LABRADOR RESOURCES INC.
(Formerly, Labrador Technologies Inc.)
THREE AND SIX MONTHS ENDED APRIL 30, 2025
MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management Discussion and Analysis ("MD&A") is prepared in accordance with National Instrument 51-102F1 and should be read in conjunction with the audited financial statements of Labrador Resources Inc. (formerly, Labrador Technologies Inc. ("LTX" or the "Company") for the year ended October 31, 2024 and the condensed unaudited financial statements for the three and six month periods ended April 30, 2025, and 2024. Additional information with respect to LTX can be found on SEDAR+ at www.sedarplus.ca. The functional and presentation currency is the Canadian dollar.

International Financial Reporting Standards

The Company's financial statements for the three and six month periods ended April 30, 2025 and 2024 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). For each reporting period in 2025, the Company also presented comparative information for 2024, both for interim and annual financial statements, as applicable, on an IFRS basis.

Non-IFRS Measures

To supplement our financial statements presented in accordance with IFRS, we use non-IFRS measures such as working capital. Working capital is provided to enhance readers' overall understanding of our current use of cash resources and liquidity and is included to provide investors and management with an alternative measure for assessing our financial position in a manner that is focused on the Company's current liquidity and capital position. This measure is based on the Statement of financial position, from which selected information is presented. Working capital is determined using the period end current assets less current liabilities. These measures are not in accordance with and do not have a standardized meaning under IFRS and may not to be comparable to similar status of the Company's software development projects, the Company's intentions, results of operations, levels of activity, future capital and other expenditures, including the amount, nature and sources of funding thereof, business prospects and opportunities, research and development timetable, and future growth and performance. When used in this MD&A, statements to the effect that the Company or its management 'believes', 'expects', 'plans', 'may', 'will', 'projects', 'anticipates', 'predicts', 'intends' or similar statements, including 'potential', 'opportunity', or variations thereof, statements of historical fact and should be construed as forward-looking information. These statements reflect management's current beliefs with respect to future events and are based on information currently available to the management of the Company. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

With respect to the forward-looking information contained in this MD&A, we have made assumptions regarding the following:

- The continued ability of the Company to raise operating capital and continue as a going concern
- Ability to retain and recruit qualified staff

This MD&A contains forward-looking statements under the provisions of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and forward-looking information within the meaning of applicable Canadian securities legislation.

In some cases, you can identify forward-looking statements by words such as “may”, “will”, “could”, expects”, "further", “intends”, “plans”, “anticipates”, “believes”, “potential”, “continue”, or the negative of these terms or other similar words. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking. In particular, forward-looking statements in this MD&A include, but are not limited to, statements about:

- our plan to continue making investments to drive future growth;
- our accounting estimates, allowances, provisions, and assumptions made in the preparation of our financial statements

The forward-looking statements contained in this MD&A are based on our management’s perception of historic trends, current conditions and expected future developments, as well as other assumptions that management believes are appropriate in the circumstances, which include, but are not limited to:

- our ability to obtain necessary regulatory approvals
- our ability to secure and retain revenue to grow the business;
- our ability to manage our growth effectively;
- our ability to protect our property rights;
- Reliance on key partners
- Increased competition
- Reliance on employees and contractors with specialized skills and knowledge
- Protection of proprietary rights

Factors that may cause actual results to differ materially from current expectations may include, but are not limited to, risks and uncertainties that are elsewhere in this MD&A, including but not limited to risks relating to:

- including the impact of measures taken to contain the virus and the impact on the global economy and consumer spending and on our merchants' and partners' ecosystem;
- managing our growth;
- our history of losses and our potential inability to achieve profitability;
- our limited operating history in new and developing markets and new geographic regions;
- our ability to innovate;
- a denial-of-service attack or security breach;
- provisions of our financial instruments;
- our potential inability to raise additional funds as may be needed to pursue our growth strategy or continue our operations, on favorable terms or at all;
- unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns;
- new tax laws could be enacted or existing laws could be applied to us or our merchants;
- being required to collect federal, state, provincial or local business taxes and sales and use taxes or other indirect taxes in additional jurisdictions or for past sales;
- our tax loss carryforwards;
- ownership of our shares;
- our sensitivity to interest rate fluctuations; and
- our concentration of credit risk, and the ability to mitigate that risk using third parties, and the risk of inflation.

