

**VALKEA RESOURCES CORP.
(formerly Outback Goldfields Corp.)**

Management's Discussion & Analysis

For the three and nine months ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Valkea Resources Corp. (formerly Outback Goldfields Corp.) (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended March 31, 2025 and 2024. This MD&A has been prepared in compliance with the requirements of National Instrument ("NI") 51-102 *Continuous Disclosure Obligations*. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three and nine months ended March 31, 2025 and 2024 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board and which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook - Accounting including IAS 34 *Interim Financial Reporting*. In addition, the MD&A should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2024 and 2023 (the "Annual Financial Statements"), as some disclosures in the Financial Statements have been condensed or omitted.

The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The nine months ended March 31, 2025 and 2024 are referred to as "YTD 2025" and "YTD 2024" respectively.

All monetary amounts in the MD&A are expressed in Canadian dollars ("\$" or "CAD"), the presentation currency of the Company, except number of shares, or as otherwise indicated. The functional currency of the Company and its subsidiary is disclosed in the notes to the Financial Statements. References to "AUD" are to Australian dollars, references to "EUR" are to Euros. This MD&A has been prepared effective as of May 30, 2025 (the "MD&A Date").

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A 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. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present, in all material respects, the financial condition, financial performance and cash flows of the Company as of the date of, and for the periods presented.

Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca and the Company's website at www.valkea.ca.

BUSINESS OVERVIEW

The Company was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on March 6, 2018 (under the name Skarb Exploration Corp.). On September 17, 2024, the Company changed its name to Valkea Resources Corp. The Company's head office is located at Suite 600 - 1111 Hastings Street, Vancouver, British Columbia, V6E 2J3. The Company's principal business activities include the acquisition and exploration of mineral property assets.

On February 13, 2019, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "SKRB". In December 2020, the Company's trading symbol on the CSE was changed to "OZ". In the year ended June 30, 2021, the Company began trading on the Frankfurt Exchange under the trading symbol "S600". In January 2022, the Company began trading on the TSX Venture Exchange (the "TSXV") under the trading symbol "OZ". On November 14, 2024, the Company began trading on the OTCQB Venture Market under the ticker symbol "OZBKF".

The Company currently owns a package of gold projects located proximate and adjacent to the Fosterville Gold Mine in Victoria, Australia ("Victorian Gold Projects") and a gold project portfolio in Finland acquired from the transaction with S2 Resources Limited ("S2").

OVERVIEW AND HIGHLIGHTS OF THE CURRENT PERIOD

Share consolidation

On September 17, 2024, the Company completed a consolidation of its common shares on a ten-to-one basis. All share and per share amounts in this MD&A have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

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Acquisition of Sakumpu Exploration Oy ("Sakumpu")

On September 18, 2024, the Company completed the transaction whereby the Company acquired all of the issued and outstanding shares of Sakumpu (the "Transaction") from Norse Exploration Pty Ltd. (the "S2 Subsidiary"), an indirect wholly owned subsidiary of S2 pursuant to a share purchase agreement between the Company, the S2 Subsidiary, and S2 dated May 9, 2024 (the "Share Purchase Agreement"). Pursuant to the Share Purchase Agreement, the Company paid S2 \$1,500,000 in cash and issued 13,750,000 common shares of the Company at a fair value of \$0.40 per share to S2. As a result of the common shares issued to S2 and its common share ownership resulting from participation in private placements, S2 became the largest single shareholder of Valkea with an approximate 44.6% ownership at the time of the Transaction. Due to the significant shareholding in Valkea by S2, the TSXV viewed the Transaction as a reverse takeover of Valkea by S2.

The Company incurred transaction costs of \$1,128,268 comprised of legal fees and due diligence costs in connection with the Transaction, of which \$115,364 was incurred during the year ended June 30, 2024 and recorded in deferred transaction costs. Total transaction costs have been included as part of the total consideration in the Transaction.

Sakumpu did not qualify as a business under IFRS 3 *Business Combinations*, as it did not possess the significant inputs, processes, and outputs that together constitute a business at the time of acquisition. Therefore, the Transaction was accounted for as an asset acquisition. Accordingly, no goodwill was recorded and consideration measured at fair value was allocated to the assets and liabilities acquired.

