MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX-MONTH PERIOD ENDED JUNE 30, 2021

The following discussion and analysis of the results of operations and financial condition ("MD&A") for Adyton Resources Corporation. (the "Company" or "Adyton"; formerly XIB I Capital Corp. or "XIB") should be read in conjunction with the unaudited condensed consolidated financial statements and related notes thereto for the three and six months ended June 30, 2021 (the "Interim Financial Statements") and the annual audited financial statements of MR Exploration PNG Pte Ltd. ("MRE") for the year ended December 31, 2020, which are available on www.sedar.com. Readers are encouraged to read the Cautionary Note Regarding Forward Looking Information included on page 16 of this MD&A and the Company's Filing Statement dated as of February 18, 2021, also available on SEDAR. The financial information in this MD&A is derived from the Interim Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial statements in International Accounting Standard – Interim Financial Reporting ("IAS34"). The historical figures presented in the Interim Financial Statements represent those of MRE. All figures contained herein are expressed in Canadian dollars ("CAD"), except as otherwise stated.

AUGUST 30, 2021

ADYTON RESOURCES CORPORATION

Level 14, 167 Eagle Street, Brisbane QLD 4000, AUSTRALIA

SECOND QUARTER HIGHLIGHTS

- The renewal process for the Gameta and Wapolu licences on Ferguson Island was completed with the licences renewed for a further two years.
- A 38 hole, 3,381 metre diamond drilling program was completed seven weeks ahead of schedule at the Gameta project on Fergusson Island. The results of the program exceeded the Company's expectations with drilling results confirming or exceeding historical assays, increasing the level of confidence in the existing geological model, and identifying new high grade mineralised zones outside the existing resource envelope.
- Following the completion of the Gameta drill program in June, the Company mobilised a diamond drilling rig to its 100% owned Wapolu project on Ferguson Island to undertake a 400-metre drill program. The program is designed to obtain samples for metallurgical testing and to confirm historical drill intersections.
- In June the Company commenced a 3,000-metre diamond drilling program at its 100% owned Feni Island Copper Gold Project. The program is designed to focus on the largely untested copper porphyry targets identified from recent 3D IP modelling and to test extensions to the existing epithermal gold inferred resource.
- Jason Kosec and Peter du Plessis were appointed as Non-Executive Directors of the Company at the Annual General Meeting of shareholders held on June 28, 2021.
- PI Financial was appointed to provide market making services in accordance with the policies of the TSX-V Venture Exchange.
- The Company applied for, and was subsequently granted in July, quotation of the Company's shares on the OTCQB exchange under the symbol ADYRF.
- As at June 30, 2021, the Company had cash reserves of C$5.6 million and is well funded to pursue its objectives.

OUTLOOK

In the September quarter the Company anticipates the following developments:

- Preparation of un updated resource for the Gameta Project which is anticipated to increase both the size of, and the confidence in, the existing resources.
- Acceleration of technical studies for the Gameta Project based on the updated resource.
- Completion of the Wapolu and Feni drill programs.

SUMMARY OF QUARTERLY RESULTS[1]

	Quarter Ended March 31, 2021	**Quarter Ended June 30, 2021**
(a) Revenue	**C$-**	**C$-**
(b) Income (loss) for the period	**C$4,510,733**	**C$(1,235,365)**
(c) Basic/diluted income (loss) per share	**C$0.07**	**C$(0.013)**

	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 March 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.

Further information regarding the accounting for the above transactions can be found in the Company's MD&A for the three months ended March 31, 2021 which is available at www.sedar.com and on the Company's website at www.adytonresources.com.

RESULTS OF OPERATIONS

This MD&A dated August 30, 2021 provides a review of the Group's financial performance for the three months and six months ended June 30, 2021 and its financial condition as at June 30, 2021 and is based on the unaudited interim consolidated financial statements of the Company for the three months and six months ended June 30, 2021. This MD&A should be read in conjunction with the annual financial statements of Adyton Resources Corporation (formerly XIB I Capital Corp) for the year ended December 31, 2020 and the accounting acquirer financial statements of MR Exploration PNG Pte Ltd for the six months ended December 31, 2020 each of which were prepared in accordance with IFRS as issued by the IASB and which were lodged on the Company's SEDAR profile on April 30, 2021.

