ADYTON RESOURCES CORPORATION (formerly XIB I CAPITAL CORP)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

Dated: May 30, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Adyton Resources Corporation for the three months ended March 31, 2021 and is prepared as at May 30, 2021. Throughout this MD&A, unless otherwise specified, "Adyton", "Company", "we", "us" and "our" refer to Adyton Resources Corporation. This MD&A should be read in conjunction with the Company's unaudited financial statements for the three months ended March 31, 2021 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

Financial information presented is a continuation of the financial statements of the accounting acquirer

Adyton Resources Corporation acquired all of the issued capital of MR Exploration PNG Pte Ltd (MRE) on February 18, 2021. From a legal and taxation perspective, Adyton Resources Corporation is considered to be the acquiring entity. However, the transaction has the features of a reverse acquisition as described in International Financial Reporting Standard 3 "Business Combinations" (IFRS3).

The transaction has therefore been accounted for as a reverse takeover transaction from a consolidated perspective, whereby MRE is the accounting acquirer and Adyton Resources Corporation is the legal acquirer. The financial information presented in this MD&A represents a continuation of MRE's financial statements with the exception of the capital structure which represents the capital structure of Adyton. Comparative information presented in this MD&A represents the financial information of MRE as the continuing issuer.

Change of accounting policy – change in presentation currency to Canadian dollars

Effective February 18, 2021 the Group changed its presentation from Australian dollars (A$) to Canadian dollars (C$), following the completion of the RTO Transaction and related Financings. The change in presentation currency is to better reflect the Group's listing on the TSX Venture exchange , the raising of capital in C$, and to improve investors' ability to compare the Group's financial results with other publicly traded businesses on the TSX Venture Exchange.

In making this change in presentation currency, the Group followed the recommendations set out in IFRS21, The Effects of Change in Foreign Exchange Rates. In accordance with IFRS21, the financial report has been restated to $C using the procedures outlined below:

1. The Statement of Profit and Loss and Other Comprehensive Income and the Statement of Cash Flows have been translated into C$ using average foreign currency rates prevailing for the relevant period.

2. Assets and liabilities in the Statement of Financial Position have been translated into C$ at the closing foreign currency rates on the relevant balance sheet dates.
3. The equity section of the Statement of Financial Position, including foreign currency translation reserve, retained earnings, share capital and the other reserves, have been translated into C$ using historical rates.
4. Earnings per share disclosures have also been restated to C$ to reflect the change in presentation currency.

The functional currency of the accounting acquirer is A$, whilst the presentation currency of the Group is now in C$. Some subsidiaries have a functional currency other than C$ dollars which is translated to the presentation currency.

The results of subsidiaries with a functional currency other than C$ (the presentation currency of the Group) are translated to C$ in line with the procedures outlined above. The cumulative effect of the change in presentation currency is recognised in the foreign currency translation reserve

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company’s ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity
- The Company’s success at completing future financings
- The Company’s strategies and objectives
- General business and economic conditions
- The Company’s ability to meet its financial obligations as they become due
- The positive cash flows and financial viability of new business opportunities
- The Company’s ability to manage growth with respect to a new business opportunity
- The Company’s tax position, anticipated tax refunds and the tax rates applicable to the Company

Readers are cautioned that the preceding list of risks, uncertainties, assumptions, and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

CORPORATE OVERVIEW AND OUTLOOK

Adyton Resources Corporation ("Adyton") was incorporated on March 8, 2018 under the laws of British Columbia. The Company completed its Initial Public Offering ("IPO") on December 12, 2018 and was classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4.

The Company's head office is located at Level 14, 167 Eagle Street Brisbane QLD 4000 Australia and the records and registered office is located at 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7.

Prior to February 18, 2021 the principal business of the Company was the identification and evaluation of assets or a business (Qualifying Transaction) and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

On November 12, 2020, the Company entered into a Share Purchase Agreement pursuant to which the Company was to acquire all of the issued and outstanding securities of MR Exploration PNG Pte Ltd ("MRE") from Mayur Resources Pte Limited ("Mayur") and the former shareholders of Ballygowan and Pacific Arc ("RTO Transaction").

On February 18, 2021 the RTO transaction completed and the Company acquired MRE's copper gold exploration tenements in Papua New Guinea including the Papua New Guinea copper gold exploration tenements of Ballygowan Limited ("Ballygowan") and Pacific Arc Aurum (Niugini) Limited ("Pacific Arc") which were acquired by MRE immediately preceding the completion of the RTO Transaction.

Under the RTO Transaction the Company:

- Consolidated its 13,100,000 previously issued and outstanding common shares ("Common Shares") on a 2.62-for-1 basis into 5,000,000 Common Shares issued and outstanding (the "Consolidation") and changed its name to "Adyton Resources Corporation".

- Acquired all of MRE from Mayur Resources Limited and its other shareholders in exchange for 71,666,666 post-Consolidation Common Shares, after MRE first acquired all of the shares of Ballygowan and Pacific Arc from their shareholders in return for shares of MRE.

- Completed a three-cornered amalgamation between Adyton Resources Finance Company Ltd. ("Adyton Financeco"), a special purpose subsidiary of Mayur, 1269592 B.C. Ltd. a special purpose entity established by certain financing parties ("Pre-Seed Financeco"), and a special purpose subsidiary of the Company, under which the Company issued a total of 48,092,220 post-Consolidation Common Shares to the shareholders of Adyton Financeco and Pre-Seed Financeco in exchange for the same number of common shares of Adyton Financeco and Pre-Seed Financeco, which had been issued on a one-for-one basis on conversion of subscription receipts issued by Adyton Financeco and Pre-Seed Financeco under private placement financings which raised aggregate gross proceeds of approximately $10,747,666 for Adyton less capital raising costs, including brokerage fees and legal fees.

- Reorganised its Board of Directors to consist of Frank Terranova, Rod Watt, Tim Crossley, Sinton Spence, Frederic Leigh Jr. and Nick Tintor, and its management to consist of Frank Terranova - Chairman, President and Chief Executive Officer, Stephen Kelly - Chief Financial Officer and Corporate Secretary, and Rod Watt, Chief Geologist.

