



WWW.KESSELRUNRESOURCES.COM

TSX-V: KES

**KESSELRUN RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED
OCTOBER 31, 2024**

INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) of Kesselrun Resources Ltd. (the “Company” or “Kesselrun”), has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of December 23, 2024, and should be read in conjunction with condensed interim financial statements for the three months ended October 31, 2024 and 2023, and the related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a “Venture Issuer” as defined in National Instrument 51-102. Additional information relevant to the Company’s activities can be found on the Company’s website at www.kesselrunresources.com, and on SEDAR+ at www.sedarplus.ca.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Company’s management as well as assumptions made by and information currently available to the management. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company’s exploration properties. Such statements reflect the current views of the management with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or the Company’s achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

COMPANY OVERVIEW

Background

Kesselrun is a Canadian mineral exploration company based in Thunder Bay, Ontario. The Company was incorporated on May 18, 2011, pursuant to the Business Corporations Act, British Columbia. The Company’s focus is its Huronian Gold Project (“Huronian”), covering 293 contiguous unpatented mining claims plus four patented mining claims totaling approximately 5,160 hectares located in Moss Township, Thunder Bay Mining Division, Ontario and its Bluffpoint Gold Project (“Bluffpoint”), comprising of 452 mining claims covering approximately 9,047 hectares located in Bluffpoint Lake Township, with portions extending into the townships of Lawrence Lake, Napanee Lake and Barker Bay in the Kenora Mining Division of Northwestern Ontario. The Company does not have any assets or mineral properties that are in production.

EXPLORATION PROJECTS

As of the date of this MD&A the Company's interest in exploration and evaluation assets consists of the Huronian Gold Project and the Bluffpoint Gold Project (Figure 1).

