

Elysian Capital Corp.

Management's Discussion and Analysis

For the year ended August 31, 2024

GENERAL

The purpose of this Management Discussion and Analysis (“MD&A”) is to explain management’s point of view of Elysian Capital Corp.’s (“Elysian” or the “Company”) past performance and future outlook. This report also provides information to improve the reader’s understanding of the financial statements and related notes thereto and should therefore be read in conjunction with the audited annual financial statements of the Company for the year ended August 31, 2024 (the “Financial Statements”).

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and all dollar amounts are expressed in Canadian dollars unless otherwise indicated. Additional information on the Company is available on SEDAR. All information contained in this MD&A is current as of December 16, 2024 unless otherwise stated.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A may contain forward-looking statements.

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, and similar expressions used by the Company’s management are intended to identify forward-looking statements. Such statements reflect the Company’s forecasts, estimates and expectations as they relate to the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

The forward-looking statements contained herein are based on information available as of December 16, 2024.

OUR BUSINESS

Elysian Capital Corp. (“Elysian” or the “Company”) was incorporated on September 17, 2014 under the laws of British Columbia. The Company is engaged in the exploration and evaluation of resource properties in Canada.

Lava Gold Property

On September 21, 2022, the Company entered into an option to purchase agreement (the “Option Agreement”), pursuant to which it has been granted the right to acquire the Lava Gold Property (the “Lava Property”), in Quebec, Canada. To acquire the Lava Property, the Company must complete a public listing prior to the first anniversary of the agreement, and complete a series of cash payments and share issuances, along with incurring exploration expenditures on the Lava Property, over 3 years:

Cash payments:

- a) \$16,500 on closing of the Option Agreement (paid);
- b) \$33,000 on the 1st anniversary of the Option Agreement;
- c) \$33,000 on the 2nd anniversary of the Option Agreement; and
- d) \$33,000 on the 3rd anniversary of the Option Agreement.

Share issuances:

- a) Issuance of shares with a value of \$33,000 upon public listing;
- b) Issuance of shares with a value of \$33,000 on the 1st anniversary of the Option Agreement;
- c) Issuance of shares with a value of \$33,000 on the 2nd anniversary of the Option Agreement; and
- d) Issuance of shares with a value of \$33,000 on the 3rd anniversary of the Option Agreement.

Exploration expenditures:

- a) Incur exploration expenditures of \$100,000 before the 1st anniversary of the Option Agreement;
- b) Incur exploration expenditures of \$200,000 before the 2nd anniversary of the Option Agreement; and
- c) Incur exploration expenditures of \$200,000 before the 3rd anniversary of the Option Agreement.

Assuming the Company exercises the option and acquires the Lava Property, it will remain subject to a three percent (3.0%) net smelter returns royalty of the Vendors on mineral products produced from the Lava Property. One-third (1.0%) of the royalty can be purchased from the Vendors at any time by completing a one-time cash payment of \$1,000,000.

In connection with the Option Agreement, the Company paid the former optionee a \$25,000 cash payment (paid) and agreed to issue \$25,000 of common shares upon a public listing.

On May 23, 2023, the Company terminated the Option Agreement and paid the Vendors \$10,000 as consideration. Accordingly, the Lava Property was written-off during the year ended August 31, 2023.

Namew Lake

On October 6, 2023, the Company staked a package of mineral claims in Saskatchewan encompassing 24,218 hectares for a total cost of \$14,531.

Costs incurred with respect to the Lava Property and Namew Lake are as follows:

	Lava Gold		Namew Lake		Total
Property acquisition costs					
Balance, August 31, 2022					
Additions	\$	76,500	\$	-	\$ 76,500
Write-offs		(76,500)		-	(76,500)
Balance, August 31, 2023		-		-	-
Additions		-		14,531	14,531
Balance, August 31, 2024	\$	-	\$	14,531	\$ 14,531
Exploration and evaluation costs					
Balance, August 31, 2022					
Consulting	\$	19,273	\$	-	\$ 19,273
Write-offs		(19,273)		-	(19,273)
Balance, August 31, 2023		-		-	-
Geophysics		-		87,956	87,956
Consulting - technical report		-		15,606	15,606
Balance, August 31, 2024	\$	-	\$	103,562	\$ 103,562
Total					
Balance, August 31, 2023	\$	-	\$	-	\$ -
Balance, August 31, 2024	\$	-	\$	118,093	\$ 118,093

SELECTED ANNUAL INFORMATION

	August 31, 2024	August 31, 2023	August 31, 2022
	\$	\$	\$
Revenues	-	-	-
Loss and comprehensive loss	(63,655)	(124,451)	(68,073)
Loss per share, basic and diluted	(0.01)	(0.02)	(29.28)
Total assets	159,209	161,349	807

RESULTS OF OPERATIONS*Results of operations for the year ended August 31, 2024*

For the year ended August 31, 2024, the Company reported net losses of \$63,655 (2023 - \$124,451) as summarized below:

	Year ended August 31, 2024	Year ended August 31, 2023
	\$	\$
Consulting fees	29,400	-
Professional fees	26,022	18,521
Regulatory and filing fees	2,071	2,323
Office and administration	1,305	978
Interest expense	6,875	6,856
Recovery of GST receivable	(2,018)	-
Write-down of mineral property	-	95,773
Loss and comprehensive loss	63,655	124,451

Loss and comprehensive loss decreased by \$60,796, from \$124,451 for the year ended August 31, 2023, to \$63,655 in the current year. The decrease is primarily attributed to the absence of the \$95,773 write-off of the Lava Gold Property, which occurred in 2023. However, this reduction was partially offset by an increase of \$29,400 in consulting fees incurred in 2024, as directors and officers undertook more business development activities internally. Other transaction categories experienced nominal fluctuations under the normal course of business.