Although we believe that the plans, intentions, expectations, assumptions and strategies reflected in our forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future results. You should read this MD&A and the documents that we reference in this MD&A completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this MD&A represent our views as of the date of this MD&A. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this MD&A.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this MD&A. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of the MD&A.

This MD&A is dated as of June 23, 2025.

Outlook

The Company is actively seeking to expand its technical team to take advantage of its oil and gas property - followed by expansion into other opportunities in the oil and gas sector.. Management remains committed to maintaining financial discipline until operations in the oil and gas sector that contribute positive cash flow have been completed.

Key Highlights

On October 31, 2024 an acquisition agreement pertaining to Critical Path Resources Corp. was terminated by mutual consent as a result of the Company not having completed a private placement that was a requirement of the acquisition agreement.

Annual Financial Information

Selected Statement of loss and comprehensive loss information for the years ended:	**October 31 2024 ($)**	**October 31, 2023 ($)**	**October 31, 2022 ($)**
Expenses			
General & Administrative	80,596	72,142	140,939
Debt Settlement	-	-	(24,291)
Share based compensation	3,495	19,384	-
Marketing & Sales	67	769	-
Operating Loss	(84,158)	(92,295)	(116,648)
Finance Costs	(130,664)	(92,602)	(3,991)
Gain on initial recognition of financial liabilities	73,770	45,948	-
Net loss and comprehensive loss	**(141,052)**	**(138,949)**	**(120,639)**
Loss per share (basic & diluted)	**(0.01)**	**(0.01)**	**(0.01)**

Selected Statement of financial position information as at:	**October 31, 2024 ($)**	**October 31, 2023 ($)**	**October 31, 2022 ($)**
Total assets	1,020,045	1,167,177	26,051
Total liabilities	1,068,417	1,077,992	469,422
Outstanding common shares	**24,672,144**	**24,672,144**	**13,472,144**

On February 2, 2023, the Acquisition and minimum private placements closed (see Acquisition Details). As a result, the following shares were issued: 4,000,000 Common Shares, at a price of $0.05 per Common Share, for aggregate proceeds of $200,000, and 7,200,000 Flow-Through Shares, at a price of $0.05 per Flow-Through Share, for aggregate proceeds of $360,000. No common shares were issued during the fiscal year ended October 31, 2024 and the six months ended April 30, 2025.

Results of Operations

At April 30, 2025, the Company had cash of $8,797, current liabilities of $920,969, $213,841 in decommissioning obligations and current period net and comprehensive loss of 135,016 and negative working capital of $912,172.

As at April 30, 2024, the Company had cash of $184,718, current liabilities of $30,734, $1,164,607 in long-term debt and current period net and comprehensive loss of $96,147 and working capital of $153,984.

Summary of Quarterly Results	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3
	$	$	$	$	$	$	$	$
Expenses								
General& Administrative	62,384	4,594	40,545	11,859	26,584	1,608	4,734	4,208
Share Based Compensation	-	-	-	-	-	3,495	4,154	5,011
Marketing & Sales	-	69	-	-	-	67	215	-
Operating Income (loss)	(62,384)	(4,663)	(40,545)	(11,859)	(26,584)	(5,170)	(9,103)	(9,219)
Finance Costs	(34,027)	(33,942)	(28,492)	(37,779)	(29,796)	(34,597)	(47,028)	(22,934)
Gain on initial recognition of financial liabilities		-	73,770	-	-	-	45,948	-
Net loss & comprehensive loss	**(96,411)**	**(38,605)**	**4,733**	**(49,638)**	**(56,380)**	**(39,767)**	**(10,183)**	**(32,153)**
Net loss per share, basic & diluted	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Outstanding shares	**24,672,144**	**24,672,144**	**24,672,144**	**24,672,144**	**24,672,144**	**24,672,144**	**24,672,144**	**24,672,144**
Total assets	**951,421**	**1,019,709**	**1,020,045**	**1,078,915**	**1,161,141**	**1,165,538**	**1,167,177**	**1,116,341**

Please note that the quarterly information is unaudited.