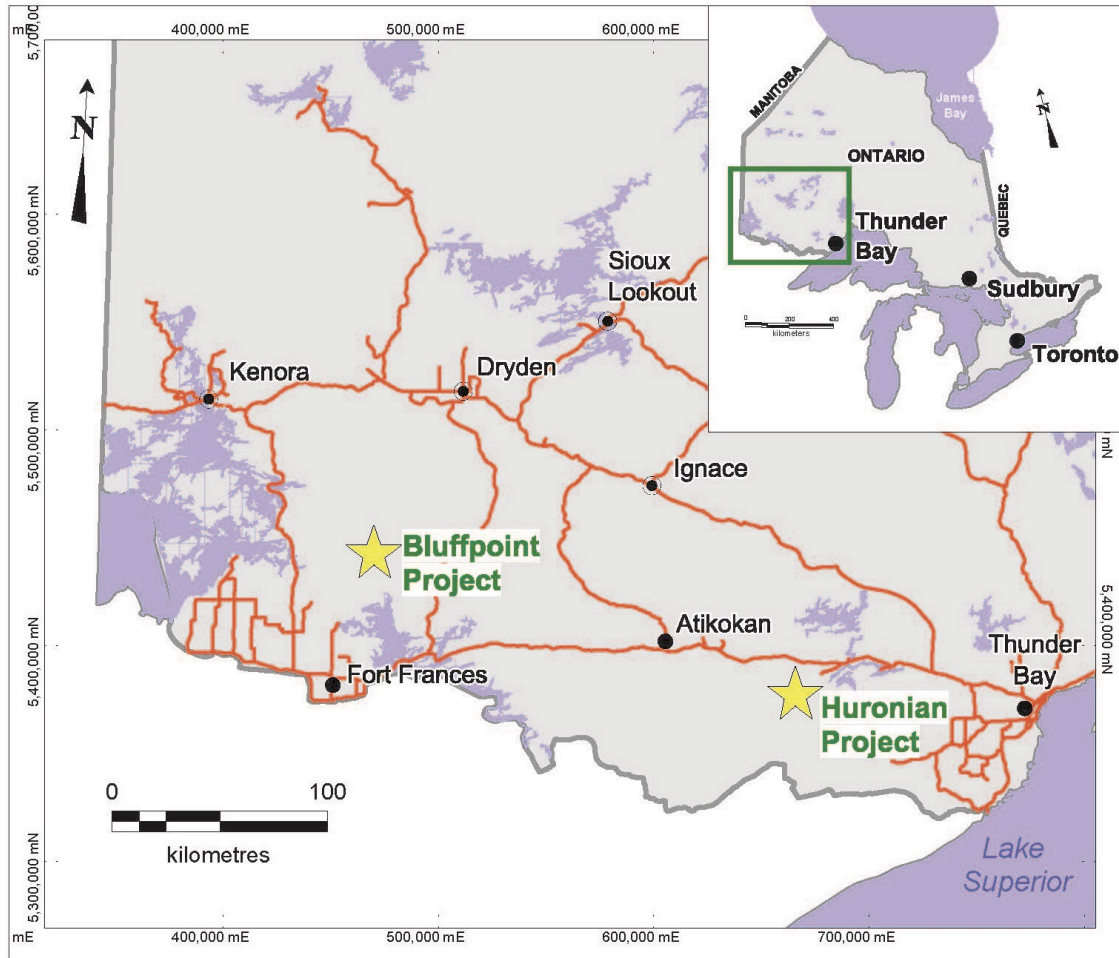


Figure 1. Project Locations

Table 1. Project sizes, claims and location

	Huronian Gold Project	Bluffpoint Gold Project
Area (ha)	5,160	9,227
Boundary Mining Claims	100	-
Single Cell Mining Claims	193	449
Multi Cell Mining Claims	-	3
Total Mining Claims	293	452
Mining Patents	2	-
Mining + Surface Patents	2	-
Total Patents	4	-
Township/Area	Moss Township, Nelson Lake Area, Powell Lake Area	Bluffpoint Lake Area

HURONIAN PROPERTY

Location and General Description

The Huronian Gold Project is located in Moss Township and the Nelson Lake and Powell Lake Areas in the Thunder Bay Mining Division of Northwestern Ontario, approximately 100 km west of the city of Thunder Bay. The project is centred on UTM NAD 83 Zone 15N 665,000 m E, 5,380,000 m N within NTS Map Sheet 52B/10. The Huronian Gold Project is approximately 5,160 hectares in size and comprised of 100 boundary cell mining claims, 193 single cell mining claims, 2 patented mining claims and 2 patented mining and surface claims. The Huronian Gold Project is owned 100% by the Company, subject to various net smelter returns royalties.

The Huronian Gold Project is situated in the highly prolific Shebandowan Greenstone Belt located in the Abitibi-Wawa Subprovince of the Archean Superior Province. The Huronian Gold Project hosts numerous significant gold zones including the past producing Huronian Mine (also formerly known as the Jackfish, Kerry, Moss and Ardeen at various times) that produced 29,629 ounces gold and 170,463 ounces silver from 143,724 tons from 1932-1936 (Ontario Ministry of Northern Development and Mines Production Records). The Huronian Gold Project also covers the southwest strike extension of the geology that hosts Goldshore Resources Inc.'s Moss Lake Gold Deposit. The Moss Lake Gold Project hosts an NI 43-101 compliant resource estimate of 183.6 million tonnes at a grade of 1.02 g Au/tonne (6,000,000 Oz Au) Inferred (Goldshore Resources News Release dated May 8, 2023).

Acquisition

On June 28, 2016, the Company entered into a purchase agreement to acquire a 100% interest in the Huronian Gold Project (“Huronian”) from Chalice Gold Mines Limited and its wholly owned subsidiary, Coventry Resources Ontario Inc., and Pele Mountain Resources Inc. and its wholly-owned subsidiary, Pele Gold Corporation (the “Vendors”). In consideration for the purchase, the Company issued the Vendors 4,000,000 common shares. The Huronian Gold Project is subject to net smelter return royalties (“NSR”) ranging from 2% to 2.5% to the Vendors and legacy vendors. The Company retains a right to purchase portions of the NSRs for varying amounts to the Vendors and legacy vendors as well as a right of first refusal for the remaining NSRs.

During the year ended July 31, 2017, the Company acquired a 100% interest in a mining claim adjacent to the Huronian Gold Project. The claim is subject to a 2% NSR, of which 1% may be purchased by the Company at any time for the payment of \$1,000,000.

