than being restated as a prior period adjustment.

The portion of advisory fee revenue related to those prior fiscal periods represents a one-time catchup item and is not a recurring item.

General and Administrative Expenses ("G&A")

G&A includes consulting fees, professional fees, investor relations, salaries and benefits, office and general, travel expenses and regulatory fees.

G&A increased by $108,928 for the year ended December 31, 2023 compared to the year ended December 31, 2022. G&A expenses were higher in the 2023 period primarily due to higher consulting fees related to additional services provided to the Company to support general corporate operations and services related to the Company's financing and investment acquisition and assessment activities; in addition, 2023 office and general expenses slightly exceeded 2022 amounts, while professional fees were slightly below 2022 levels.

Share-based compensation

Share-based compensation expense decreased by $185,425 for the twelve months ended December 31, 2023 compared to the 2022 period. Share-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date. The comparatively lower fair value of the options granted more recently also impacts on share-based compensation expense.

Exploration and Evaluation expense

Exploration and evaluation expense increased by $470,828 for the year ended December 31, 2023 compared to the 2022 fiscal year. The Company's total asset retirement obligation ("ARO") is estimated based on the Company's net ownership interest in mineral leases and management's estimate of costs to abandon and reclaim these leases, as well as an estimate of the future timing of the costs to be incurred. Under the terms of the agreement with the Province of Nova Scotia, the Company is obligated to update its reclamation plan for the mine every three years. The reclamation plan was last updated in November 2020 using acceptable unit costs and information reflecting then current site conditions and disturbed areas. The reclamation plan has now been updated to an effective date of December 31, 2023. The financial effect of the change in ARO estimates based on the updated reclamation plan is included in 2023 full year Exploration and evaluation expense.

Other items

Other items expense includes Accretion, net Finance income/(cost) and Expected credit losses. Other items increased by $456,859 in the year ended December 31, 2023 compared to the 2022 period primarily due to interest expense on the US $10.0M loan and the amortization of commitment fees incurred related to the letter of credit supporting the loan, partially offset by a lower 2023 Expected credit loss compared to the 2022 period.

Liquidity and Financial Position

The activities of the Company, now merchant banking and formerly the acquisition, exploration and evaluation of mineral properties, are financed through equity offerings. The Company continues to seek capital through various means including the issuance of equity. The Company has minimal operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary and committed exploration and operating activities.

At December 31, 2023, the Company had a working capital deficiency of $1,538,396 (December 31, 2022 – $1,252,580 working capital deficiency). The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and its investment activities. Those investing activities include the purchase of investments. For fiscal 2024, the Company's expected operating expenses are estimated to be in excess of $100,000 per month for recurring operating costs. The Company does not have sufficient cash to fund its operating expenses for the twelve months ended December 31, 2024. Restricted cash is not available for general corporate purposes. The Company will have to raise additional capital during fiscal 2024 in amounts sufficient to fund both investment activities and working capital requirements. The major variables include the Company's ability to successfully deploy the Restricted cash into specific financial transactions and/or investment opportunities; the size, timing and results of the Company's investment activities; and the Company's ability to continue to access capital to fund its ongoing operations.
The following table sets out the condensed Statement of Cash Flows for the twelve months ended December 31, 2023 and 2022:

Summary statement of cash flows		**Twelve Months Ended Dec. 31, 2023**		**Restated Twelve Months Ended Dec. 31, 2022**
Net cash flows provided by (used in)operating activities	**$**	**(1,045,827)**	$	(695,131)
Net cash flows provided by (used in) investing activities		**-**		-
Net cash flows provided by financing activities		**14,265,232**		708,664
Net change in cash and cash equivalents		**13,219,405**		13,533
Cash and cash equivalents, beginning of year		**13,571**		38
Cash and cash equivalents, end of year	**$**	**13,232,976**	$	13,571

Operating activities for the twelve months ended December 31, 2023 were mainly affected by: adjustments for share-based compensation expense of $87,119; accrued interest expense on the US $10.0M loan; the prepaid commitment fees and the partial amortization of these commitment fees incurred related to securing the letter of credit supporting the US$10.0M loan; an increase in Due from related parties; the increase in the Asset retirement obligation based on the updated reclamation plan [see note 9 to the 2023 audited financial statements]; and, the net reduction in accounts payable and accrued liabilities balances.

Investing activities relate to providing advice and support for and to existing investments related to the development of their business plans in addition to work related to examining and assessing additional potential investment opportunities for the Company. Repayment of Advances by an Investee exceeded total Advances made to the Investee during the 2022 and 2023 fiscal years, which resulted in net cash flow to the Company. These net advances to the Company have been reclassified from Investing to Financing activities.