The RTO Transaction constituted the Company's "Qualifying Transaction" pursuant to Policy 2.4 of the TSX Venture Exchange (the "Exchange") and the Company will carry on the business of exploring the copper- gold tenements held by its wholly-owned subsidiaries MRE, Ballygowan and Pacific Arc.

From a legal and taxation perspective, Adyton Resources Corporation is considered to be the acquiring entity under the RTO Transaction. However, the RTO Transaction has the features of a reverse acquisition as described in International Financial Reporting Standard 3 "Business Combinations" (IFRS3).

The RTO Transaction has therefore been accounted for as a reverse takeover transaction from a consolidated perspective, whereby MRE is the accounting acquirer and Adyton Resources Corporation is the legal acquirer. As such, the assets and liabilities of MRE will continue to be accounted for at their carrying amounts and the assets and liabilities of Adyton, Ballygowan and Pacific Arc will be accounted for at fair value on acquisition. Comparative financial information presented in this MD&A represents the comparative financial information of MRE.

COVID-19 Pandemic

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

SUMMARY OF QUARTERLY RESULTS[1]

	Quarter Ended March 31, 2020
(a) Revenue (b) Income (loss) for the period (c) Basic/diluted income (loss) per share	**C$-** **C$4,510,733** **C$0.07**

	Quarter Ended March 31, 2020 *(Restated)**	**Quarter Ended June 30, 2020** *(Restated)**	**Quarter Ended September 30, 2020** *(Restated)**	**Quarter Ended December 31, 2020** *(Restated)**
(a) Revenue	C$-	C$-	C$-	C$-
(b) Income (loss) for the period	C$(154,621)	C$85,892	C$10,996	C$(85,426)
(c) Basic/diluted income (loss) per share	C$(0.012)	C$0.007	C$0.008	C$(0.007)

[1]*Financial information prepared in accordance with International Financial Reporting Standards ("IFRS")*
[*]*Restated to reflect the change in accounting policy arising from the change in presentation currency to $A.*

The financial information for the three months ended December 31, 2021 reflects the financial effect of the following significant transactions that completed on February 18, 2021:

- The acquisition of Pacific Arc and Ballygowan.
- The RTO Transaction.
- The Financings.
- The commercial debt forgiveness by Mayur provided in connection with the acquisition of Pacific Arc and Ballygowan.

Each of the above transaction is considered in further detail in this MD&A.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2021

This MD&A dated May 28 2021 provides a review of the Group's financial condition for the three months ended March 31, 2021 and is based on the unaudited interim consolidated financial statements of the Company for the three months ended March 31, 2021 and should be read in conjunction with following financial statements prepared in accordance with IFRS as issued by the IASB and which were lodged on the Company's SEDAR profile on April 30, 2021:

i. The annual financial statements of Adyton Resources Corporation (formerly XIB I Capital Corp) for the year ended December 31, 2020.
ii. The accounting acquirer financial statements of MR Exploration PNG Pte Ltd for the six months ended December 31, 2020.

Results of Operations

During the three months ended March 31, 2021, the Company recorded a profit before income tax of C$4,510,733 and a total comprehensive profit of C$4,204,810, compared to loss before income tax of (C$154,621) and a total comprehensive loss of (C$103,384) for the three months ended March 31, 2020.

The profit in the three months ended March 31, 2021 is primarily attributable to non-cash income of C$6,924,356 arising from a commercial debt forgiveness by Mayur of advances provided to MRE and its subsidiary Mayur Exploration PNG Limited as at February 18, 2021. This income is non-recurring.

This income was partially offset by a number of expenses related to the RTO Transaction and a generally higher level of corporate activity and associated expenditure following the completion of the RTO Transaction. A summary of items comprising the profit / (loss) is presented below:

	Three months ended March 31,	
	2021	2020
	C$	C$
		*(Restated)**
Revenue		
Other income	**6,924,356**	-
	6,924,356	-
Audit, legal and compliance expenses	**(200,312)**	(7,823)
Foreign exchange	**(37,275)**	(103,402)
Director and key management personnel remuneration	**(322,273)**	(579)
Listing fee expense	**(1,512,639)**	-
Marketing and investor relations expenses	**(122,079)**	-
Office and administrative expenses	**(14,741)**	(7,972)
Premises expenses	**(7,400)**	(28,523)
Share based payments expense	**(172,976)**	-
Travel expenses	**(23,928)**	(6,322)
Profit/(Loss) before income tax	**4,510,733**	(154,621)
Other comprehensive (loss)/profit		
Exchange differences on translation to presentation currency	**(305,923)**	51,237
Comprehensive profit /(loss)	**4,204,810**	(103,384)

**Restated to reflect the change in accounting policy arising from the change in presentation currency to $A.*

Commentary on significant items of expenditure is as follows:

- **Audit, legal and compliance expenses** of C$200,312 (2020: C$7,823) includes legal, financial and geological consulting expenses relating to the acquisition of Ballygowan and Pacific Arc.
- **Director and key management personnel remuneration** of C$322,273 (2020: C$579) represents remuneration and other costs of employment paid to Directors and key management personnel on, and subsequent to the commencement of the engagement on completion of the RTO Transaction. In the prior period the Company did not pay remuneration to Directors or key management personnel.
- **Listing fee expense** of C$1,512,639 (2020: C$Nil) is the excess of the deemed consideration paid by MRE to notionally acquire the shares of Adyton over the net assets of Adyton as at February 18 2021. This is a non-cash expense item. Refer "RTO Transaction" for further information.
- **Marketing and investor relations expenses** of C$122,059 (2020: C$Nil) represents expenses incurred in relation to the cost of promotional and marketing materials, attending virtual investor conferences and fees paid for investor relations and corporate advisory services following the completion of the RTO Transaction and the recommencement of trading in the Company's shares on the TSX Venture Exchange.
- **Share based payments expense** of C$172,976 (2020: C$Nil) represents the amortisation of the fair value of options issued as remuneration to a Director and key management

personnel. This is a non-cash expense item. Refer "Share Based Payments" for further information.