A summary of the Company's consideration and the net assets acquired from Sakumpu as at the September 18, 2024 acquisition date is as follows:

	\$
Consideration:	
Cash payments	1,500,000
Fair value of common shares issued to S2	5,500,000
Transaction costs	1,128,268
	8,128,268
Assets and liabilities acquired:	
Cash	17,936
Amounts receivable	73,603
Exploration and evaluation assets	8,041,728
Equipment	1,316
Accounts payable and accrued liabilities	(6,315)
	8,128,268

The amount of \$8,041,728 allocated to the exploration and evaluation assets was allocated to the Finnish properties.

Subscription receipts

On June 21, 2024, the Company closed a private placement of subscription receipts for gross proceeds of \$2,414,000 by issuing 6,035,000 subscription receipts at a price of \$0.40 per subscription receipt. On September 18, 2024, the subscription receipts were converted into 6,035,000 units.

On September 16, 2024, the Company closed a private placement of subscription receipts for gross proceeds of \$2,589,979 by issuing 6,474,947 subscription receipts at a price of \$0.40 per subscription receipt. On September 18, 2024, the subscription receipts were converted into 6,474,947 units.

Private placements

On September 5, 2024, the Company closed a private placement for gross proceeds of \$60,000 by issuing 150,000 units at a price of \$0.40 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.60 per common share until September 5, 2027. In connection with this private placement, the Company paid cash finders' fees of \$3,700 and issued 9,000 finders' warrants with an aggregate fair value of \$2,566. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 until September 5, 2027.

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On September 18, 2024, upon closing of the Transaction, 12,509,947 subscription receipts of the Company issued in the private placements that closed on June 21, 2024 and September 16, 2024 were converted into 12,509,947 units of the Company. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant is exercisable into one common share at a price of \$0.60 per common share until September 18, 2027.

In connection with the issuance of subscription receipts that subsequently converted to units, the Company incurred unit issuance costs of \$340,743, of which \$53,384 was incurred during the year ended June 30, 2024 and recorded in deferred transaction costs. Unit issuance costs were comprised of cash finders' fees of \$121,113, cash issuance costs of \$143,163 and the issuance of 268,800 finders' warrants with an aggregate fair value of \$76,467. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 per share until September 18, 2027.

Share-based compensation

On September 17, 2024, the Company granted 3,150,000 stock options to directors, officers, and consultants. These stock options have an exercise price of \$0.40, expire on September 16, 2029, and vest over a two-year period in three equal tranches with the first 1/3 on the grant date, and 1/3 every twelve months thereafter.

On September 17, 2024, the Company granted 1,931,250 deferred share units ("DSU") to certain directors and officers of the Company. These DSUs will vest on September 17, 2025.

On March 3, 2025, the Company granted 98,750 DSUs to certain directors of the Company. These DSUs will vest on March 3, 2026.

Completion of option to earn-in of legacy Australian properties to S2

On March 4, 2025, the Company completed the grant of an option on its Yuengroon, Ballarat West, and Silver Spoon projects ("YBWSS Option") located in Australia to S2 and contemplated as part of the Transaction. Pursuant to the YBWSS Option, S2 can earn an 80% interest in the Yuengroon, Ballarat West, and Silver Spoon projects by sole-funding total expenditures of AUD \$1.2 million within four years. The Company also announced that it has granted S2 an option on its Glenfine project (the "Glenfine Option" and, together with the YBWSS Option, the "Options") located in Australia. Pursuant to the Glenfine Option, S2 can earn a 51% interest in the Glenfine project by sole funding total expenditures of AUD 200,000 within four years. Upon exercise of the YBWSS Option, S2 will hold an 80% interest in the Yuengroon, Ballarat West, and Silver Spoon projects, and the Company will retain a 20% interest. Upon exercise of the Glenfine Option, S2 will hold a 51% interest in the Glenfine project, and the current Glenfine partners will retain a 49% interest. If a party's joint venture interest is diluted below 10%, it will automatically convert to a 2% net smelter return royalty.

