# RED ROCK CAPITAL CORP.
# MANAGEMENT'S DISCUSSION AND ANALYSIS
# AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

**Dated: November 28, 2023**

## MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

This management’s discussion and analysis (“MD&A”) reports on the operating results and financial condition of Red Rock Capital Corp. (“Red Rock” or the “Company”) for the nine months ended September 30, 2023 and is prepared as at November 28, 2023. This MD&A should be read in conjunction with the Company’s audited financial statements for the years ended December 31, 2022 and 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”), together with the unaudited condensed interim financial statements for the nine months ended September 30, 2023, which were prepared using accounting policies consistent with IFRS and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting (collectively referred to as the “Financial Statements”). 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.

## APPROVAL

The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by this MD&A, and these Financial Statements together with the other financial information included in this MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in this MD&A. The Board’s review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing. The Board of Directors has approved the Financial Statements and MD&A, as well as ensured that management has discharged its financial responsibilities as at November 28, 2023.

## 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

The Company was classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V” or the “Exchange”) Policy 2.4. The Company did not complete a qualifying transaction within the 24 months from listing on the TSX-V, and was therefore subject to halt of trading and delisting from the TSX-V. On January 6, 2016, the Company’s listing transferred to the NEX, and resumed trading under the symbol “RCC.H”. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on February 9, 2012.

Red Rock has not commenced commercial operations and has no assets other than cash and cash equivalents and receivables. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "Qualifying Transaction"). Any proposed Qualifying Transaction must be accepted by the Exchange.

Red Rock's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business. Management believes the Company has sufficient working capital to meet its liabilities for the next twelve months.

Red Rock's head office and registered and records office address is 2200 - 885 West Georgia Street, Vancouver, BC V6C 3E8.

On May 19, 2023, the Company entered into an amended property option agreement (the "Amended Option Agreement"), with Jadeite Capital Corp. (the "Vendor") further to the Company's news release dated March 24, 2022 and November 28, 2022. The Amended Option Agreement amends the existing property option agreement (the "Option Agreement" dated November 23, 2022 with the Vendor, pursuant to which the Company has been granted an option ("the Option") to acquire a series of mineral claims located in the Province of Quebec and commonly known by the names "Gosselin" and "Normetal South" (collectively referred to as "the Project"). The Project comprises two large land packages within the Chicobi North Fault and the Macamic Fault which are major structures associated with significant polymetallic and gold discoveries. To exercise the Option, the Company is required to complete a series of cash payments totaling $300,000 and issue a total of 7,750,000 units to the Vendor. Each unit is comprised of one common share (a "Share") and one common share purchase warrant, each of which will entitle the Vendor to acquire an additional Share at a price of $0.20 for a period of five years. Following the closing of the Option, the Company is expected to be listed as a Tier 2 Mining issuer on the TSX Venture Exchange ("TSX-V") and will be involved in the exploration and development of the Project.

## SELECTED ANNUAL INFORMATION[1]

| | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|---|---|---|---|
| | $ | $ | $ |
| Current assets | 1,880,640 | 2,068,359 | 693,094 |
| Total assets | 1,880,640 | 2,068,359 | 693,094 |
| Current liabilities | 29,275 | 22,907 | 14,148 |
| Total revenue | Nil | Nil | Nil |
| Net loss | (194,069) | (133,494) | (131,321) |
| Net loss per share, basic and diluted | 0.01 | 0.01 | 0.01 |
| Weighted average number of common shares outstanding | 22,520,366 | 14,629,955 | 10,612,730 |

The losses in fiscal years 2022, 2021 and 2020 result from expenditures made to continue meeting public document filing deadlines, maintaining the Company's legal status and sustaining Red Rock's common share listing on the Exchange.