- **Other comprehensive loss** of C$305,925 (2020: profit of $C51,237) represents the effect of the translation of the financial statements of Group companies with a functional currency other than C$ into the presentation currency of C$. This is a non-cash item.

EXPLORATION LICENCES

The Company's principal activity in the three months ended March 31, 2021 was the expansion of its prospective portfolio copper and gold projects in Papua New Guinea through the acquisition of Ballygowan and Pacific Arc and of carrying out exploration and evaluation activities on is tenements. Presented below is a summary of the Group's interests in exploration licences as of March 31, 2021.

EL No.	Location	Name	Grant date	Expiry Date	Area (Km^2)
2095	Milne Bay	Sideia##	27/9/2012	26/9/20	150
2096	New Ireland	Feni##	5/8/2014	4/8/18	95
2591	New Ireland	Konos	20/6/2019	19/6/21	252
2594	Manus	Rambutyo##	9/1/2019	8/1/21	259
2549	Milne Bay	Wapolu	4/4/2018	3/4/22	102
2546	Milne Bay	Gameta##	29/8/2018	28/8/22	38
2572	Milne Bay	Oredi Creek##	25/2/2019	24/2/21	126
2408	New Britain	Sikut##	28/5/2016	27/5/20	249

Represents explorations under renewal application as at March 31, 2021

As noted in the above table, as of March 31, 2021 various Exploration Licences are under renewal, and are progressing in accordance with the regulatory processes as prescribed by the PNG Mining Act. The Company believes it has complied with all licence conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Company's application for renewal of the exploration licence not being granted in the ordinary course of business.

Set out below is a summary of the changes in capitalised exploration and evaluation expenditure during the three months ended March 31, 2021 and in the twelve months ended December 31, 2020.

	March 31, 2021 C$	**December 31, 2020 C$**
		*(Restated)**
Balance at beginning of financial period	**2,738,670**	2,378,572
Exploration and evaluation expenditure capitalised during the financial period	**632,034**	127,758
Acquired on the acquisition of subsidiaries	**5,494,006**	-
Effect of changes in exchange rates	**(266,478)**	232,340
Balance at end financial period	**8,598,232**	2,738,670

Restated to reflect the change in accounting policy arising from the change in presentation currency to $A.

Exploration and evaluation expenditure arising on the acquisition of subsidiaries represents the difference between the consideration paid by the Company to acquire Ballygowan and Pacific Arc and the net assets of Pacific Arc and Ballygowan plus the fair value of the capitalised exploration and evaluation expenditure of Pacific Arc and Ballygowan on the acquisition date of February 18, 2021. Refer “Acquisition of Ballygowan Limited and Pacific Arc Aurum (Niugini) Limited” for further information.

Set out below is a summary of exploration and evaluation expenditure capitalised during the three months ended March 31 2021 by tenement and by type of expenditure:

Category of Expenditure	**EL2095 Feni C$**	**EL2546 Gameta C$**	**All other tenements C$**	**Total C$**
Drilling and assaying	-	38,009	-	**38,009**
Logistics	46,000	123,567	-	**169,567**
Field costs	41,863	251,613	-	**293,476**
Landowner relations	30,000	2,677	-	**32,677**
Labour	34,995	35,381	3,483	**73,859**
Travel	-	24,446	-	**24,446**
	152,858	**475,693**	**3,483**	**632,034**

The principal exploration activities carried out in the three months ended March 31, 2021 were:

(i) Feni (EL2096).

- Ongoing liaison with the Mineral Resources Authority, landowners and other stakeholders in relation to the renewal application for the Feni exploration licence. The Warden’s Hearing was held on Feni Island in January 2021 with Company representatives in attendance.
- Preparation of the NI43-101 Technical Report for the Feni Island Project for inclusion in the Filing Statement required to be prepared by Adyton in relation to the RTO Transaction.
- 3D re-processing of Induced Polarisation (IP) surveys originally completed in 1998 has clearly highlighted a significant and largely untested porphyry copper target. This main phase anomaly models as a sub-vertical pipe in the order of 150-200mm and with significant depth extent. This pipe-like feature will be targeted in the proposed drilling program.
- Planning for the initial Feni drill program comprising approximately 3,000m of diamond drilling to add to the 18,893m of historical RC and diamond drilling previously undertaken at the project.
- The Company engaged consultants to undertake a social mapping and landowner identification study on Feni Island. This study will assist in ensuring that the Company is dealing with the rightful landowners during access land access and compensation negotiations for drill programs and to eventually form part of the suite of documents required to be submitted as part of any application for a mining lease on the Feni Project.

(ii) Gameta (EL2546)

- Mobilisation of personnel and equipment for the commencement of a 3,000m diamond drilling program at the Gameta Project was undertaken. The drill program was commenced with 520 metres of drilling completed during the quarter. The objectives of the drill program are to:
  - Utilise diamond drilling to increase the confidence in the existing inferred resources at the project to enable a significant proportion of the existing inferred resources to be classified as indicated or higher.
  - Expand the existing resource base through drilling designed to extend the depth of the historical drilling down dip to test for extensions to the existing ore zones.
  - Collect ore-grade samples for metallurgical and geotechnical test work to assess potential processing routes.

- Preparation of the NI43-101 Technical Report for the Feni Island Project for inclusion in the Filing Statement required to be prepared by Adyton in relation to the RTO Transaction.
- Ongoing liaison with the Mineral Resources Authority, landowners and other stakeholders in relation to the renewal application for the Gameta exploration licence. The Company was advised in April that Mining Minister had approved the renewal of the Gameta exploration licence until 28 August 2022.

(iii) No significant activity undertaken on the remaining exploration licences due to the focus on the Feni and Gameta Projects.

Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, including tenements that had expired and were the subject of renewal applications by MRE as at March 31, 2021, the Group is required to perform exploration work to meet minimum expenditure requirements as specified by the Papua New Guinea Mineral Resources Authority. The following table sets out the remaining minimum expenditure commitments as at March 31, 2021:

	Three months ended March 31, 2021	**Year ended December, 2020** *(Restated)**
	C$	**C$**
Minimum exploration expenditure commitments due:		
- not later than one year	**282,738**	103,698
- later than one year and not later than five years	**998,746**	78,243
	1,282,484	181,941

The significant increase in exploration expenditure commitments during the three months ended March 31 2021 is attributable to the minimum expenditure commitments relating to the tenements acquired by the Group on the acquisition of Ballygowan and Pacific Arc.