Inaugural exploration program drill results

On February 27, 2025, the Company announced drill results from its inaugural exploration drill program at its 100% owned Paana project in Lapland, Finland. The 1,997 meter, six-hole drill program targeted both high-grade (Kittila-style) and bulk-tonnage (Ikkari-style), disseminated gold mineralization at the Aarnivalkea West discovery. Highlights from this program on what is called the Koivu Zone can be found in the Company's press release dated February 27, 2025.

OUTLOOK

The Company will be focused on work to continue exploration of its Finnish gold portfolio, including diamond drilling of the most advanced and prospective targets, as well as other earlier stage prospect generating exploration work. The Company has completed transition activities to operate and administer its wholly owned Finnish subsidiary.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

The following discussion addresses the operating results and financial condition of the Company for the three and nine months ended March 31, 2025 and 2024. The MD&A should be read in conjunction with the Company's Financial Statements.

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A summary of the Company's results of operations is as follows:

	Q3 2025	Q3 2024	YTD 2025	YTD 2024
	\$	\$	\$	\$
Operating expenses				
Accounting and legal	59,482	12,940	160,891	50,269
Corporate development and marketing	214,518	4,642	482,970	29,783
Exploration expenses	743	31,055	1,405	128,843
Management and professional fees	127,768	55,602	326,824	231,003
Office and administrative	53,704	70,018	140,760	177,323
Share-based compensation	331,331	550	1,075,929	3,850
Transfer agent, listing and filing fees	19,574	18,321	106,624	34,789
	(807,120)	(193,128)	(2,295,403)	(655,860)
Other income (expense)				
Foreign exchange loss	-	(18,694)	-	(24,097)
Gain on sale of equipment	4,885	-	4,885	-
Interest income	8,207	7,278	43,196	31,012
Net loss for the period	(794,028)	(204,544)	(2,247,322)	(648,945)
Gain on translation to presentation currency	52,774	-	64,677	-
Comprehensive loss for the period	(741,254)	(204,544)	(2,182,645)	(648,945)

Q3 2025 compared to Q3 2024

The Company's net loss increased to \$794,028 compared to \$204,544 in the prior year comparable period. The primary drivers of the increase in net loss were as follows:

- Accounting and legal fees increased to \$59,482 from \$12,940 in the prior year comparable period primarily due to increased legal costs associated with corporate matters, and increased activity following the acquisition of Sakumpu.
- Corporate development and marketing increased to \$214,518 from \$4,642 in the prior year comparable period primarily due to increased investor relations activities associated with the private placements and conference attendance activities in the current period.
- Management and professional fees increased to \$127,768 from \$55,602 in the prior year comparable period primarily due to increased services provided by management following the acquisition of Sakumpu.
- Share-based compensation increased to \$331,331 from \$550 in the prior year comparable period attributable to the vesting of stock options and DSUs that were granted to certain directors and officers in the current period.

Partially offsetting the increase in net loss was a decrease in exploration expenses to \$743 from \$31,055 in the prior year comparable period. The amount classified as exploration expenses in the prior year comparable period resulted from exploration activities conducted on impaired properties. The decrease in the current period is due to most efforts of the Company being focused on the completion of the Transaction with S2 and its minimization of activity on the impaired properties. The Company's Victorian Gold Projects were kept in good standing, but minimal additional work was completed in the current period.

YTD 2025 compared to YTD 2024

The Company's net loss increased to \$2,247,322 compared to \$648,945 in the prior year comparable period. The primary drivers of the increase in net loss were as follows:

- Accounting and legal fees increased to \$160,891 from \$50,269 in the prior year comparable period primarily due to increased legal costs associated with corporate matters and increased activity following the acquisition of Sakumpu.
- Corporate development and marketing costs increased to \$482,970 from \$29,783 in the prior year comparable period primarily due to increased investor relations activities associated with the private placements and conference attendance activities in the current period.
- Management and professional fees increased to \$326,824 from \$231,003 in the prior year comparable period primarily due to increased services provided by management following the acquisition of Sakumpu.
- Share-based compensation increased to \$1,075,929 from \$3,850 in the prior year comparable period attributable to the vesting of stock options and DSUs that were granted to certain directors and officers in the current period.
- Transfer agent, listing and filing fees increased to \$106,624 from \$34,789 in the prior year comparable period primarily due to additional filing activities to support the Transaction in the current period and commence trading on the OTCQB Venture Market.