Results of Operations for the three months ended August 31, 2024

For the three months ended August 31, 2024, the Company reported net loss of \$26,060 (2023 - \$8,530) as summarized below:

	For the three months ended August 31, 2024	For the three months ended August 31, 2023
	\$	\$
Consulting fees	11,025	-
Professional fees	13,000	6,484
Filing fees	-	-
Office and administration	307	318
Interest expense	1,728	1,728
Loss and comprehensive loss	26,060	8,530

Loss and comprehensive loss increased by \$17,530 from \$8,530 for the three months ended August 31, 2023 to \$26,060 for the three months ended August 31, 2024. The increase in loss and comprehensive loss is due to the increase in consulting fees of \$11,025 and increase in Professional fees of \$6,516, for reasons discussed above.

SUMMARY OF QUARTERLY RESULTS

	Aug 31, 2024	May 31, 2024	Feb 29, 2024	Nov 30, 2023	Aug 31, 2023	May 28, 2023	Feb 28, 2023	Nov 30, 2022
Revenue	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil
Total comprehensive loss (income)	\$ 26,060	\$ 19,026	\$ 12,588	\$ 5,981	\$ 8,530	\$ 99,411	\$ 6,922	\$ 9,588
Loss per share, basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.00
Total assets	\$ 159,209	\$ 147,592	\$ 160,865	\$ 158,132	\$ 161,349	\$ 161,667	\$ 248,992	\$ 100,192
Total liabilities	\$ 449,769	\$ 412,092	\$ 406,339	\$ 391,018	\$ 388,254	\$ 380,042	\$ 385,956	\$ 397,734

The increased loss for the period ended May 28, 2023 is a result of writing off the Lava Gold property for \$95,773.

LIQUIDITY, FINANCIAL POSITION, AND CAPITAL RESOURCES

At August 31, 2024, the Company had no continuing source of revenue. The Company has not paid any cash dividends on its common shares nor does it have any present intention of paying cash dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business development activities.

At August 31, 2024, the Company had not yet achieved profitable operations and had accumulated losses of \$616,091 (2023 - \$552,436) since inception.

The Company's current liabilities exceeded its current assets by \$408,653 at August 31, 2024 (2023 - \$226,905). As at August 31, 2024, the Company had cash on hand of \$33,875 (2023 - \$158,117).

The Company has no operating revenue and therefore must continue to rely on external financing to generate capital to maintain its capacity to meet working capital requirements. The Company has relied on the issuance of shares and loans from third parties and related parties to finance its operating activities since inception which the Company intends to continue to rely upon to finance its planned operations. However, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

The Company is not subject to any externally imposed capital requirements.

Management believes the Company will be able to raise additional funds to meet anticipated administrative expenses and pursue future business opportunities.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

COMMITMENTS

During the year ended August 31, 2023, the Company terminated its Option Agreement on the Lava Property.

On February 2, 2023, the Company completed a non-brokered private placement offering of 1,675,000 common shares and 1,675,000 flow-through shares, both at \$0.05 per share, for aggregate gross proceeds of \$167,500. The common shares and flow-through shares ("FT shares" were issued at the same price, as such, no flow-through premium liability was recognized. In connection with the financing, the Company accrued share issuance costs of \$3,500.

As at August 31, 2024, the Company has incurred \$76,062 of the qualifying expenditures in connection with the issuance of the FT shares. The Company has a remaining obligation to incur \$7,688 of qualifying expenditures by December 31, 2024, which was completed subsequent to August 31, 2024.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

During the year ended August 31, 2024 and 2023, the Company had no transactions with related parties.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties that may significantly impact its financial conditions and future financial performance. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A and other public disclosures available on SEDAR at www.sedar.com before making an investment decision.

No Operating History

The Company has not commenced commercial operations since incorporation to date. The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Availability of Financing

The Company will be competing with other companies in the capital market for available financing. There is no assurance that the Company will be able to obtain sufficient financing, if at all.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Based on historic experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the financial statements materially and involve a significant level of judgment by management. Different assumptions would result in different estimates, and actual results

may differ from results based on these estimates. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The financial statements for the Company for the period ending August 31, 2024 did not include critical accounting estimates. Areas requiring a significant degree of estimation and judgment include the recognition of deferred tax assets and the Company's ability to continue as a going concern.

FUTURE ACCOUNTING PRONOUNCEMENTS

The Company did not adopt any new accounting standards or interpretations during the years ended August 31, 2024 and 2023.

There are no other IFRS or International Reporting Interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rates on the Company's loans payable are fixed, therefore, the Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have exposure to credit risk and has assessed its credit risk as 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's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. There can be no assurance that sufficient funding will be obtained to meet the Company's financial obligations when they become due. Liquidity risk is assessed at high as the Company does not have sufficient cash to settle its current liabilities.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

OUTSTANDING SHARE DATA

Our share capital consists of an unlimited number of common shares without par value. As at December 16, 2024 we had 7,752,270 common shares issued and outstanding, and no stock options or share purchase warrants outstanding.

OTHER MD&A REQUIREMENTS

Additional information relating to our Company may be found on SEDAR at www.sedar.com.