SHARE CAPITAL

The table below presents a summary of the changes in the Company's issued share capital during the three months ended December 31, 2021.

	2021	
	No. of shares	**C$**
Balance at the beginning of the reporting period[MRE]	**76,923,077**	**2,640,040**
Shares issued on the acquisition of Ballygowan and Pacific Arc[MRE]	**26,442,308**	**5,500,000**
Shares exchanged on RTO Transaction[MRE]	**(103,365,385)**	**(21,500,000)**
Shares on issue at beginning of period[ADY]	**13,100,000**	**644,570**
Reduction in shares on capital consolidation[ADY]	**(8,100,000)**	**-**
Elimination of ADY shares on issue prior to RTO Transaction[ADY]	**-**	**(644,570)**
Shares issued on RTO Transaction[ADY]	**71,666,666**	**21,500,000**
Shares issued pursuant to financings[ADY]	**48,092,220**	**10,747,666**
Notional issue of shares by accounting acquirer on RTO Transaction[MRE]	**-**	**1,500,000**
Capital raising costs[ADY]		**(953,158)**
	124,758,886	**19,434,548**

[MRE] Represent transactions relation to the capital structure of MR Exploration PNG Pte Ltd being the accounting acquirer pursuant to the RTO Transaction.

[ADY] Represent transactions relation to the capital structure of Adyton Resources Corporation (formerly XIB I Capital Corp) being the legal acquirer pursuant to the RTO Transaction.

Further information regarding movements in issued capital is provided below:

- MRE undertook the following share issues:

  - On February 18 2021, MRE completed the acquisition of Ballygowan and Pacific Arc by purchasing all of the issued and outstanding Ballygowan and Pacific Arc shares from the shareholders of those entities. The consideration paid by MRE to the vendors for the acquisition was the issuance of 26,442,308 MRE shares to the former shareholders of Ballygowan and Pacific Arc.

- Adyton undertook the following share issues

  - Consolidated its 13,100,000 previously issued and outstanding common shares ("Common Shares") on a 2.62-for-1 basis into 5,000,000 Common Shares issued.
  - Acquired all of the issued shares in MRE from its shareholders in exchange for 71,666,666 post-Consolidation Common Shares in Adyton Resources Limited, after MRE first acquired all of the shares Ballygowan and Pacific Arc from their shareholders in return for shares of MRE.
  - Issued common shares pursuant to the following Financings to raise C$10,747,666 as follows:

i. A pre-seed financing in which 6,000,000 shares were issued at a price of C$0.02 per share to raise C$120,000.
ii. A seed financing in which 13,333,333 shares were issued at a price of C$0.15 per share to raise C$2,000,000.
iii. A concurrent financing in which 28,758,886 shares were issued at a price of C$0.30 per share to raise C$8,627,666.

SHARE BASED PAYMENTS

The following share-based payment transactions were recognised during the period:

	March 31, 2021 C$	March 31, 2020 C$
		(Restated)
Options issued to Directors and key management personnel (i)	**172,976**	-
Options issued to brokers (ii)	**100,771**	-
Total share-based payments for the year	**273,747**	-
Recognised as:		
Capital raising costs	**100,771**	-
Share based payments expense	**172,976**	-
	273,747	-

(i) On February 18 2021, the Company issued options to the brokers as partial consideration for services provided to the Company in relation to the Financings (Broker Options). The options were issued with an exercise price of $0.30 and an expiry date of February 18, 2023. The options vested immediately.

The value of the services received has been estimated by reference to the fair value of the options granted as the fair value of the services received cannot be reliably estimated. The fair value of the options at grant date has been used to determine the estimated using the Black Scholes valuation model, considering the terms and conditions upon which the options were granted.

(ii) On February 18 2021, the Company issued options to Directors and key management personnel as remuneration (Management Options). The options had an exercise price of $0.30 and an expiry of February 18, 2028. The options vest one year from the date of issue.

The fair value of the options at grant date has been estimated using the Black Scholes valuation model, considering the terms and conditions upon which the options were granted. The following assumptions were used:

	Broker Options	Management Options
Exercise price	$0.30	$0.30
Expected volatility	57%	57%
Risk-free interest rate	0.22%	0.75%
Expected life of share options (years)	2	7
Grant date share price	$0.30	$0.30
Fair value per option	$0.09	$0.15

RTO TRANSACTION

On November 12, 2020 the Company and its parent entity Mayur Resources Limited (“Mayur”) entered into a definitive share purchase agreement with XIB I Capital Corp (subsequently renamed Adyton Resources Corporation) (“Adyton”), and Mayur’s wholly-owned subsidiary Adyton Resources Finance Company Ltd. (“Adyton Financeco”), in respect of which Adyton agreed to acquire all of the issued and outstanding shares of the Company in consideration for the issuance of an aggregate of 71,666,666 common shares of Adyton to the shareholders of the Company.

Under the RTO Transaction the Company:

- Consolidated its 13,100,000 previously issued and outstanding common shares (“Common Shares”) on a 2.62-for-1 basis into 5,000,000 Common Shares issued and outstanding (the “Consolidation”) and changed its name to “Adyton Resources Corporation”.
- Acquired all of the issued shares in MRE from its shareholders in exchange for 71,666,666 post-Consolidation Common Shares in Adyton Resources Limited, after MRE first acquired all of the shares Ballygowan and Pacific Arc from their shareholders in return for shares of MRE.
- Reorganised its Board of Directors to consist of Frank Terranova, Rod Watt, Tim Crossley, Sinton Spence, Frederic Leigh Jr. and Nick Tintor, and its management to consist of Frank Terranova - Chairman, President and Chief Executive Officer, Stephen Kelly - Chief Financial Officer and Corporate Secretary, and Rod Watt, Chief Geologist.

The RTO Transaction constituted the Company’s “Qualifying Transaction” pursuant to Policy 2.4 of the TSX Venture Exchange.