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Partially offsetting the increase in net loss was a decrease in exploration expenses to \$1,405 from \$128,843 in the prior year comparable period. The amount classified as exploration expenses in the prior year comparable period resulted from exploration activities conducted on impaired properties. The decrease in the current year period is due to most efforts of the Company being focused on the completion of the Transaction with S2 and its minimization of activity on the impaired properties. The Company's Victorian Gold Projects were kept in good standing, but minimal additional work was completed in the current period.

SUMMARY QUARTERLY PERFORMANCE

The following information is derived from the Company's consolidated financial statements prepared in accordance with IFRS Accounting Standards. The information below should be read in conjunction with the Company's consolidated financial statements for the same periods. Consistent with the preparation and presentation of the Annual Financial Statements, the unaudited quarterly results are presented in Canadian dollars.

A summary of the Company's financial results over the last eight most recently completed quarters is as follows:

	Q3 2025	Q2 2025	Q1 2025	Q4 2024
	\$	\$	\$	\$
Net loss and comprehensive loss	(741,254)	(951,190)	(490,201)	(156,866)
Basic and diluted loss per share	(0.02)	(0.03)	(0.06)	(0.03)

	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	\$	\$	\$	\$
Net loss and comprehensive loss	(204,544)	(200,497)	(243,904)	(11,254,199)
Basic and diluted loss per share	(0.04)	(0.03)	(0.04)	(1.93)

All the Company's exploration and evaluation assets are in the exploration stage. The Company does not derive any revenue from its operations. Its primary focus is the acquisition, exploration and evaluation of mineral properties. As a result, the loss per period has fluctuated depending on the Company's activity level and cash availability. Therefore, quarterly periods are not comparable. The significant increase in net loss in Q4 2023 resulted from impairment of two of the Company's properties, the Ballarat West property and the Glenfine property. The net loss and comprehensive loss from Q1 2025 to Q3 2025 was higher than the prior year comparable periods. This was primarily because of the expansion of the Company's operation in Finland, which led to higher accounting and legal fees, corporate development and marketing costs as well as management fees.

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EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

A summary of the Company's exploration and evaluation assets is as follows:

	Yeungroon project	Silver Spoon project	Finnish properties	Total
	\$	\$	\$	\$
Balance, June 30, 2023	10,508,759	3,125,053	-	13,633,812
Chemical analysis	17,843	-	-	17,843
Geological services	59,031	28,994	-	88,025
Geophysical surveys	11,310	-	-	11,310
Materials and supplies	7,029	-	-	7,029
Project management	77,617	40,409	-	118,026
Recording and filing	15,294	4,315	-	19,609
Travel	3,961	410	-	4,371
Balance, June 30, 2024	10,700,844	3,199,181	-	13,900,025
Acquisition costs	-	-	8,041,728	8,041,728
Depreciation	2,392	731	-	3,123
Drilling and trenching	-	-	325,891	325,891
Geological services	28,067	3,006	675,953	707,026
Project management	12,088	9,127	-	21,215
Recording and filing	-	191	168,470	168,661
Travel	-	-	63,425	63,425
Currency translation	26,321	1,663	47,787	75,771
Balance, March 31, 2025	10,769,712	3,213,899	9,323,254	23,306,865

The Company does not capitalize expenditures on projects that were previously impaired. Expenditures on previously impaired projects are expensed.