Exploration Activities

Huronian Exploration Activities Summary

2016 – 2019	Mapping, overburden stripping and magnetic geophysical surveys
2020	Mapping, overburden stripping and drilling (~3,100 metres)
2021	Drilling (~19,500 metres)
2022	Drilling (~13,000 metres), overburden stripping, airborne magnetics survey
2023	Mapping and sampling program
2024	Overburden stripping, drone magnetics, including assessment report writing

Property Acquisition and Exploration Costs

	October 31, 2024	July 31, 2024
Balance, beginning	\$ 9,413,979	\$ 9,238,384
Deferred exploration costs		
Assaying	-	7,613
Camp and travel	-	15,390
Equipment use/rental	-	9,750
Geology	-	313,680
Government grants received	-	(170,838)
Sub-total, deferred exploration costs	-	175,595
Balance, ending	\$ 9,413,979	\$ 9,413,979

On December 4, 2024, the Company issued a news release announcing that the Ontario Government's Junior Exploration Program ("OJEP") approved a grant of up to \$200,000, which will be used to fund geophysical and geological survey on the Huronian Project. The funding allows the Company to reclaim 50% of the exploration expenditures incurred at Huronian, up to a maximum grant amount of \$200,000 for work carried out between April 1, 2024, and February 28, 2025. As of the date of this MD&A, the Company received \$60,000 cash from OJEP.

BLUFFPOINT PROPERTY

Location and General Description

The Bluffpoint Gold Project is located in the Bluffpoint Lake Area in the Kenora Mining Division of Northwestern Ontario, approximately 60 km north of the town of Fort Frances and 80 km southwest of the town of Dryden. The Bluffpoint Gold Project is centered on UTM NAD 83 Zone 15N 472,000 m E, 5,448,000 m N within NTS Map Sheet 52F/03. The Bluffpoint Gold Project is approximately 9,227 hectares in size and comprised of 449 single cell mining claims and one multi cell mining claim, made up of three mining cells. The Bluffpoint Gold Project is owned 100% by the Company, subject to various net smelter returns royalties.

The Bluffpoint Gold Project is situated in the Pipestone-Cameron-Manitou Greenstone Belt and the Lawrence Lake Batholith located in the Wabigoon Subprovince of the Archean Superior Province. The Bluffpoint Gold Project hosts two distinct styles of gold mineralization; granitic hosted and greenstone hosted gold. The granitic hosted gold mineralization has been the focus of the majority of the Company's exploration activities centered around Northern, Homestake and Southern zones.

Acquisition

On March 31, 2012, the Company entered into a Property Option Agreement (the "Option Agreement") to acquire up to a 100% interest in 56 mining claims covering 11,408 hectares located in Bluffpoint Lake Township, with portions extending into the townships of Lawrence Lake, Napanee Lake and Barker Bay in the Kenora Mining Division of Northwestern Ontario (the "Bluffpoint Property").

To exercise the Option to acquire 100% of the Bluffpoint Property, the Company issued an aggregate of 4,000,000 common shares and made cash payments totaling \$200,000.

The Bluffpoint Property is subject to an NSR payable to the Optionors equal to 2.0%, of which 1.0% may be purchased by the Company at any time for the payment of \$1,000,000, leaving the Optionors with a final 1.0% NSR. If the Optionors decide to dispose of the remaining 1.0% NSR, the Company shall have the first right of refusal to acquire that remaining 1.0%

During Fiscal 2019, the Company acquired an additional 96 units, approximately 3,210 hectares in size. During Fiscal 2021, the Company acquired an additional 65 units, approximately 1,040 hectares in size.

On August 23, 2023, and August 29, 2023, the Company entered into definitive agreements (the “Agreements”) to acquire a 100% interest in 7 contiguous mineral claims making up the Pine Centre property (the “Pine Centre Claims”). The Pine Centre property is approximately 190 hectares in size and is fully surrounded by the Bluffpoint Property claims. The Agreements were subject to receipt of regulatory approvals, which were received on September 22, 2023.