The RTO Transaction is considered to be a reverse acquisition whereby the Company, legally a wholly-owned subsidiary of Adyton, is considered to be the accounting acquirer of the assets and liabilities of Adyton and of Ballygowan and Pacific and is considered to be the continuing entity for accounting purposes. As such, the assets and liabilities of the Company will continue to be accounted for at their carrying amounts and the assets and liabilities of Adyton, Ballygowan and Pacific Arc will be accounted for at fair value on acquisition.

Under the reverse acquisition principles, the consideration provided by MR Exploration PNG Pte Ltd for the acquisition of Adyton Resources Corporation was determined to be $1,500,000 which is the deemed fair value of the 5,000,000 shares owned by the former XIB I Capital Corp shareholders at the completion of the acquisition, valued at the capital raising share price.

The excess of the deemed fair value of the shares owned by the former XIB I Capital Corp shareholders and the fair value of the identifiable net assets of Adyton Resources Corporation immediately prior to the completion of the acquisition is accounted for under IFRS ‘Share Based Payment” and resulted in the recognition of $1,512,639 being recorded as “Listing fee expense” as summarised in the table below:

	C$
Net assets at fair value of Adyton Resources Corporation as at 18 February 2021	
Cash and cash equivalents	523,968
Other assets	11,057
Trade creditors and accruals	(547,664)
Net assets acquired	(12,639)
Fair value of consideration	1,500,000
Excess of consideration over fair value of net assets acquired expensed as Listing Fee expense	**1,512,639**

ACQUISITION OF BALLYGOWAN LIMITED AND PACIFIC ARC AURUM (NIUGINI) LIMITED

On February 18 2021, MRE completed the acquisition of Ballygowan and Pacific Arc by purchasing all of the issued and outstanding Ballygowan and Pacific Arc shares from the shareholders of those entities. The consideration paid by MRE to the vendors for the acquisition was the issuance of 26,442,308 MRE shares to the former shareholders of Ballygowan and Pacific Arc.

At the time of the acquisition, the activities of Ballygowan and Pacific were not considered to be businesses for the purposes of IFRS3 and as such the acquisition is accounted for under IFRS ‘Share Based Payments” and resulted in an adjustment to the value of capitalised exploration and evaluation expenditure acquired as summarised below:

	Ballygowan C$	Pacific Arc C$
Net assets at fair value as at 18 February 2021		
Cash and cash equivalents	3,636	-
Other assets	18,286	-
Exploration and evaluation expenditure	315,157	203,095
Trade creditors and accruals	(5,943)	(9,985)
Net assets acquired	331,136	193,110
Fair value of consideration	4,400,000	1,100,000
Excess of consideration over fair value of net assets acquired adjusted against exploration and evaluation expenditure	**4,068,864**	**906,890**

LIQUIDITY AND CAPITAL RESOURCES

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company monitors its actual and forecast expenditure commitments against its available cash reserves. Where necessary the Company seeks to raise additional capital or adjust its forecast expenditure profile with the objective of always have sufficient cash reserves available to meet forecast expenditure commitments for the succeeding twelve months.

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

No changes were made to the Group's and the Company's capital management objectives or policies during the three months ended March 31, 2021.

Management believes the Company has sufficient cash reserves to enable the Company to settle its obligations as they fall due for the next year.

A summary of the Company's cash flows during the three-month period ended March 31, 2021 and the three months ended March 31, 2020 is as follows:

		Three months ended March 31 2021 $C	Three months ended March 31 2020 $C
Cash flows used in operating activities	**$**	**(394,105)**	(109,047)
Cash flows used by investing activities		**(636,198)**	(44,302)
Cash flows provided by financing activity		**9,902,188**	177,040
Change in cash for the year		**8,871,885**	23,692
Foreign exchange difference on cash and cash equivalents		**76,318**	(105,992)
Cash, beginning of the period		**75,212**	157,512
Cash, end of the period	**$**	**9,023,415**	75,212

Cash flows used in operating activities were $394,105 during the three months ended March 31, 2021 as compared to $(109,047) for the three months ended March 31,2020. The increase in operating cash outflows reflects the increase incorporate and administrative activities undertaken by the Company following the completion of the RTO Transaction on February 18, 2021.

Cashflow used in investing activities were C$(636,198) for the three months ended March 31, 2021 comprised the following:

i. Cash of C$527,604 acquired on the acquisition of Adyton pursuant to the RTO Transaction offset by trade creditors of Adyton of C$547,664 at the RTO Transaction date that were settled using the Adyton cash balance.
ii. Payments totalling C$567,964 for exploration and evaluation expenditure.
iii. Payments totalling C$48,174 for the acquisition of property, plant and equipment – primarily communications equipment to support exploration activities.

Cash flows provided by financing activities of C$9,902,188 for the three months ended March 31, 2021 comprised the following:

i. Gross proceeds from Financing of $10,747,666.
ii. Capital raising and RTO Transaction Costs totalling C$1,054,179 including brokers commissions of C$335,9641, legal costs of C$596,083, corporate advisory fees of C$250,000 and accounting, taxation and investors relations costs totalling approximately C$125,000.
iii. Advances from Mayur Resources Pte Limited totalling C$208,701 in the period from January 1, 2021 to February 18, 2021.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company has identified the following as related parties:

i. Its directors and officers as its key management personnel.
ii. Mayur Resources Pte Limited and its related entities (Mayur). Mayur was formerly the parent entity of MRE and following completion of the qualifying transaction owns 42.75% of the issued common shares of Adyton. Frank Terranova and Timothy Crossley who are Directors of the Company are also Directors of Mayur.

(a) Transactions with key management personnel

Compensation recorded for key management personnel and companies related to them for the three-month period to March 31, 2021 was $ 322,273 (2020: $579).

In addition, the Company recorded share-based payments expense of $172,976 in relation to option granted to Directors and key management personnel as remuneration (refer "Share Based Payments").

(b) *Transactions with Mayur*

Mayur has historically provided funding to MRE and its subsidiary as well as providing corporate and administrative support. Transactions between MRE and Mayur were conducted on commercial terms other than the provision of funding at a nil interest rate. MRE historically provided advances to other subsidiaries of Mayur Resources Limited. Those advances are unsecured, non-interest bearing and have no fixed terms of repayment.