A summary of the Company's exploration expenses for the three months ended March 31, 2025 on impaired projects is as follows:

	Glenfine project	Total
	\$	\$
Geological services	743	743
	743	743

A summary of the Company's exploration expenses for the three months ended March 31, 2024 on impaired projects is as follows:

	Ballarat West project	Glenfine project	Total
	\$	\$	\$
Geological services	1,943	25,759	27,702
Project management	11	3,198	3,209
Recording and filing	144	-	144
	2,098	28,957	31,055

A summary of the Company's exploration expenses for the nine months ended March 31, 2025 on impaired projects is as follows:

	Ballarat West project	Glenfine project	Total
	\$	\$	\$
Geological services	201	945	1,146
Project management	51	208	259
	252	1,153	1,405

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A summary of the Company's exploration expenses for the nine months ended March 31, 2024 on impaired projects is as follows:

	Ballarat West project	Glenfine project	Total
	\$	\$	\$
Geological services	19,126	93,077	112,203
Project management	1,789	4,217	6,006
Recording and filing	4,239	6,395	10,634
	25,154	103,689	128,843

Finnish Properties

On September 18, 2024, the Company completed the Transaction with S2 whereby the Company acquired all the issued and outstanding shares of Sakumpu. The acquisition of Sakumpu includes several exploration licenses (collectively, the "Finnish Properties"), with the initial primary focus being on the Paana licenses, which include the Aarnivalkea prospect. These licenses are wholly owned by Sakumpu with the exception of two licenses which are subject to an earn-in agreement with Rupert Resources. The Company will continue to be focused on work to initiate exploration of its Finnish gold portfolio, including diamond drilling of the most advanced and prospective targets.

Victorian Gold Projects

On March 4, 2025, the Company completed the grant of an option on its Yuengroon, Ballarat West, and Silver Spoon projects ("YBWSS Option") located in Australia to S2 and contemplated as part of the Transaction. Pursuant to the YBWSS Option, S2 can earn an 80% interest in the Yuengroon, Ballarat West, and Silver Spoon projects by sole-funding total expenditures of AUD \$1.2 million within four years. The Company also announced that it has granted S2 an option on its Glenfine project (the "Glenfine Option" and, together with the YBWSS Option, the "Options") located in Australia. Pursuant to the Glenfine Option, S2 can earn a 51% interest in the Glenfine project by sole funding total expenditures of AUD 200,000 within four years. Upon exercise of the YBWSS Option, S2 will hold an 80% interest in the Yuengroon, Ballarat West, and Silver Spoon projects, and the Company will retain a 20% interest. Upon exercise of the Glenfine Option, S2 will hold a 51% interest in the Glenfine project, and the current Glenfine partners will retain a 49% interest. If a party's joint venture interest is diluted below 10%, it will automatically convert to a 2% net smelter return royalty.

LIQUIDITY

Working capital

As at March 31, 2025, the Company had working capital of \$25,627 (June 30, 2024 - \$2,483,178), including cash and cash equivalents of \$133,365 (June 30, 2024 - \$83,684). The Company has insufficient resources to pay its current liabilities as well as funds necessary to achieve its stated business objectives to carry out its limited exploration programs and to cover anticipated administrative costs for the next 12-month period. It will need to raise additional funds in the future to continue its exploration operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Cash flows

A summary of the Company's cash flows is as follows:

	YTD 2025	YTD 2024
	\$	\$
Cash used in operating activities	(1,198,519)	(728,778)
Cash used in investing activities	(3,591,609)	(248,259)
Cash provided by financing activities	4,850,262	-
Change in cash and cash equivalents	60,134	(977,037)

Cash used in operating activities was \$1,198,519 compared to \$728,778 of cash used in the prior year comparable period. The increase in cash used is mainly due to higher cash spent on legal fees for corporate matters, and increased marketing and investor services fees associated with the private placements and the expansion of the Company's operation in Finland in the current period.

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Cash used in investing activities increased to \$3,591,609 from \$248,259 of cash used in the prior year comparable period. The increase was primarily due to cash consideration of \$1,500,000 paid to S2 and \$1,012,904 of transaction costs paid in connection with the Transaction, and investments in exploration and evaluation assets in the current period.

Cash provided by financing activities was \$4,850,262 compared to \$nil of cash provided during the prior year comparable period. The increase in cash provided is due to \$2,649,979 proceeds received from private placements offset by \$214,592 cash paid for unit issuance costs, \$875 proceeds received from warrants exercised, and \$2,414,000 proceed receive from restricted cash release.

Sources and uses of funds

On June 21, 2024, the Company closed a private placement for gross proceeds of \$2,414,000 by issuing 6,035,000 subscription receipts at a price of \$0.40 per subscription receipt which converted to units on September 18, 2024.

