Kingfisher Metals Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1

FOR THE YEAR ENDED DECEMBER 31, 2024

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The following Management's Discussion and Analysis ("MD&A") is dated April 30, 2025, for the year ended December 31, 2024, and should be read in conjunction with the accompanying audited consolidated financial statements of Kingfisher Metals Corp. for the years ended December 31, 2024, and December 31, 2023.

These audited consolidated financial statements for the years ended December 31, 2024, and December 31, 2023, have been prepared in accordance with and comply with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board and its interpretation of the International Financial Reporting Interpretations Committee ("IFRIC"). These audited consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The MD&A supplement does not form part of the audited consolidated financial statements for the year ended December 31, 2024, or the audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2023. All amounts are expressed in Canadian dollars unless otherwise indicated. In addition, readers are directed herein to discussions under the headings "*Forward-Looking Statements*", "*Critical Accounting Estimates*" and "*Risk Factors*".

Kingfisher's management is responsible for the integrity of the information contained in this report and for the consistency between the MD&A and the financial statements.

COMPANY OVERVIEW

Kingfisher Metals Corp. (the "Company" or "Kingfisher") was incorporated under the Business Corporations Act (British Columbia) on September 7, 2017, as a Capital Pool Corporation defined in the Policy 2.4 of the TSX Venture Exchange (the "TSX-V"). The principal business of the Company was the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company's registered office is located in Vancouver, B.C.

On March 12, 2021, the Company completed the share exchange transaction with Kingfisher Resources Ltd. ("KFR") which constituted the QT. KFR was incorporated under the Business Corporations Act (British Columbia) on January 21, 2019, and its principal business focus is the exploration and development of mineral prospects in Canada. Upon completion of the QT, the Company began trading under its new name on the TSX-V with the symbol "KFR" (and shortly thereafter on the Frankfurt Stock Exchange under the symbol "970"). The Company announced on August 25, 2021, that it commenced trading on the OTCQB Venture Market in the United States under the symbol "KGFMF."

The Company is a Canadian-based junior mineral exploration company engaged in the business of acquiring, exploring, and evaluating natural resource properties and focused on underexplored district-scale projects in British Columbia. The Company's most recent acquisitions consist of options on the Ball Creek East property (the "Ball Creek East Project") and Hank property (the "Hank Project"), and the outright purchase of the adjacent LGM property (the "LGM Project"), Ball Creek West property (the "BAM Project") and Hickman property (the "Hickman Project") (collectively the "HWY 37 Project"). As a result, the Company has consolidated one of the largest land positions in the Golden Triangle region of NW British Columbia at the contiguous 849 km^2 HWY 37 Project.

The Company's two other properties, Goldrange and Thibert remain in good standing and although the Company has not yet determined whether these properties contain reserves that are economically recoverable, work to date affords the Company the opportunity to continue to finance and develop future programs. The claims related to the Ecstall property expired on May 30, 2024, as the Company was unable to achieve the social license required to further advance the Ecstall Project due to overwhelming opposition to mineral exploration and mining from local stakeholders.

The recoverability of amounts shown for resource property and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property, and upon future profitable production or proceeds from the disposition thereof.

EXPLORATION PROJECTS

Ectstall

The claims expired on May 30, 2024, and have been written off in the current year.

The Company has requested and received the return of the environmental bond of $55,000 on the project as it has been unable to acquire the necessary permits necessary to continue exploration at this time.

Thibert

The 124 km^2 Thibert project is located 40 km north of Dease Lake, B.C. The project covers 25 km of strike length of the crustal-scale Teslin-Thibert Fault where approximately 200,000 oz of placer gold has been produced.

On November 15, 2021, the Company staked 2 additional mineral claims adjacent to the existing claims totaling 502 hectares for a cost of $878.

On June 24, 2020, the Company entered into an asset purchase agreement to acquire the Thibert claims from Kenorland Mineral Ltd. ("Kenorland") (a company with a common director), consisting of 8 mineral claims totaling 12,475 hectares in NW British Columbia for the following:

- 200,000 common shares of the Company (issued);
- common shares of the Company equal to a value of $100,000 on the first anniversary date of the listing on the TSX-V (issued); and
- a 2% net smelter return royalty.