As a condition to the completion of, the closing of the Qualifying Transaction, the net amount of Advances to Related Parties and the Advances from Related Parties recorded in the balance sheets of MR Exploration PNG Pte Ltd and its subsidiary were the subject of a commercial debt forgiveness by Mayur. An amount of $6,924,356 in relation to this commercial debt forgiveness is disclosed as other income in the Statement of Profit or Loss and Other Comprehensive Income.

	March 31, 2021 **C$**	**December 31, 2020** **C$** *(Restated)*
Advances to related parties	**23,653**	1,229,808
Advances from related parties	**-**	7,921,678

The advances to and from related parties are unsecured, with no provisions for interest or repayment.

Below is a summary of the movements in advances to related parties during the three months ended March 31, 2021:

	Three months ended March 31, 2021 **C$**
Balance at beginning of the period	**(6,691,870)**
Principal amounts (recovered)/ loaned	**(208,701)**
Commercial debt forgiveness	**6,924,356**
Balance at end of the period	**23,653**

FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors 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:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk as it raises equity funds in C$ and utilises those funds to undertake exploration and evaluation activities on its mineral exploration projects in Papua New Guinea. Expenditure related to those exploration and evaluation activities is funded primarily in A$ and Papua New Guinea Kina (PGK).

The Company does not currently engage in any hedging or other strategies to mitigate its exposure to currency risk.

The Company's exposure to currency risk as at March 31, 2021 and December 31, 2020 is summarised as follows:

March 31, 2021	C$ Denominated Balances	A$ Denominated Balances	PGK Denominated Balances	**TOTAL March 31, 2021**
Cash and cash equivalents	8,867,379	-	156,036	9,023,415
Trade and other receivables	81,479	24,894	8,937	115,310
Advances to related parties	-	23,653	-	23,653
Total assets	**8,948,858**	**48,547**	**164,973**	**9,162,378**
Trade and other payables	(31,360)	(600,189)	(167,166)	(798,715)
Net exposure	**8,917,498**	**(551,642)**	**(2,193)**	**8,363,663**

December 31, 2020	C$ Denominated Balances	A$ Denominated Balances	PGK Denominated Balances	**TOTAL December 31, 2020**
Cash and cash equivalents	-	-	79,641	79,641
Trade and other receivables	-	-	24,195	24,195
Advances to related parties	-	-	1,229,808	1,229,808
Total assets	**-**	**-**	**1,333,644**	**1,333,644**
Trade and other payables		(31,360)	(11,087)	(42,447)
Advances from related parties	-	(7,921,678)	-	(7,921,678)
Net exposure	**-**	**(7,953,038)**	**1,322,557**	**(6,630,481)**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market interest rates. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Management closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Given the Company's limited market exposure at this time it has assessed there to be a low level of price rate risk.

Credit Risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At March 31 2021, the Company has $9,023,415 of cash to settle current liabilities of $798,715 as compared to December 31, 2020, when the Company had $79,641 of cash to settle current liabilities of $7,964,125 including advances from related parties of $7,921,678.

The significant improvement in the liquidity position is due to the following transactions that were undertaken during the three months ended March 31, 2021:

i. The forgiveness by Mayur Resources Pte Limited (the parent entity of MRE prior to the RTO Transaction) of related party advances totalling $6,924,356.
ii. The receipt of gross proceeds of $10,747,666.

Management believes the Company has sufficient cash reserves to enable the Company to settle its obligations as they fall due for the next year. The Company's exposure to liquidity risk is currently negligible.

Fair Value Measurements
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 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 -Inputs that are not based on observable market date. The fair value of cash is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets.

As at December 31, 2020, the Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Cash and receivables are classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.

ADOPTION OF NEW ACCOUNTING STANDARDS

The accounting policies adopted in the presentation of these financial statements are consistent with those disclosed in the accounting acquirer financial statements of MR Exploration PNG Pte Ltd for the six months ended December 31, 2020 except for:

i. The adoption of all the new and revised accounting standards and Interpretations that are relevant to its operations and effective for financial periods commencing on or after January 1, 2021. The adoption of these new and revised accounting standards and interpretations did not have any material effect on the financial results or financial position of the Group or the Company for the reporting period.
ii. The decision by the Directors to change the presentation currency for the financial statements from Australian dollars (A$) to Canadian dollars (C$).

In the opinion of management, all adjustments considered necessary for the fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three-month period ended March 31, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021.

Change of accounting policy – adoption of Canadian dollars as the presentation currency

Effective February 18, 2021 the Group changed its presentation from Australian dollars (A$) to Canadian dollars (C$), following the completion of the RTO Transaction and related Financings. The change in presentation currency is to better reflect the Group's listing on the TSX Venture exchange, the raising of capital in C$, and to improve investors' ability to compare the Group's financial results with other publicly traded businesses on the TSX Venture Exchange.

In making this change in presentation currency, the Group followed the recommendations set out in IFRS21, The Effects of Change in Foreign Exchange Rates. In accordance with IFRS21, the financial information presented in this MD&A has been restated to $C using the procedures outlined below:

1. The Statement of Profit and Loss and Other Comprehensive Income and the Statement of Cash Flows have been translated into C$ using average foreign currency rates prevailing for the relevant period.
2. Assets and liabilities in the Statement of Financial Position have been translated into C$ at the closing foreign currency rates on the relevant balance sheet dates.
3. The equity section of the Statement of Financial Position, including foreign currency translation reserve, retained earnings, share capital and the other reserves, have been translated into C$ using historical rates.
4. Earnings per share disclosures have also been restated to C$ to reflect the change in presentation currency.

The functional currency of MRE is Australian dollars, whilst the presentation currency of the Group is now in Canadian dollars. Some subsidiaries have a functional currency other than C$ dollars which is translated to the presentation currency.

Transactions in currencies other than an entity's functional currency are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than an entity's functional currency are retranslated at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognised in the income statement.

Foreign exchange differences that arise on the translation of monetary items that form part of the net investment in a foreign operation are recognised in the translation reserve in the consolidated financial statements.