Financing activities for the twelve months ended December 31, 2023 generated cash of $14,265,232 from the net Investee Advances discussed above plus the securing of a non-revolving demand facility in the principal amount of US$10,000,000 to be used for specific purposes only and a non-interest-bearing loan in the principal amount of $250,000 from an arm's length shareholder of the Company to be used for general corporate purposes. See note 8 to the 2023 audited financial statements.

Other Commitments and Contingencies

The Company has commitments for financial liabilities and minimum payments due as at December 31, 2023, as follows:

Other Commitments and Contingencies

As at December 31, 2023	Carrying Value	Less than 1 year	1 to 3 years	4 to 5 years	Total
Trade and accrued liabilities	**$ 1,001,708**	$ 1,001,708	$ -	$ -	$ 1,001,708
Short term loans payable	**13,574,230**	13,574,230	-	-	13,574,230
Advances from investees	**651,813**	651,813	-	-	651,813
Total commitments	**$ 15,227,751**	$ 15,227,751	$ -	$ -	$ 15,227,751

Outstanding Share Data

The total number of fully diluted outstanding and issuable Common Shares and total Common share and Preferred share Options and Warrants is as follows:

Outstanding Share Data

	Dec.31, 2023	Dec. 31, 2022
Common shares	**59,097,178**	59,097,178
Common share options	**4,990,000**	4,443,927
Series A preferred share options	**97,500**	12,500
Share purchase warrants	**993,162**	443,162
Total	**65,177,840**	63,996,767

See notes 11,12 and 13 to the 2023 audited financial statements.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2022
Consulting fees	**$ 368,350**	$ 326,700
Share-based compensation	**34,395**	103,061
Salaries and benefits	**147,195**	147,263
	$ 550,090	$ 577,024

Investments in companies with common management personnel:

Entity	Type of Investment	Holdings (#)	Fair Value
CXTL Recycling (Canada) Corp.[(1)]	Common shares	115,592 shares	$nil
Previcare, Inc.[(2), (3)]	Common shares	1,600,000 shares	$nil
Ignite Alliance Corp.	Common shares	50,000 shares	$nil
Bluenose Quartz Ltd.[(4)]	Common shares	100 shares	$nil

(1) Andrew Osis, Co-Chief Executive Officer of the Company, is also the Executive Chairman of CXTL and Ian Wild, Director of the Company is also a Director of CXTL.

(2) Kevin Spall, Co-Chief Executive Officer of the Company, is also the Treasurer/VP and a Director of Previcare, Inc.

(3) Lance McIntosh, CFO of the Company, is also the Chief Financial Officer of Previcare, Inc.

(4) Andrew Osis and Kevin Spall, Co-Chief Executive Officers of the Company, are also the directors of Bluenose Quartz Ltd.

Financial Instruments and Risk Management

The Company's activities expose it to a variety of financial risks, including: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Board of Directors.

The Company has exposure to the following risks from its use of financial instruments:

(i) Credit Risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, due from related parties and trade and other receivables.Cash and cash equivalents are held with select major Canadian chartered banks. Trade and other receivables consist of sales taxes receivable from government authorities in Canada and advisory fees. The Company does not have significant concentration risk from cash and cash equivalents, due from related parties and trade and other receivables.

(ii) Liquidity Risk
Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash management, which includes monitoring forecasts of the Company's cash and cash equivalent on the basis of projected cash flow. As at December 31, 2023, the Company had cash, including Restricted cash, of $13,232,976 (December 31, 2022 – $13,571) to settle current liabilities of $15,227,751 (December 31, 2022 - $1,492,278). Historically, the Company's sole source of funding has been the issuance of securities for cash through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

(iii) Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices. The Company is exposed to market risks associated with the inherent volatility and external factors that can impact the fair value ofequity instruments:

(a) Interest Rate Risk
The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. The Company has interest-bearing debt of $US 10,000,000; at prevailing market interest rates, the impact on interest expense is approx. US$100,000 [approx. $CDN136,000] for every 1.0% increase, or decrease, in the US prime rate. On June 28, 2024 the Company repaid the US$10,000,000 Term Loan using Restricted cash in the amount of US$10,000,000.

(b) Foreign Currency Risk
The Company has assets and liabilities denominated in a foreign currency. The amount of assets and liabilities denominated in the foreign currency as at December 31, 2023 basically offset, providing a natural hedge.

(c) Commodity Price Risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and

volatilities. The Company closely monitors commodity prices as they relate to valuable minerals to determine the appropriate course of action to be taken by the Company.

Separately from the risks discussed above, the proceeds of the US$10.0 million non-revolving demand facility were only to be used to support certain specific potential financial transactions. No assurances could be given that qualifying financial transactions would be available to the Company within a reasonable timeframe upon receiving the proceeds from the US$10.0 million non-revolving demand facility or that potential financial transactions presented to the Company would be consistent with the restrictions placed on the use of the funds.