To acquire the Pine Centre Claims the Company paid \$7,500 in cash and issued to the vendors 400,000 common shares of the Company. In addition, the three vendors retained a 1.0% NSR royalty, each, with the Company having the right to repurchase 0.5% of each NSR royalty for \$500,000.

Exploration Activities

Bluffpoint Exploration Activities Summary

2012 – 2015	Mapping, soil sampling, overburden stripping and drilling
2016 – 2017	Mapping, overburden stripping
2018 – 2022	no exploration work conducted
2022 – 2023	Mapping, lithochemical sampling
2024 Q1	Drone magnetics, mapping, and assessment report writing

Bluffpoint Gold Project Acquisition and Exploration Costs

	October 31, 2024	July 31, 2024
Balance, beginning	\$ 1,196,784	\$ 977,977
Acquisition costs		
Cash payments made	-	7,500
Shares issued	-	10,000
Sub-total, acquisition costs	-	17,500
Deferred exploration costs		
Assaying	-	3,714
Camp and travel	-	24,126
Equipment use/rental	-	24,292
Geology	-	349,175
Government grants received	-	(200,000)
Sub-total, deferred exploration costs	-	201,307
Balance, ending	\$ 1,196,784	\$ 1,196,784

QUALITY ASSURANCE (QA/QC)

The Company has implemented a quality control program to comply with industry best practices for sampling, chain of custody, and analyses. Certified gold reference standards, blanks, and duplicates are inserted at the core processing site as part of the QA/QC program in addition to the control samples inserted by the lab. Samples are prepared and analyzed by Activation Laboratories in Thunder Bay. Samples are analyzed for gold using Fire Assay-AA techniques. Samples returning over 10 g/t gold are analyzed using Fire Assay-Gravimetric methods. Selected samples are also analyzed with a standard 1 kg metallic screen fire assay. All results reported in this MD&A have passed QA/QC protocols.

COMMITMENTS

In order to keep the Bluffpoint Gold Project and the Huronian Gold Project in good standing, the Company is required to complete certain annual exploration activities. The cost of these exploration activities is determined based on the size of the claims. The Company continuously monitors status of its claims; and should it decide that the exploration of certain claims within a property is not in the Company's best interests at any given year, the Company retains the right to drop such claims.

QUALIFIED PERSON

Michael Thompson, P. Geo., President and Chief Executive Officer of Kesselrun, is the Qualified Person responsible for the Huronian Gold Project and for the Bluffpoint Gold Project as defined by National Instrument 43-101 and has approved the technical information in this MD&A.

SELECTED FINANCIAL INFORMATION

	Three months ended October 31, 2024	Year ended July 31, 2024
Net and comprehensive loss	\$ (138,750)	\$ (315,953)
Loss per share – basic and diluted	\$ (0.00)	\$ (0.00)
Total assets	\$ 11,294,962	\$ 11,431,589

RESULTS OF OPERATIONS

During the three months ended October 31, 2024, the Company reported a net loss before taxes of \$196,750 as compared to the net loss before taxes of \$154,999 the Company incurred during the three months ended October 31, 2023. At October 31, 2024, the Company recognized a deferred income tax benefit of \$58,000 (October 31, 2023 - \$7,000), which resulted in a net and comprehensive loss of \$138,750 (October 31, 2023- \$147,999). The deferred income tax benefit and expense were mainly associated with the difference between the book value of the Company's exploration and evaluation assets and their cost base for tax purposes.

During the three months ended October 31, 2024, the Company's operating expenses increased by \$111,479, from \$96,976 the Company incurred during the three months ended October 31, 2023, to \$208,455 the Company incurred during the three months ended October 31, 2024. The largest factor that contributed to the increase in operating expenses was attributed to an \$83,865 increase in consulting fees, which increased from \$19,635 the Company incurred during the three months ended October 31, 2023, to \$103,500 the Company incurred during the three months ended October 31, 2024. The other factors contributing to the increase in operating expenses were associated with increased advertising and promotion fees of \$26,683, as compared to \$615 incurred during the three months ended October 31, 2023, and increased travel expenses of \$6,495, as compared to having no travel expenses for the three months ended October 31, 2023.