Currency translated to CAD	**As of March 31, 2021**	**As of December 31, 2020**	**As of December 31, 2019**
Australian dollars	1.0481	1.0963	1.1132

The results of subsidiaries with a functional currency other than C$ (the presentation currency of the Group) are translated to C$ in line with the procedures outlined above. The cumulative effect of the change in presentation currency is recognised in the foreign currency translation reserve

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements as at March 31, 2021.

DISCLOSURE CONTROLS AND PROCEDURES AND CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures and internal controls over financial reporting have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis.

TSXV listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the Chief Executive Officer and the Chief Financial Officer certifying officers do not make any representations relating to the establishment and maintenance of (a) 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 (b) processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP.

RISKS AND UNCERTAINTIES

Risks Relating to the Company's Business and Industry
An investment in the Company is highly speculative due to, among other things, the nature of its activities and the present stage of their development. Investors should carefully consider the risk factors set out below and consider all other information contained herein.

Title to Tenement Interests
The terms the Exploration Licences held by the Company have expired and are currently subject to renewal applications. While the Company has made applications to have those Exploration Licences renewed in the ordinary course as they have completed appropriate exploration work programs on the tenements relating to the Exploration Licences, no decision has been made to date (the applications have neither been approved nor disapproved, but remain outstanding). There is no assurance that any or all of these Exploration Licences will be renewed on terms satisfactory to the Company or at all. Failure of the Company to obtain renewals to some or all of the Exploration Licences will prevent it from being able to explore or develop areas covered by such Exploration Licenses, capitalized exploration and evaluation expenditures in respect of such Exploration Licences will need to be written off.

Additionally, the grant of and the registration of mining tenements in Papua New Guinea do not guarantee title under applicable legislation. As such there is the risk of third-party claims which could be made against title to any or all of the tenement interests held by or to be held by the Company; and such claims could be material and adverse to the right or ability of the Company to carry out exploration, development, or mining activities thereon.

General Exploration and Mining Risks
The Company is engaged in mineral exploration and development activities in Papua New Guinea. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond its control.

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage. Mineral exploration, development and eventual mining is inherently dangerous and involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome, including: unusual or unexpected geological formations; metallurgical and other processing problems; metal losses; environmental hazards; power outages; labour disruptions; industrial accidents; periodic interruptions due to inclement or hazardous weather conditions; flooding, explosions, fire, rock bursts, cave-ins and landslides; mechanical equipment and facility performance problems; and the availability of materials and equipment. These risks could result in damage to, or destruction of, mineral properties, facilities or other properties, personal injury or death, including to the Company's employees, environmental damage, delays in mining, increased costs, asset write-downs, monetary losses and possible legal liability. The Company may become subject to liability for such matters against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on its financial position. The Company will continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to move from exploration through development to production including to attempt to establish ore reserves through drilling, to develop processes to extract minerals from the ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of minerals mined, fluctuations in precious and base metal markets, production limits, importing and exporting of minerals and environmental protection.

Government Regulation, Processing Licences and Permits
The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out the exploration and development of its projects in a timely manner or at all. The activities of the Company will be subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company intends to carry out its activities in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Regulatory authorities exercise considerable discretion in whether or not to issue permits, licenses and approvals and the timing of such issuances. There is no guarantee the Company will be able to obtain the necessary permits in a timely manner or at all. Delays in obtaining permits could materially delay the Company’s operations.

The Company’s operations will also be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances. A breach of such legislation may result in imposition of fines and penalties.

Country Risks
The Company’s mineral properties are located in and its activities will be conducted in PNG and as such the Company will be exposed to various levels of political, economic and other risks and uncertainties associated with carrying on business in PNG. These risks include but are not limited to, political instability, an unpredictable legal system, civil unrest, inconsistent and unsophisticated land tenure system, government land policy and government ownership of or participation in mining projects, high levels of corruption, significant delays in permitting and approvals, fluctuations in currency exchange rates, high rates of inflation, excessive import duties and taxes on the importation of equipment, expropriation and nationalization, restrictions on foreign ownership, possible future restrictions on foreign exchange and repatriation, changes in taxation, labour and mining regulations and policies, and changing political conditions, currency controls, and government regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ local citizens.

Local Landowners
Legislation in PNG provides that the holder of a tenement must not enter onto or occupy any land which is the subject of the tenement for the purpose of mining, until it has made a compensation agreement with the landholders as to the amount, times and mode of compensation and the agreement has been registered in accordance with such legislation. In addition, holders of tenements must enter into landowner agreements with the broader communities around mining tenements as

the related projects progress. None of the Target Companies has any landowner agreements in place with respect to the Target Companies Properties. The Company will eventually need to negotiate landowner agreements as its activities progress.

Foreign Enterprise Carrying on Business in PNG

Foreign companies carrying on business in PNG are required to obtain a certificate under the *Investment Promotion Act* (Papua New Guinea) permitting such activity. Each of the Target Companies has the necessary certificate under that Act, however there is a requirement for foreign companies to recertify in the event of a change in the ownership, shareholder or beneficial ownership or control of the foreign enterprise. The Company will be required to seek recertification under that Act as a result of MRE's proposed acquisition of Ballygowan and Pacific Arc under the MRE Acquisitions and of ADY's proposed acquisition of MRE under the Acquisition. There is no assurance such recertifications will be granted, failure of which will adversely impact on, or may preclude, the Company's ability to carry on business in PNG.

Resource Estimates

The Company has declared a resource estimates for the Feni Project based on historical drill results. There can be no assurance that such resource mineralization estimates are accurate. Mineralization figures or descriptions in the Technical Reports, and any other figures or estimates later presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time, are and will be based on descriptions and estimates made by the Company's personnel and independent consultants. These descriptions and estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that the Company's resource estimates will be accurate, or that the same will result in mineral resources that the Company can develop at economically feasible costs. The following factors could potentially materially impact on the current mineral resource estimates:

- The inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are sufficient to allow the geological and grade continuity to be reasonably assumed. Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part thereof will be upgraded to an indicated or measured mineral resource as a result of continued exploration.

- The mineral resource is based on historical information; and certain past measurements cannot be verified.