On September 5, 2024, the Company closed a private placement for gross proceeds of \$60,000 by issuing 150,000 units at a price of \$0.40 per unit.

On September 16, 2024, the Company closed a private placement for gross proceeds of \$2,589,979 by issuing 6,474,947 subscription receipts at a price of \$0.40 per subscription receipt which converted to units on September 18, 2024.

A summary of the Company's gross proceeds and allocation of proceeds is as follows:

	Private placement on September 5, 2024	Subscription receipts converted to units on September 18, 2024
	\$	\$
Total gross proceeds	60,000	5,003,979
Allocation of proceeds:		
Cash payment to S2	-	(1,500,000)
Exploration of the Finnish Properties and landholder payments	-	(1,500,000)
Transaction costs ⁽¹⁾	-	(1,128,268)
Unit issuance costs ⁽²⁾	(3,700)	(264,276)
Working capital and general corporate expenses	(56,300)	(611,435)
	-	-

(1) Of total transaction costs, \$115,364 was paid during the year ended June 30, 2024 and was recorded as deferred transaction costs.

(2) Of total unit issuance costs, \$53,384 was paid during the year ended June 30, 2024 and was recorded as deferred transaction costs.

CAPITAL RESOURCES

The Company continues to evaluate raising capital through the issuance of common shares and is dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. Management currently believes that the Company will need to raise additional funds in the future to continue its exploration operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

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RELATED PARTY TRANSACTIONS

Key management personnel include those having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions is as follows:

	Q3 2025	Q3 2024	YTD 2025	YTD 2024
	\$	\$	\$	\$
Corporate development and marketing	100,000	-	134,903	-
Management and professional fees	103,000	51,799	299,569	214,198
Office and administrative	-	-	12,500	36,000
Share-based compensation	300,337	468	884,551	3,276
	503,337	52,267	1,331,523	253,474

The Company sub-leased its office space and received shared services from an entity controlled by its Chairman of the Board of Directors. This contract ended on September 30, 2024. During the nine months ended March 31, 2025, sub-lease costs, office expenses, human resource support, and related fees of \$12,500 were paid to this entity (2024 - \$36,000). All transactions with this entity are at fair market value for services received by the Company. As of October 1, 2024, these services are no longer provided by a related party.

As at March 31, 2025, included in accounts payable and accrued liabilities are due to related parties of \$173,034 (June 30, 2024 - \$32,541). The amounts due are unsecured, due on demand and are non-interest bearing.

As at March 31, 2025, included in amounts receivable is an amount of \$20,000 (June 30, 2024 - \$nil) owed by a related company under common control. The amount earns a transaction fee of \$1,500 and interest at 10.20% per annum. The amount, transaction fee, and accrued interest are all due on July 10, 2025. During the three months and nine months ended March 31, 2025, the Company accrued interest income on this amount of \$360 and \$360, respectively (2024 - \$nil and \$nil, respectively).

PROPOSED TRANSACTIONS

As noted in the 'Outlook' section above, a letter of intent was signed to grant S2 an option to earn an interest in the Company's Victorian Gold Projects, located in the Victorian Goldfields, Australia. The Victorian Gold Projects are expected to have exploration synergies with S2's gold projects located in the Victorian Goldfields, near the Fosterville gold mine.

Details of the proposed transaction were published in the Information Circular dated July 31, 2024, as found on SEDAR+ and distributed to all shareholders.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING JUDGMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in a material adjustment to the carrying amount of the asset or liability affected in future periods.

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A detailed summary of all of the Company's accounting estimates and assumptions is included in the Annual Financial Statements filed on SEDAR+, except for the following:

Asset acquisition versus business combination

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets is acquired. More specifically, consideration is given to the extent to which significant processes are acquired. When the acquisition does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The International Accounting Standards Board continually issues new and amended standards and interpretations which may need to be adopted by the Company. The Company continually assesses the impact that the new and amended standards and interpretations may have on its financial statements or whether to early adopt any of the new requirements.