Goldrange

The Goldrange project is located approximately 25 km south of the town of Tatla Lake in Southwestern B.C. with logging road access to the north end of the 511 km^2 project.

On April 6, 2020, the Company completed a purchase from Kenorland (a company with a common director) of three mineral claims totaling 4,504 hectares in SW British Columbia for 100,000 common shares of the Company (at a value of $50,000) plus a 2% net smelter return royalty.

Subsequently during the year 2020, the Company acquired and staked 24 additional mineral claims (totaling approximately 16,657 hectares) by incurring costs of $73,940 and issuing 14,000 common shares (at a value of $14,000).

On February 15, 2021, the Company staked 9 additional mineral claims adjacent to the existing claims totaling 15,530 hectares for a cost of $27,178.

On November 12, 2021, the Company staked 7 additional mineral claims adjacent to the existing claims totaling 12,077 hectares for a cost of $21,134.

On April 15, 2022, the Company staked 2 additional mineral claims adjacent to the existing claims totaling 2,346 hectares for a cost of $4,106.

HWY 37 Project

Ball Creek East Project and Hank Project

On March 6, 2023 (amended on March 25, 2023), the Company entered into 2 option agreements to consolidate and acquire a 100% interest in a series of mineral claims in the Golden Triangle region of NW British Columbia, which consists of the Ball Creek East Project and the Hank Project.

More specifically, the Company entered into a property option agreement with Evrim Exploration Canada Corp., a subsidiary of Orogen Royalties Inc. (“Orogen”), for the Ball Creek East Project, and a property option agreement with Golden Ridge Resources Ltd. for the Hank Project.

On November 2, 2023, the Company announced the completion of diamond drilling at the properties with 2,150 m drilled over 6 holes. The 2023 diamond drill program focused on three target areas: the Cliff porphyry, the Mary Root Zone, and the Mary deposit southern step-out. Two holes (M-23-001 and M-23-004) tested the Cliff porphyry, one from upslope that crossed the stockwork to test the width extent and one that collared at a lower elevation in the stockwork to test the changes with depth. Two holes were completed at the Mary Root Zone at the central (M-23-002) and southern target (M-23-003), with the strongest alteration and metal content intercepted in the northern hole. A single hole was originally planned at the Mary deposit, but difficult drilling conditions caused the loss of the hole prior to target depth. So, a second hole was drilled from the same pad to test the deeper extents of the area.

The Company announced the results of its first ever drill program at the properties on January 10, 2024, and delivered results supporting that the Mary area has significant room to grow and that there is potential for the discovery of large porphyry systems. A highlight intercept of 438 m of 0.43 g/t AuEq from surface in M-23-006 showed that mineralization at the Mary Zone continues to the south and under cover.

The Company Received a 5 year MYAB drill permit in the spring of 2024 and completed a ground program over the summer of 2024. The 2024 field program consisted of 14.14 line km of induced polarization (IP) geophysical surveys as well as geological mapping and sampling. The results of this program resulted in the generation of six new porphyry Cu-Au drill targets that are ready for future diamond drilling.

<u>LGM Project</u>

On July 10, 2024, the Company closed the acquisition of the LGM Project from Origen Resources Inc. (“Origen”). Under the terms of the definitive agreement, the Company issued 3,000,000 common shares in the capital of Kingfisher to Origen and paid $75,000 in cash to Origen in exchange for the transfer of the LGM Project claims on closing. The 26,771 Ha LGM Project is located immediately south and contiguous with the Ball Creek Project and Hank Project, in Northwest British Columbia within the Golden Triangle. In addition, the LGM Project is subject to underlying royalty agreements over different parts of the project that range from 1% to 2% with Triple Flag Precious Metals (1%), Ryan Kalt (2%), and Carl von Einsiedel (2%).

LGM Project Highlights

- Expansion of contiguous holdings in the Golden Triangle from 362 km2 to 630 km2 including KSM-type targets in west, alkalic Galore Creek-type targets in central region (Grizzly and Lucifer) and unexplored Eskay Creek-type stratigraphy to the east.

- Grizzly Target trench sampling from 2006 returned 0.74% Cu and 1.09 g/t Au over 38 m.