Results of Operations

The table below provides the Company's profit or (loss) for the three and six months ended June 30, 2021.

	Three months ended June 30,		**Six months ended June 30,**	
	2021	2020	**2021**	2020
	C$	C$	**C$**	C$
		*(Restated)**		*(Restated)**
Revenue				
Other income	**-**	-	**6,924,356**	-
	-	-	**6,924,356**	-
Listing and share registry expenses	**(50,775)**	-	**(50,775)**	-
Audit, legal and compliance expenses	**(72,065)**	(12,895)	**(183,511)**	(20,718)
Insurance	**(20,594)**	-	**(20,594)**	-
Foreign exchange	**(52,057)**	114,658	**(89,332)**	11,256
Director and key management personnel remuneration	**(254,412)**	-	**(665,551)**	(579)
Listing fee expense	**-**	-	**(1,512,639)**	-
Marketing and investor relations expenses	**(252,413)**	-	**(374,492)**	-
Office and administrative expenses	**(67,998)**	(56)	**(82,736)**	(8,028)
Premises expenses	**(8,401)**	(13,632)	**(15,801)**	(42,155)
Share based payments expense	**(451,938)**	-	**(624,914)**	-
Travel expenses	**(4,712)**	(2,183)	**(28,640)**	(8,505)
Profit/(Loss) before income tax	**(1,235,365)**	85,892	**3,275,371**	(68,729)
Other comprehensive (loss)/profit				
Exchange differences on translation to presentation currency	**(221,901)**	-	**(527,828)**	-
Comprehensive profit /(loss)	**(1,457,266)**	85,892	**2,747,543**	(68,729)

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

The profit in the six months ended June 30, 2021, is significantly impacted by the following non-recurring items arising from the RTO Transaction that was completed in the quarter ended March 31, 2021:

- **Other income** of C$6,924,356 (2020: C$Nil) arising from a commercial debt forgiveness of amounts owing by MRE to its former parent entity as at February 18, 2021. This income is non-recurring.
- **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.

. A summary of the other items comprising the profit / (loss) is presented below:

- **Audit, legal and compliance expenses** of C$72,065 for the three months and C$183,511 for the six months ended June 30, 2021, includes legal, taxation, financial expenses. In the 2020 financial year these expenses were borne by the former parent company of MRE.
- **Director and key management personnel remuneration** of C$254,412 for the three months and C$665,551 for the six months ended June 30, 2021, 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.
- **Marketing and investor relations expenses** of C$252,413 for the three months and C$374,492 for the six months ended June 30, 2021, 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. In the 2020 financial year these expenses were borne by the former parent company of MRE.
- **Share based payments expense** of C$451,938 for the three months and C$624,914 for the six months ended June 30, 2021, represents the amortisation of the fair value of options issued as remuneration to director and key management personnel on the completion of the RTO Transaction. Further information regarding the valuation of these options is included in the MD&A and financial statements for the three months ended March 31, 2021, which can be found at www.sedar.com. This is a non-cash item.
- **Other comprehensive loss** of C$221,901 for the three months and C$527,828 for the six months ended June 30, 2021, represents the effect of the translation of the financial statements of Group companies with a functional currency other than C$ into the presentation currency of C$. This is a non-cash item. In the 2020 financial year the functional and presentation currencies for MRE were Australian dollars and a such there were no exchange differences arising on translation.

EXPLORATION LICENCES

The Company's principal activity for three months ended June 30, 2021, was mineral exploration for copper and gold on the Company's highly prospective portfolio copper and gold projects in Papua New Guinea. Presented below is a summary of the Group's interests in exploration licences as of June 30, 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 licences under renewal application as at June 30, 2021. The Company was advised subsequent to June 30, 2021, that the renewal of EL2594 and EL2408 had been approved by the regulatory authorities.