The above-noted increases in operating expenses were in part offset by decreased audit and accounting fees of \$13,500 as compared to \$15,366 the Company incurred during the three months ended October 31, 2023, and the absence of legal fees as compared to \$2,646 the Company incurred during the three months ended October 31, 2023.

In addition to the regular business operating expenses, the Company's overall net loss for the three months ended October 31, 2024, was affected by \$14,481 unrealized gain on the Company's marketable securities represented by 1,535,000 FF Shares and 14,471 C-NEXG Shares (October 31, 2023 – \$53,141 unrealized loss). During the comparative three months ended October 31, 2023, the Company recorded a realized loss of \$2,320 on the sale

of 200,000 FF Shares. The Company did not see any of its marketable securities during the period ended October 31, 2024. In addition, the Company accrued \$2,776 in interest payable on the note payable the Company issued to Fladgate (October 31, 2023 - \$2,562).

Summary of Quarterly Results

Results for the most recently completed financial quarters are summarized in the table below:

Table 5. Summary of quarterly results

Period ended	Net and Comprehensive Loss	Loss per share; basic and diluted
October 31, 2024	\$ (138,750)	\$ (0.00)
July 31, 2024	\$ (97,083)	\$ (0.00)
April 30, 2024	\$ (2,020)	\$ (0.00)
January 31, 2024	\$ (68,851)	\$ (0.00)
October 31, 2023	\$ (147,999)	\$ (0.00)
July 31, 2023	\$ (142,112)	\$ (0.00)
April 30, 2023	\$ (150,116)	\$ (0.00)
January 31, 2023	\$ (75,495)	\$ (0.00)

Liquidity and Capital Resources

As at October 31, 2024, the Company had \$417,095 in cash (July 31, 2024 - \$566,631), current assets of \$684,199 (July 31, 2024 - \$820,826) and current liabilities of \$1,754,236 (July 31, 2024 - \$1,694,113) with working capital deficit of \$1,070,037 (July 31, 2024 - \$873,287). The largest component of the Company's current assets was attributed to \$417,095 balance in cash. Other current assets included \$233,862 in marketable securities, which consisted of 1,535,000 FF Shares and 14,471 C-NEXG Shares (July 31, 2024 - \$219,381), amounts receivable totaling \$11,08, which were associated with GST receivable (July 31, 2024 - \$7,371), and prepaid expenses totaling \$22,160 (July 31, 2024 - \$27,443). During the three months ended October 31, 2024, the Company's operations were supported by cash on hand, which included a \$370,838 grant the Company received from Ontario Junior Exploration Program ("OJEP") during the year ended July 31, 2024.

Aside from the sale of the marketable securities and cash generated on potential exercise of outstanding options, the Company does not have any additional sources of immediate cash flows. Should the Company require additional financing to continue exploration of its current mineral claims, acquire additional claims, and to support general operating activities, the Company may sell any part of its equity investment in FF Shares and C-NEXG Shares, or may choose to offer its equity securities, primarily through private placements for cash.

The Company has not pledged any of its assets as security for loans, or otherwise is not subject to any debt covenants. Based on current information, the Company anticipates that its working capital is sufficient to meet its expected ongoing obligations for the coming year.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the directors, officers, key management personnel, close family members and entities controlled by these individuals. Key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

During the three months ended October 31, 2024 and 2023, the Company had the following transactions with related parties:

	Three months ended October 31,	
	2024	2023
Fladgate, for exploration and evaluation expenditures ⁽¹⁾	\$ -	\$ 398,390
Da Costa Management Corp., for accounting, consulting, and administrative services ⁽²⁾	\$ 39,000	\$ 37,500
Fairtide Ventures, for management fees ⁽³⁾	\$ 37,500	\$ 37,500

⁽¹⁾ Fladgate is a full-service geological consulting firm with over 30 employees/contractors, which conducts most mineral exploration activities on behalf of the Company. Fladgate invoices the Company periodically when exploration is active at competitive industry standard rates. Fladgate is part owned by Michael Thompson, Chief Executive Officer and a director of Kesselrun, and Caitlin Jeffs, a director of Kesselrun, each owning 33.33% of Fladgate.