## SUMMARY OF RESULTS FROM THE PERIOD[1]

| | 3rd Quarter Ended September 30, 2023 | 2nd Quarter Ended June 30, 2023 | 1st Quarter Ended March 31, 2023 | 4th Quarter Ended December 31, 2022 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Total revenue | Nil | Nil | Nil | Nil |
| Loss for the period | (28,596) | (73,961) | (28,322) | (45,419) |
| Net loss per share, basic and diluted | 0.00 | 0.00 | 0.00 | 0.00 |
| Total assets | 1,744,823 | 1,764,463 | 1,846,572 | 1,880,640 |
| Total liabilities | Nil | 16,142 | 23,511 | 29,257 |
| Total shareholders' equity | 1,744,823 | 1,748,321 | 1,823,061 | 1,851,383 |
| | **3rd Quarter Ended September 30, 2022** | **2nd Quarter Ended June 30, 2022** | **1st Quarter Ended March 31, 2022** | **4th Quarter Ended December 31, 2021** |
| | $ | $ | $ | $ |
| Total revenue | Nil | Nil | Nil | Nil |
| Loss for the period | (32,334) | (66,468) | (49,850) | (50,220) |
| Net loss per share, basic and diluted | 0.00 | 0.00 | 0.00 | 0.00 |
| Total assets | 1,920,673 | 1,929,134 | 2,026,058 | 2,068,359 |
| Total liabilities | - | - | 30,456 | 22,907 |
| Total shareholders' equity | 1,896,800 | 1,929,134 | 1,995,602 | 2,045,452 |

[1] *Unaudited financial information prepared in accordance with International Financial Reporting Standards ("IFRS").*
[2] *The weighted average number of common shares outstanding used for the calculation of loss per share, excludes the 1,053,091 common shares held in escrow.*

## RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO THE THREE AND NINE MONTHS ENDED SEPEMBER 30, 2022

The following is an analysis of the Company's operating results for the three and nine months ended September 30, 2023 and includes a comparison to the three and nine months ended September 30, 2022.

**Due diligence expenses** for the three and nine months ended September 30, 2023 are $nil and $9,623 respectively, as compared to $nil and $17,505 for the three and nine months ended September 30, 2022. These costs relate to the mineral claims located in the province of Quebec.

**Office costs** for the three and nine months ended September 30, 2023 were $10,620 and $30,587, compared to $(2,363) and $29,377 for the three and nine months ended September 30, 2022. These office costs include bank charges as well as rent, which in the current quarter, a credit was received for previously billed rent.

**Professional fees** for the three and nine months ended September 30, 2023 were $14,749 and $52,119 respectively, compared to $28,997 and $65,594 for the three and nine months ended September 30, 2022.

The increase is primarily due to legal fees associated with the signed letter of intent with Jadeite Capital Corp.

**Transfer agent and filing fees** for the three and nine months ended September 30, 2023 were $3,227 and $14,231 respectively, compared to $5,700 and $36,176 for the three and nine months ended September 30, 2022. These fees include the ongoing listing fees on the NEX, transfer agent fees, as well as annual SEDAR filing fees.

**Net and comprehensive loss for the period**
As a result of the activities discussed above, the Company experienced a net and comprehensive loss of $28,596 and $106,560 for the three and nine months ended September 30, 2023 compared to a net and comprehensive loss of $32,334 and $148,652 for the three and nine months ended September 30, 2022.

## SHARE CAPITAL

**(a) Authorized**

Unlimited number of common shares without par value.

**(b) Issued and outstanding**

As at September 30, 2023, there were 22,520,366 (December 31, 2022 – 22,520,366) issued and fully paid common shares.

**Shares held in escrow**

As at September 30, 2023 and December 31, 2022, there were 1,053,091 common shares held in escrow.

**(c) Stock options**

The Company has an employee stock option plan under which employees, directors, and key consultants are eligible to receive grants. Under the stock option plan, the granted stock options are exercisable over periods of up to ten years as determined by the Company's Board of Directors. The maximum number of outstanding stock options under the plan is limited to 10% of the number of common shares outstanding. The number of stock options, the vesting periods, and the exercise price is set by the Company's Board of Directors based on the market value at the time of granting.

There are no options issued and outstanding.

## LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital that it manages as shareholders' equity and any debt that it may issue. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to fund existing operations, search for new business opportunities and thereby provide returns to its shareholders. 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 the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at September 30, 2023, the Company does not have any long-term debt outstanding and is not subject to any externally imposed capital requirement or debt covenants. There was no change to the Company's approach to capital management during the period ended September 30, 2023.