As noted in the above table, as of June 30, 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 June 30, 2021, the six months ended June 30, 2021, and the twelve months ended December 31, 2020.

	Three months ended June 30, 2021 C$	Six months ended June 30, 2021 C$	December 31, 2020 C$
			*(Restated)**
Balance at beginning of financial period	8,598,232	2,738,670	2,378,572
Exploration and evaluation expenditure capitalised during the financial period	3,563,552	4,195,586	127,758
Acquired on the acquisition of subsidiaries	-	5,494,006	-
Effect of changes in exchange rates	(328,021)	(594,499)	232,340
Balance at end financial period	**11,833,763**	**11,833,763**	**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 MD&A for the three months ended March 31, 2021, for further information.

The principal exploration activities carried out in the three months and six months ended June 30, 2021, were:

(i) Feni Island

Feni Island has a 650,000 oz Au Inferred Resource (1) and is in a Tier 1 region along a mineral belt containing the world class Simberi, Lihir, and Panguna gold and copper projects. The project hosts a number of spectacular targets.

In June the Company commenced a 3,000-metre diamond drilling program at its 100% owned Feni Island Copper Gold Project. The program is designed to focus on the largely untested copper porphyry targets identified from recent 3D IP modelling and to test extensions to the existing epithermal gold inferred resource.

Drilling commenced in June and is expected to be complete by the and of August.

(ii) Fergusson Island

The Gameta drill program concluded on June 4, 2021, seven weeks ahead of schedule. 38 diamond drill holes were completed for a total of 3,381m

The diamond drilling program was designed to test the continuity of mineralisation within the DFZ and below into the gneissic footwall, and to increase confidence in historical assay results within the existing inferred resource envelope from RC drilling conducted in the mid-1990’s.

The drilling was focussed on the northern third (“the northern ore zone”) of the known resources with a strike extent of over 700m being tested (note the resource zone itself occurs over a strike interval of 2,000m).

Testing targeted the shallower open pitable material, with drilling generally less than 120m and aimed to provide confirmatory data to support the results from historical RC drilling programs ahead of an expected resource upgrade in Q3 2021.

Some extensional drilling was also part of the program, testing below and down dip from known resources.

The results of the program exceeded the Company’s expectations with drilling results confirming or exceeding historical assays, increasing the level of confidence in the existing geological model, and identifying new high grade mineralised zones outside the existing resource envelope.

Following the completion of the Gameta drill program in June, the Company mobilised a diamond drilling rig to its 100% owned Wapolu project on Ferguson Island to undertake a 400-metre drill program. The program is deigned to obtain samples for metallurgical testing and to confirm historical drill intersections.

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 June 30, 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 June 30, 2021:

	Six months ended June 30, 2021 C$	Year ended December 31, 2020 *(Restated)** 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 June 30, 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 six months ended June 30, 2021. All movements in issued share capital occurred in the three months ended March 31, 2021, pursuant to the RTO Transaction. For further information refer to the MD&A for the three months ended March 31, 2021.

	2021	
	N	**C$**
Balance at January 1, 2021[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)**
Balance at June 30 2021[ADY]	**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.

As at June 30, 2021, the Company had in issue 10,237,944 options which were issued to executive management and 1,119,675 options issued to brokers on completion of the RTO Transaction. No options were issued, cancelled, or exercised in the three months ended June 30, 2021. Further information regarding the valuation of these options is included in the MD&A and financial statements for the three months ended March 31, 2021, which can be found at www.sedar.com.

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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at June 30, 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.

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 and six months ended June 30, 2021 and is prepared as at August 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 six months ended May 30, 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.

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 of a number of Exploration Licences held by the Company have expired or will expire in the near future and are currently subject to renewal applications. While the Company has made applications to have those Exploration Licences renewed in the ordinary course as it has 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 involve 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 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 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 Gameta, Wapolu and Feni Projects are inferred mineral resources. Further drilling is

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 landforms 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.

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.