- The LGM Project represents one of only three silica-undersaturated magmatic-volcanic complexes in the Golden Triangle with discovery potential for Galore Creek-type porphyry systems and has only seen 3,988 m of drilling.
- Historical stream sampling at Lucifer outlined a 4 km-long trend of highly anomalous stream sediment samples grading up to 7.8 g/t Au – similar in strength and scale to the Hank epithermal deposit signature at HWY 37.
- LGM Project is fully permitted for diamond drilling.

	Ecstall Claims	Thibert Claims	Goldrange Claims	HWY 37 Claims	Total
Acquisition costs:					
As at December 31, 2022	**$ 225,024**	**$ 200,878**	**$ 190,176**	**$ -**	**$ 616,078**
Acquisition costs, agreement for sale	-	-	-	401,000	401,000
As at December 31, 2023	**225,024**	**200,878**	**190,176**	**401,000**	**1,017,078**
Acquisition costs, agreement for sale	-	-	-	1,179,742	1,179,742
As at December 31, 2024	**225,024**	**200,878**	**190,176**	**1,580,742**	**2,196,820**
Exploration costs:					
As at December 31, 2022	**858,854**	**242,582**	**11,109,144**	**-**	**12,210,580**
Expenditures during the year:					
Assays	-	8,105	199,617	55,943	263,665
Camp	-	6,608	315	765,235	772,158
Consulting	1,884	-	-	-	1,884
Drilling	-	3,467	2,193	958,819	964,479
Fieldgear	-	-	-	9,350	9,350
Geologist and sundry exploration costs	-	19,142	16,489	189,227	224,858
Geophysics	-	-	-	27,553	27,553
Helicopters	-	12,302	-	820,317	832,619
Permit Applications	-	-	-	49,814	49,814
Reports	-	-	9,425	-	9,425
Labour	-	13,605	836	62,928	77,369
Transportation and travel	-	15,352	-	41,732	57,084
	1,884	78,581	228,875	2,980,918	3,290,258
As at December 31, 2023	**860,738**	**321,163**	**11,338,019**	**2,980,918**	**15,500,838**
Expenditures during the year:					
Assays	-	31,648	8,978	8,932	49,558
Camp	-	1,300	-	4,407	5,707
Consulting	-	-	-	2,100	2,100
Drilling	-	728	-	109,756	110,484
Fieldgear	-	-	-	1,232	1,232
Geologist and sundry exploration costs	-	-	-	202,040	202,040
Geophysics	-	-	-	113,889	113,889
Helicopters	-	25,189	-	140,187	165,376
Permit Applications	-	-	-	210	210
Labour	-	50,658	-	24,921	75,579
Transportation and travel	-	14,356	-	78,379	92,735
	-	123,879	8,978	686,053	818,910
As at December 31, 2024	**860,738**	**445,042**	**11,346,997**	**3,666,971**	**16,319,748**
Recoveries, as at December 31, 2024	**(46,000)**	**(21,573)**	**(519,038)**	**(45,843)**	**(632,454)**
Write-off, as at December 31, 2024	**(1,039,762)**	**-**	**-**	**-**	**(1,039,762)**
Balance, December 31, 2024	**$ -**	**$ 624,347**	**$11,018,135**	**$ 5,201,870**	**$16,844,352**

CORPORATE

On June 5, 2024, the Company granted 1,700,000 stock options to various directors, executive officers, employees, and consultants. These options are exercisable until June 5, 2029, at a price of $0.25 per share and vest over a period of one year.

On May 28, 2024, the Company fully closed its private placement financing. In total, the Company issued 11,373,212 units at a price of $0.175 per unit and 511,111 flow-through units of the Company at a price of $0.225 per flow-through unit for aggregate gross proceeds of $2,105,312. Each flow-through unit consists of one flow-through common share and one half of one transferable non-flow-through common share purchase warrant. Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole warrant will be exercisable to acquire one additional common share of the Company for 24 months at an exercise price of $0.30.

On April 8, 2024, the company underwent a five-for-one share consolidation of its issued and outstanding common shares. Prior to the share consolidation, the number of issued and outstanding common shares was 141,586,151. Following the consolidation, the number of issued and outstanding common shares reduced to 28,317,230. This consolidation has been retrospectively applied to all periods presented in financial statements and the MD&A. The impact of the share consolidation has been reflected in the loss per share calculations. All share and per share data for all periods presented have been adjusted to reflect the consolidation.