Fair Value of Financial Instruments

The Company measures fair value in accordance with IFRS 13 Fair Value Measurement, which provides a single source of fair value measurement guidance. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has applied the framework for measuring fair value, which requires a fair value hierarchy to be applied to all fair value measurements:

- Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or other means.
- Level 3 – valuation techniques with significant unobservable market inputs. Level 3 financial instruments include investments.

The fair values of cash and cash equivalents, short-term investments, trade and other receivables, due from related parties, advances to investees, accounts payable and accrued liabilities, and promissory note payable included in the statement of financial position approximate their carrying amount due to the short- term maturity of these instruments. The fair value of investments is measured at fair value through profit or loss and considered to be under the Level 3 hierarchy. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2023.

Outlook

For the immediate future, the Company plans to continue to implement its investment strategy, as described above, and focus on investments in, but not limited to, clean power technology, consumer products, oilfield services, and technology (software and hardware). The Company will also continue to explore and evaluate the option of finding a joint venture partner for its exploration property in Nova Scotia. The Company continues to monitor its spending and will amend its plans and budgets based on operational results and expectations of raising financing as and when required.

Critical Accounting Estimates

The preparation of the financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in Note 2 of the Company's 2023 audited annual financial statements and reflect its status as an Investment Entity, as noted below.

Investment Entity Status
Management exercises judgment in applying criteria in IFRS 10 Consolidated Financial Statements, which determines the Company's status as an Investment Entity.

Changes in Accounting Policies

Basis of Consolidation
Effective December 31, 2020, the Company's ownership of CXTL Recycling (Canada) Corp. ("CXTL") was reduced from 100% to 50% as a result of the transfer of 50% ownership to Cirque Innovations Ltd. Due to the reduction in the Company's ownership, the Company ceased consolidating CXTL's results effective January 1, 2021.
Investment Entity Status
The following are the criteria within IFRS 10 Consolidated Financial Statements, which the Company used to evaluate and determine that it meets the definition of an Investment Entity:

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has evaluated the above criteria and determined that it meets the definition of an Investment Entity. As a result of meeting the definition of an Investment Entity, subsidiaries which otherwise would have been consolidated are carried at fair value.

Classification of Series A Preferred shares
During the Company's 2023 audit, the Company reviewed the accounting for, and classification of, the Series A preferred shares. It was determined that the Series A preferred shares are not a financial liability, rather they are more properly classified as equity.

There are three key terms, all of which were relevant to the determination of the classification of the Series A preferred shares:

1. Redemption option - at the discretion of MNAC's Board of Directors.
2. Dividend distribution - at the discretion of MNAC's Board of Directors.
3. Entitlement - Distribution of net investment gain upon future events, non-discretionary.

Each of these terms was analyzed individually under existing IFRS pronouncements.
Based on the analysis undertaken, the Preferred Shares are considered a compound instrument, consisting of both an equity component and a liability component. However, the liability component is initially recognized at nil value due to its nature as a contingent obligation which has an indeterminable payment probability and an amount that cannot be reliably measured. Therefore, the entire amount of the proceeds from the issue of Series A preferred shares was reallocated to the equity component.

Cautionary Note Regarding Forward-Looking Information

This MD&A includes certain statements and information that constitutes "forward-looking statements" and "forward-looking information" under applicable securities laws (collectively, "Forward- Looking Statements", unless otherwise stated). Forward-looking statements appear in a number of places in this MD&A and include statements and information regarding the intent, beliefs or current expectations of the Company. Such Forward-Looking Statements involve known and unknown risks and uncertainties that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Statements. When used in this MD&A, words such as "expects", "anticipates", "estimates", "projects", "plans", "goals", "objectives", "outlook", "believe", "could", "intend", "may", "predict", "will", "would" and similar expressions are intended to identify these forward- looking statements. Forward-looking statements may relate to the Company's future outlook and anticipated events or results and may include statements regarding the Company's future business strategy, plans and objectives. The Company has based these Forward- Looking Statements largely on their current expectations and projections about future events. These Forward-Looking Statements were derived using numerous assumptions, and while the Company considers these assumptions to be reasonable, based on information currently available, such assumptions may prove to be incorrect. Accordingly, readers are cautioned to not put undue reliance on these Forward-Looking Statements. Forward-looking statements should not be read as a guarantee of future events or results.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:
(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implementon a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.
Please refer to the section entitled "Risks and Uncertainties" in the Company's MD&A for the fiscal year ended December 31, 2021, available on SEDAR at www.sedar.com.