In the preparation of the Financial Statements, the Company used the same accounting policies as in the Annual Financial Statements, except for the following:

Restricted Share Units ("RSUs") and DSUs

The RSU and DSU plans are available to the Company's directors, certain employees and consultants. RSUs and DSUs are exchangeable, at settlement date, for (i) one common share of the Company, (ii) a lump sum payment in cash equal to the market value of one common share of the Company on the settlement date, or (iii) any combination of the foregoing. The settlement date of RSUs is the vesting date of respective RSU issuances. The fair value of each RSU and DSU is measured at the grant date by reference to the Company's share price at that time. The fair value of RSUs and DSUs granted is recognized as share-based compensation over the vesting period.

The following pronouncements which became effective for periods beginning on or after January 1, 2024 and have thus been applied effective for July 1, 2024:

Classification of liabilities as current or non-current - amendments to IAS 1

Additionally, the Company assessed the impacts of the amendments to IAS 1 *Presentation of Financial Statements*, effective for periods beginning on or after January 1, 2024, which clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments had no impact on the Company's financial statements.

There were no other recent pronouncements applicable to the Company's financial statements.

Pronouncements issued but not yet effective (do not adopt yet but disclose as below)

On April 9, 2024, the International Accounting Standards Board issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

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In May 2024, the International Accounting Standards Board ("IASB") issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. These amendments updated classification and measurement requirements in IFRS 9 *Financial Instruments* and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the 'solely payments of principal and interest' criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is currently assessing the effect of these amendments on the financial statements.

FINANCIAL INSTRUMENTS

As at March 31, 2025, financial instruments comprised of cash and cash equivalents, amounts receivable except for goods and services taxes receivable, reclamation bond, and accounts payable and accrued liabilities that are classified as and measured at amortized cost. The carrying value of cash and cash equivalents, amounts receivable, reclamation bond, and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these financial instruments.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash and cash equivalents. The Company minimizes its credit risk related to cash and cash equivalents by placing cash and cash equivalents with major financial institutions. The Company considers the credit risk to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's primary exposure to liquidity risk is through accounts payable and accrued liabilities. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. As of March 31, 2025, the Company had cash and cash equivalents of \$133,365 (June 30, 2024 - \$83,684) and working capital of \$25,627 (June 30, 2024 - \$2,483,178). As at March 31, 2025, liquidity risk is assessed as high. The Company will need to raise additional funds in the future to continue its exploration operations and there is no certainty that it will be able to obtain adequate financing in the future.

Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to foreign exchange risk from fluctuations in the Canadian dollar to the Australian dollar and the Euro. A 1% change in the Canadian dollar exchange rate relative to the Australian dollar would change the Company's loss by approximately \$354; and a 1% change in the Canadian dollar exchange rate relative to the Euro would change the Company's loss by approximately \$645.

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A summary of the Company's financial assets and liabilities as at March 31, 2025 that are denominated in the Australian dollar and the Euro is as follows:

	AUD	EUR
	\$	\$
Financial assets		
Cash and cash equivalents	11,698	102,750
Amounts receivable	2,892	169,480
Reclamation bond	20,796	-
	35,386	272,230
Financial liabilities		
Accounts payable and accrued liabilities	-	207,761
	-	207,761
Net financial assets	35,386	64,469

SUBSEQUENT EVENT

On May 23, 2025, the Company granted 98,750 DSUs to certain directors of the Company.

OUTSTANDING SECURITY DATA

A summary of the Company's issued and outstanding securities is as follows:

	March 31, 2025	MD&A Date
	#	#
Common shares issued and outstanding	41,477,670	41,477,670
Warrants	12,935,560	12,935,560
Options	3,208,500	3,208,500
DSUs	2,030,000	2,128,750

RISKS AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, refer to the Company's MD&A for the years ended June 30, 2024 and 2023.

FORWARD-LOOKING STATEMENTS

This MD&A includes forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with the Company's business and the environment in which the business operates. Any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements, including those identified by the expressions "considers", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved", or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may," "future", "expected", "will", "intends", and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Refer to the risks and uncertainties section for material risk factors that may cause actual results to differ materially from forward-looking statements.

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Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash and prepaid expenses; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits; ability to physically access and work the Company's property assets due to poor weather; a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans; and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions; and investor appetite for early stage exploration companies.