On March 25, 2024, the Company issued 1,600,000 and 600,000 common shares pursuant to the conditions in the agreements on the Ball Creek East option and the Hank option, respectively.

On August 10, 2023, the Company granted 730,000 stock options to various directors, executive officers, employees, and consultants. These options are exercisable until August 10, 2028, at a price of $0.60 per share and vest over a period of one year.

On August 3, 2023, the Company closed private placements for gross proceeds of approximately $2.8 million through the issuance of 4,326,490 charity flow-through units at a price of $0.60 per charity flow-through unit and 465,000 flow-through units at a price of $0.50 per flow-through unit of the Company. The Company recognized a flow-through premium liability of $432,649. Each unit consists of one flow-through common share and one half of one transferable non-flow-through common share purchase warrant. Each full warrant shall be exercisable into one additional non-flow-through common share of the Company for 24 months at an exercise price of $0.75.

On June 7, 2022, the Company closed a financing for gross proceeds of approximately $4.85 million through the issuance of 3,050,000 charity flow-through units at a price of $1.40 per charity flow-through unit and 486,794 flow-through units at a price of $1.20 per flow-through unit of the Company. Each unit is comprised of one common share of the Company and one half of one common share purchase warrant, with each whole warrant being exercisable for one common share at an exercise price of $1.75 per common share at any time up to 24 months. The Company recognized a flow-through premium liability of $610,000.

On June 3, 2021, the Company closed a private placement for gross proceeds of $4,600,000. The offering was comprised of (i) 1,090,000 charity flow-through units at a price of $3.15 per unit for gross proceeds of $3,400,000; and (ii) 487,400 flow-through units at a price of $2.55 per unit for gross proceeds of $1,200,000. Each unit consists of one flow-through common share and one half of one transferable non-flow-through common share purchase warrant that have expired.

During the year ended December 31, 2021, the Company issued a total of 12,000 common shares from the exercise of options for gross proceeds of $8,500.

During the year ended December 31, 2021, the Company issued a total of 1,638,100 common shares from the exercise of warrants for gross proceeds of $1,072,313.

On May 25, 2021, the Company granted 72,000 stock options to various employees and consultants. These options are fully vested and exercisable until May 25, 2025, at a price of $2.75 per share.

In July of 2020, the Company and KFR entered into a share exchange agreement, which set out the principal terms upon which the Company was to acquire all of the issued and outstanding securities of KFR. The transaction would allow KFR to obtain a public listing by completing a reverse takeover transaction whereby KFR, substantively and for accounting purposes, was considered to be the acquiring and the continuing entity. The Company, after giving effect to the completion of the QT, was referred herein as the resulting issuer. On March 12, 2021, the Company announced that it had completed its QT by acquiring all the issued and outstanding shares of KFR.

In connection with the QT, the Company completed a concurrent financing totaling $6,030,000. Accordingly, Kingfisher accounted for the acquisition as a reverse takeover, and no goodwill or intangible asset has been recorded (only a listing expense). Therefore, for accounting purposes, KFR, the legal subsidiary, has been treated as the accounting acquirer, and the Company, the legal parent, has been treated as the accounting acquiree in these consolidated financial statements.

FINANCIAL RESULTS OF OPERATIONS

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended			
	December 31, 2024	**September 30, 2024**	**June 30, 2024**	**March 31, 2024**
Sales	$ -	$ -	$ -	$ -
Gross profit	$ -	$ -	$ -	$ -
Loss for the period	$ (174,557)	$ (368,292)	$ (431,578)	$ (895,018)
Loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.04)
	December 31, 2023	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**
Sales	$ -	$ -	$ -	$ -
Gross profit	$ -	$ -	$ -	$ -
Loss for the period	$ (358,614)	$ (519,723)	$ (255,983)	$ (339,424)
Loss per share	$ (0.02)	$ (0.02)	$ (0.01)	$ (0.02)

The Company's operations for the three months ended December 31, 2024, produced a loss of $174,557 compared to a loss of $358,614 in the same quarter in the previous year. The decrease in loss of $184,057 is mostly made up of decreases in deferred income tax, travel and corporate relations of $369,000, $28,163 and $25,582 respectively offset by a decrease in flow-through recovery of $200,886 and an increase in share-based compensation of $27,930.