⁽²⁾ Da Costa Management Corp. is a private company owned by John da Costa, Chief Financial Officer and a director of Kesselrun.

⁽³⁾ Fairtide Ventures is a private company jointly owned by Michael Thompson and Caitlin Jeffs.

The balances due to related parties consist of amounts owed directly to the officers and directors of the Company and to private companies controlled by the officers and directors of the Company. These amounts are unsecured, non-interest bearing and due on demand. At October 31, 2024, the balance payable to related parties was \$1,488,418 (July 31, 2024 - \$1,524,472).

In addition, at October 31, 2024, the Company was indebted to a private company controlled by certain directors and officers in the amount of \$139,511 (July 31, 2024 - \$136,735) under the loan payable. The loan bears interest at 8% per annum compounded monthly, is unsecured and due on demand. During the three months ended October 31, 2024, the Company recorded interest expense of \$2,776 (October 31, 2023 - \$2,562).

OUTSTANDING SHARE DATA

As at the date of this MD&A, the following securities were outstanding:

Table 7. Share Data

Type	Amount	Conditions
Common shares	94,071,837	Issued and outstanding
Stock options	400,000	Exercisable into 400,000 common shares at a price of \$0.05 per share until January 16, 2025
Stock options	425,000	Exercisable into 425,000 common shares at a price of \$0.30 per share until August 10, 2025
Stock options	1,000,000	Exercisable into 1,000,000 common shares at a price of \$0.40 per share until January 6, 2026
Stock options	800,000	Exercisable into 800,000 common shares at a price of \$0.40 per share until July 14, 2026
Stock options	550,000	Exercisable into 550,000 common shares at a price of \$0.25 per share until December 21, 2026
	97,246,837	Total shares outstanding (fully diluted)

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies adopted by the Company have been described in the notes to the audited financial statements for the year ended July 31, 2024.

RISKS AND UNCERTAINTIES

The Company's activity of natural resource exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including, but not limited to, environmental, commodity prices, political and economic, with some of the most significant risks and uncertainties affecting the Company being the following in addition to other risks disclosed in this MD&A:

- Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small;
- The Company expects to continue to incur losses from operations unless and until such time as any of its mineral properties enter into commercial production and generate sufficient revenues to fund its continuing operations;
- The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as and when required;
- Inflation and other economic factors beyond the Company's control may cause an increase in costs and expenses, resulting in the Company being unable to complete its objectives with its currently available funds, if at all, which may have an adverse impact on the Company's operations;
- Although the Company has taken steps to verify title to the mineral properties in which it has an interest, there is no guarantee that the property will not be subject to title disputes or undetected defects; and
- The Company is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its properties that may cause material liability to the Company.

Financial Instruments

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 — quoted prices in active markets for identical assets and liabilities.

Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The fair value of cash and marketable securities is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair value of financial liabilities approximates their carrying values due to the short-term nature of these instruments.

Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, to ensure future benefits to stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at the date of the filing of this MD&A, the Company does not have any debt that is subject to externally imposed capital requirements.

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

a) 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 ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

As of October 31, 2024, the Company had current assets of \$684,199 to settle current liabilities of \$1,754,236, which had contractual maturities of less than 30 days and were subject to normal trade terms. Therefore, liquidity risk is assessed as high.

b) Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, which is held with a high-credit quality financial institution. As such, the Company's credit risk exposure is minimal.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

i. Currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has minimal financial risk arising from fluctuations in foreign exchange rates as the Company does not own foreign currency-denominated financial assets, and its foreign currency liabilities at October 31, 2024, comprised 0.12% of the total current liabilities (July 31, 2024 – 0.13%).

ii. 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 Company has minimal interest rate risk as it has no interest accumulating financial assets that may become susceptible to interest rate fluctuations.

iii. Equity Price risk

Equity price risk is the risk that the fair value of equity/securities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is exposed to equity price risk as a result of its investments in marketable securities.

CONTINGENCIES

There are no contingent liabilities.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR+ at www.sedarplus.ca.