- Potential underestimation or overestimation of gold grade due to poor core recovery in mineralized zones.

- Results of additional drilling, metallurgical testing, receipt of new information, and production and the evaluation of mine plans subsequent to the date of any mineral resource estimate may require revision of such an estimate.

The resource estimates declared for the Feni Project are inferred mineral resources. Further drilling is required to improve confidence in existing resources.

The Company Will Incur Losses for the Foreseeable Future

The Company expects to incur losses unless and until such time as the Company's operations generate sufficient revenues to fund continuing operations. The Company cannot provide assurance that it will ever achieve mining operations or profitability.

Changes in the Market Price of Gold and Copper

The Company's development, long-term viability and profitability will depend, in large part, on the market prices of gold and copper. The market prices for those commodities are volatile and are affected by numerous factors beyond the Company's control, including: global or regional consumption patterns; the supply of, and demand for, those commodities; consumer product demand levels; international economic trends; operational costs; expectations for inflation; and political and economic conditions, including interest rates and currency values. The effect of these factors cannot accurately be predicted. The marketability of metals is affected by factors such as government regulation of prices, royalties, production limits and the importation and exportation of minerals, the effect of which cannot be accurately predicted. In the event that the Company eventually mines and sells any metals, there is no assurance that a profitable market will exist for their sale.

Shortages of Equipment

Mineral exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited supply of equipment may adversely affect the availability of such equipment to the Company for use on the Feni Project and may delay exploration and development activities, which could in turn adversely affect its continued operations.

State Participation Right

Generally, the PNG government has the right to participate in mining operations by acquiring up to a 30% interest in a Mining Licence. At the relevant time when the Company seeks to obtain any Mining Licences from the PNG government, there is a risk that the government could seek to impose and exercise such right, which could result in, among other things, material and costly negotiations as to the fair market value of such right and the terms of payment.

Environmental Matters

All of the Company's operations will be subject to environmental regulations, which can make operations expensive or prohibit them altogether. If the Company violates any of the laws and regulations relating to the protection of the environment, the Company may be subject to substantial fines, criminal sanctions and/or third-party lawsuits and may be required to install costly pollution control equipment or, in some extreme cases, curtail operations. The Company will generally be required to obtain permits under applicable environmental laws and regulations. Compliance with environmental laws and regulations, as well as with any requisite environmental permits, may increase costs. The Company may also face exposure to actual or potential claims and lawsuits involving environmental matters.

Changes in environmental laws and regulations occur frequently, and any changes may have a material adverse effect on the Company's results of operations, financial condition and/or competitive position. New legislation or regulatory programs could have an adverse affect on the Company's operations.

Landowners and other third parties could file claims based on environmental statutes and common law for personal injury and property damage allegedly caused by the release of hazardous substances or other waste material into the environment on or around the Company's operations. If so, there can be no assurance that the Company's defence of such claims would be successful. A successful claim against the Company could have a material adverse effect on its business prospects, financial condition, results of operation and the price of the Company Shares.

Land Reclamation Requirements
and reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to: control dispersion of potentially deleterious effluents; and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on the Company in connection with any exploration, development and production activities, the Company must allocate financial resources, including funds required to post reclamation bonds, that might otherwise be spent on further exploration and development programs.

Opposition to Mining
The Company's business may be affected by environmental activists and others who might engage in activities intended to disrupt the Company's business operations. As a result, there could be delays in the Company's exploration and development activities, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Substantial Capital Requirements and Dilution
The Company anticipates making substantial expenditures for the exploration and, if warranted, development and eventual production of the Company's policies. The Company will require additional equity and/or debt financing for such expenditures. However, there can be no assurance that additional debt or equity financing will be available to meet the Company's requirements or, if available, that it will be on terms acceptable to the Company.

Regulatory
Exploration activities, development activities and mining operations are all subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Company and could adversely affect its operations, business and results of operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse effect on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of properties.

Uninsurable Risks
The Company's exploration and, if warranted, development and mining activities, are or will be subject to significant risks beyond the control of management. Such risks include natural disasters and

unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes, unexpected equipment repairs or replacements, environmental hazards, industrial accidents, and inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and legal liability. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Management of Growth
The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse effect on its business, operations and prospects.

Reliance on Key Personnel
The Company's success depends in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Company. The contributions of the proposed management team of the Company to the immediate and near-term operations of the Company are likely to be of central importance. In addition, the competition for qualified personnel in the mining industry is intense and there can be no assurance that the Company will be able to attract and retain all personnel necessary for the development and operation of its business.

Foreign Currency Rates
Substantially all of the business and operations of the Company are, or will be, conducted in currencies other than Canadian dollars. In addition, all or most of the supplies and inputs into the projects of the Company are priced in currencies other than Canadian dollars. As a result, fluctuations in such foreign currencies against the Canadian dollar could have a material adverse effect on the Company's financial results which will be denominated and reported in Canadian dollars. From time to time, the Company may implement active hedging programs in order to offset the risk of losses if the Canadian dollar increases in value compared to foreign currencies. However, to the extent that the Company fails to adequately manage these risks, including if any such hedging arrangements do not effectively or completely hedge against changes in foreign currency rates, the Company's financial results may be negatively impacted.

Dividends
None of ADY has paid any dividends on their respective shares since incorporation and the Company is not expected to do so in the foreseeable future. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors, including earnings, capital requirements and the operating and financial condition of the Company.

Competition
The resources industry is highly competitive in all its phases. The Company will compete with numerous other organizations in the search for, and the acquisition of, copper and gold properties. The Company's competitors will include copper and gold mining companies that have substantially greater financial and technical resources, staff and facilities than those of the Company. The Company will compete with other domestic and international mineral exploration companies that have greater financial, human and technical resources. Should the Company be unable to obtain

necessary resources, or be unable to compete based on market forces (such as the price of gold or copper), it could have a materially detrimental impact of the Company’s ability to carry on business.

Conflicts of Interest

The Company’s directors and officers may serve as directors or officers of other resource companies or companies providing services to the Company, or they may have significant shareholdings in other resource companies. Situations may arise where the directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the laws applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

COVID-19 Pandemic

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.