LIQUIDITY AND CAPITAL RESOURCES

	2024 Q4	2024 Q3	2023 Q4	Year ended December 31, 2024	2023
Cash and cash equivalents	$ 331,895	$ 754,993	$ 226,219	$ 331,895	$ 226,219
Working capital	$ 805,450	$ 1,064,132	$ 464,512	$ 805,450	$ 464,512

As at the date of this MD&A, the Company has adequate cash and working capital to fund its operations and planned capital expenditures for the next 12 months. Any additional material capital expenditures or commitments may require a source of additional financing, which may come from funds through equity financing.

	2024 Q4	2024 Q3	2023 Q4	Year ended December 31, 2024	2023
Issued and outstanding shares	43,201,553	43,201,553	26,117,230	43,201,553	26,117,230
Issued and outstanding shares, fully diluted	43,201,553	43,201,553	26,117,230	43,201,553	26,117,230

RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	2024 Q4	2024 Q3	2023 Q4	Year ended December 31, 2024	2023
Share-based compensation	$ 42,618	$ 59,110	$ 38,840	$ 227,578	$ 144,628
Directors Fees	12,610	12,610	8,407	54,678	46,236
Management Fees	90,000	93,000	99,000	381,000	396,000
Exploration and evaluation assets	-	-	-	-	4,050
Operating expenses	1,500	1,500	3,000	6,000	12,000
	$ 146,728	$ 166,220	$ 153,450	$ 669,256	$ 602,914

All transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

SHARE CAPITAL

a. At December 31, 2024, there were 43,201,553 common shares, 3,597,667 stock options and 8,350,507 warrants outstanding.
b. At April 30, 2025, there were 59,121,810 common shares, 5,410,667 stock options and 14,118,247 warrants outstanding.

The Company has one class of common shares. No class A or class B preference shares have been issued.

SUBSEQUENT EVENTS

Closing of Private Placement

On January 16, 2025, the Company closed a non-brokered private placement, raising $1,894,535 (of which $13,200 was received in December 2024) through the issuance of 11,482,030 units at $0.165 per unit. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant, with each full warrant exercisable at $0.30 per share for 24 months.

Grant of Stock Options

On January 17, 2025, the Company granted 1,850,000 stock options to various directors, executive officers, employees, and consultants. These options are exercisable until January 17, 2030, at a price of $0.17 per share. These options vest over a period of one year.

Acquisition of the BAM Project

On January 29, 2025, the Company completed the acquisition of the BAM Project from P2 Gold Inc. for total consideration of $1,000,000 in cash and $250,000 in common shares of Kingfisher (1,515,151 common shares issued). The BAM Project is comprised of 54 claims totalling 18,893 hectares and is located immediately west and contiguous with the HWY 37 Project, in Northwest British Columbia. The BAM Project is subject to underlying royalty agreements over the project that includes a 1% net smelter return to be retained by Evrim, and a 2% net smelter return royalty to be retained by Sandstorm Gold Ltd. ("Sandstorm"), as well as a provision for Orogen to buy down 1% of the Sandstorm net smelter return royalty for $1,000,000 and the right to up to $4,100,000 in milestone payments.

Acquisition of the Hickman Project

On February 20, 2025, the Company completed the acquisition of the 3,008-hectare Hickman Project from Golden Ridge Resources Ltd. The Hickman Project is comprised of two claims totalling 3,008 hectares and is located immediately west and contiguous with the HWY 37 Project in Northwest British Columbia. Under the transaction terms, the Company issued $50,000 in common shares of Kingfisher (256,410 common shares issued) and granted a 2% net smelter return royalty to Golden Ridge that covers the entirety of the Hickman Project except for the portion of the mineral claims that fall within a 1 km radius of the HWY 37 Project. The Company will have the right to buy back 1% of the net smelter return royalty for $5,000,000 at any time.

CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support future business opportunities. The Company defines its capital as shareholders' equity, loans and advances payable. The board of directors of the Company does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

COMPETITION

Competitors for acquisition opportunities include well-capitalized companies, independent companies and other companies having financial and other resources far greater than those of Kingfisher, thus a degree of competition exists between those engaged in acquiring attractive assets.