As at September 30, 2023, the Company had working capital of $1,744,823 including cash and cash equivalents that totalled $1,708,662. The Company does not have any sources of revenue except for small amounts of interest earned on the bank deposits. The Company does not have any assets of merit and a history of losses. The future success of the Company is dependent on the identification and successful negotiation/acquisition of a sustainable/viable business operation together with the ability to finance the necessary funding, at agreeable terms, to support a business acquisition. The Company expects to incur further losses in its pursuit of a new business opportunity and has limited funds from which to support these activities. Additionally, the Company may have insufficient funds from which to fund the acquisition of an identified business opportunity. As such, the Company may require additional financing to accomplish its long-term strategic objectives. There can be no certainty of the Company's ability to raise additional financing. If the Company is unable to finance itself, it is possible that the Company will be unable to continue as a going concern. These factors could raise doubt as to the ability of the Company to continue as a going concern.

A summary of the Company's cash flows during the period ended September 30, 2023 and 2022 is as follows:

| | | **For the nine months ended September 30, 2023** | | For the nine months ended September 30, 2022 |
|---|---|---|---|---|
| Cash flows used in operating activities | **$** | **(140,514)** | $ | (147,686) |
| Cash flows provided by investing activities | | **-** | | - |
| Cash flows provided by financing activities | | **-** | | - |
| Increase (decrease) in cash for the period | | **(140,514)** | | (147,686) |
| Cash, beginning of the period | | **1,849,176** | | 2,061,272 |
| Cash, end of the period | **$** | **1,708,662** | $ | 1,913,586 |

**Cash flows used in operating activities** were $140,514 for the nine months ended September 30, 2023 compared to $147,686 for the nine months ended September 30, 2022. The cash was used to maintain the administrative and reporting needs of the Company along with performing due diligence with respect to opportunities presented to the Company.

The Company's financial statements have been prepared in accordance with IFRS under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

## FINANCIAL INSTRUMENTS

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 described below.

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

As at September 30, 2023, the Company's financial instruments consist of cash and cash equivalents, amounts receivable and accounts payable.

In management's opinion, the Company's carrying values of cash and cash equivalents, amounts receivable and accounts payable approximate their fair value due to the immediate or short-term maturity of these instruments.

**Classification**

The following table summarizes information regarding the carrying values and classification of the Company's financial instruments:

| | **September 30, 2023** | **December 31, 2022** |
|---|---|---|
| Fair value through profit or loss (i) | $ 1,708,662 | $ 1,849,176 |

(i) Cash and cash equivalents

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

**a. Financial Instrument risk**

**i. Credit risk**
Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution. Credit risk is assessed as low.

**ii. Liquidity risk**

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at September 30, 2023, the Company had a balance in cash and cash equivalents balance of $1,708,662 to settle current liabilities of $Nil. The Company's financial liabilities include accounts payable which have contractual maturities of 30 days or are due in demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

**iii. Market risk**

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

The Company does not believe it is exposed to significant market risk.

a. Interest rate risk
As of September 30, 2023, the Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The interest rate risk on cash is not considered significant due to its short term nature and maturity.

b. Foreign 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 rate. The Company holds no financial instruments that are denominated in currency other than Canadian dollars.

## RELATED PARTY TRANSACTIONS

As at September 30, 2023, the Company is owed $7,087 (2022 - $7,087) from a company with a common director. The amount is non-interest bearing, unsecured and due on demand.

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel during the period ended September 30, 2023 and 2022.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Critical accounting estimates

Fair value of share options and warrants

Determining the fair value of warrants and share options requires assumptions related to the choice of a pricing model, the estimation of share price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of shareholders' equity.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

b) Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

Determination of functional currency

The functional and reporting currency of the Company is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

Going Concern

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company. As at September 30, 2023, the Company had a working capital of $1,744,823 (December 31, 2022 –$1,851,383). The Company believes that it has sufficient funds from which to finance its operating activities for the next 12 months.

## ADOPTION OF NEW ACCOUNTING STANDARDS

The accounting policies applied in the preparation of the condensed interim financial statements for the period ended September 30, 2023 are consistent with those applied and disclosed in the Company's annual audited financial statements for the year ended December 31, 2022.

## RISKS AND UNCERTAINTIES

The significant risks and uncertainties of the Company are detailed in management's discussion and analysis for the period ended September 30, 2023. There have been no material changes in the period.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available at www.sedar.com.