CRITICAL ACCOUNTING ESTIMATES

Management is required to make decisions with respect to estimates and assumptions for certain accounting policies that affect the reported amounts of assets, liabilities, revenues, and expenses. These accounting policies are discussed below and are included to highlight the critical accounting policies and practices used by the Company. Note the use of different policies and practices could create different results being reported. The Company's management reviews these estimates regularly. New information and changes in circumstance may result in changes to estimated amounts that differ materially from current estimates.

The following assessment of significant accounting policies and associated estimates is not meant to be exhaustive. In the future, the Company might realize different results from the application of new accounting standards issued by regulatory bodies.

To recognize the share-based payment expense, the Company estimates the fair value of stock options granted using assumptions related to interest rates, expected life of the option, volatility of the underlying security and expected dividend yields. These assumptions may vary over time.

The accrual method of accounting requires management to incorporate certain estimates of costs as at a specific reporting date.

CHANGES IN ACCOUNTING POLICIES

None noted.

PROPOSED TRANSACTIONS

None noted.

FINANCIAL INSTRUMENTS RISK

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations.

Cash and cash equivalents consist of cash bank balances and short-term deposits. There are currently no short-term investments.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As of March 31, 2024, there were no significant amounts past due or impaired.

Market Risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its purchases and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity, the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary. Considering these circumstances and the Company's cash balance liquidity risk is assessed as low.

Foreign Exchange Risk

The Company currently does not have significant exposure to other currencies, and this is not expected to change in the foreseeable future as the capital commitments that are expected to be carried out in United States dollars will be limited.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents. Most of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments, so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. 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 data.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of short-term investments; cheques issued in excess of funds on deposit, accounts payable and accrued liabilities. Terms of the financial instruments, where relevant, are fully disclosed in the Company's financial statements. It is management's opinion that the Company is not exposed to significant currency, or credit risks but is exposed to interest rate cash flow risk arising from its financial instruments and that their fair values approximate their carrying values unless otherwise noted.

RISKS

The Company is a junior mineral exploration company and has adequate cash for its current obligations but may not have sufficient cash to sustain operations indefinitely. With limited financial resources and limited revenue, there is no assurance that future funding will be available to the Company to pursue future endeavours. There is a risk that the Company could be forced to cease operations and become insolvent.

There is no guarantee that the Company will be able to attract further exploration or to participate in an acquisition or another business opportunity. There can be no assurance that the Company's current activity and the liquid market for the Company's securities will develop, and shareholders may find it difficult to resell the securities of the Company.

The factors identified above are not intended to represent a complete list of the risks faced by Kingfisher. Kingfisher's management believes that the foregoing risks and uncertainties are a fair indication of the risks and uncertainties material to Kingfisher's business; however, additional risks and uncertainties, including those currently unknown to Kingfisher or not considered to be material by Kingfisher, may also adversely affect the business of Kingfisher.

OFF-BALANCE SHEET ARRANGMENTS

None noted.

ADDITIONAL INFORMATION

Additional information relating to the Company and results of its operations may be found on its website at www.kingfishermetals.com.

FORWARD LOOKING STATEMENTS

The foregoing information contains forward-looking statements within the meaning of securities laws. Forward-looking statements are statements that are not historical fact and often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or states that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking information by its nature requires assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of Kingfisher to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Forward-looking statements in this MD&A include, but are not limited to, Kingfisher's overall strategic plan for assessing acquisition opportunities. In making the forward-looking statements in this MD&A, Kingfisher has applied certain factors and assumptions that are based on information currently available to Kingfisher as well as Kingfisher's current beliefs and assumptions made by Kingfisher, including that Kingfisher will maintain its business plan for the near and mid-term range. Although Kingfisher considers these beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, that Kingfisher will be unable to fulfill or will experience delays in fulfilling a strategic plan for the near and mid-term range. Additional risk factors are noted under the heading "*Risks*". The factors identified above and in the "*Risks*" section of this MD&A are not intended to represent a complete list of the factors that could affect Kingfisher. Although Kingfisher has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

Because forward-looking information addresses future events and conditions, it involves risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking information. These risks and uncertainties include, but are not limited to access to capital, commodity price volatility, well performance and marketability of production, transportation and refining availability and costs.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Kingfisher does not undertake to update any forward-looking information, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.