Revenue

Presently, the Company has no ongoing sources of revenue. The Company is actively working on expanding our technical team to address industry-specific challenges with the objective of establishing a presence in the Western Canadian oil and gas sector.

Expenses

General & Administrative

This category of expenses is comprised primarily of corporate expenses to shareholder reporting and professional fees. General and administration expenses for the six month period ended April 30, 2025 were $62,384 compared to $26,584 (2024), an increase of $35,800. The increase was primarily related to the costs associated with an engineering valuation costs of $18,500, 2024 audit fees of $21,000 off set by reduced costs for monthly accounting fees.

Finance Costs

Finance costs mainly includes interest and accretion expenses on accrued on loans advanced by third party to the Company. For the six month period ending April 30, 2025, interest and accretion expenses were $67,969 (April 2024 - $64,393), showing an increase of $3,576.

Liquidity and Capital Resources

During the six months ending April 30, 2025, the Company's cash position was $8,797.

Going Concern

These financial statements have been prepared in accordance with IFRS applicable to a going concern which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

The Company closed the change of business transactions. These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. Management is aware of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. As at April 30, 2025, the

Company has negative working capital of $912,172 (April 31, 2024 – $153,984) and has incurred a current operating loss of $67,047 (April 30,2024 – $31,754) and had no sources of operating inflows for the six-month period ended April 30, 2025.

Management believes the going concern assumption is still appropriate for these financial statements but is dependent upon the successful raising of sufficient capital in the future as required, achieving and sustaining profitable operations, as well as the continued support from related parties and trade and other creditors. There can be no assurance that the steps management is taking will be successful. This assumption will be reviewed on an ongoing basis by management and the Board of Directors. If the going concern assumption were not appropriate for these financial statements, adjustments would be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the classifications used in the statement of financial position.

Capital Management

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy to maximize the return to its shareholders. The capital structure of the Company consists of cash and shareholders' deficit. The change in the Corporation's management of capital in quarter 2 of 2025 was the termination of the $650,000 credit facility that had been in place until February 28, 2025.

The Company makes adjustments to its capital structure considering general economic conditions and the Company's working capital requirements. To maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may pay dividends, buy back shares or undertake other activities as deemed appropriate under specific circumstances. The Board of Directors reviews and approves any material transactions not in the ordinary course of business.

The following table sets forth the Company's total available credit:

As at	**April 30, 2025**	**October 31, 2024**
Maximum borrowing base limit:	$	$
Credit facility	650,000	650,000
Unused credit	**650,000**	**650,000**

On October 30, 2023, the Company entered into a commitment letter regarding a two-year credit facility bearing a fixed interest rate of 7% per annum maturing on February 28, 2025. Effective February 26, 2025, the maturity date was extended to November 30, 2026.

Financial instruments and financial risk management:

Financial instruments of the Company include cash, trade payables and accrued liabilities, notes payable, term debt and convertible debenture. The Company is exposed to financial risks arising from its financial assets and liabilities that include credit risk and liquidity risk.

Determination of Fair Values

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company maximizes the use of observable inputs when preparing calculations of fair value, where possible. The fair value hierarchy has the following levels:

Level 1 – Determined by reference to quoted in active markets for identical financial assets and liabilities.

Level 2 – Inputs to the valuations, other than quoted prices, are observable for the financial assets and liabilities, either directly or indirectly.

Level 3 – Inputs to the valuations are based on inputs that are not observable for the financial assets and obligations.

The fair value of the Company's financial assets and liabilities, except for convertible debenture, approximate its carrying value due to the short time to maturities of these items. The notes payable, term debt and convertible debenture have been discounted at an estimated market rate and therefore carrying value approximates fair value.

Overview

The Company is exposed to risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks.

The principal financial risks to which the Company is exposed are described below.

a) Credit risk
   Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

b) Interest rate risk:

   The Company maintains its short-term deposits in instruments that are redeemable at any time without penalty, thereby reducing its exposure to interest rate fluctuations. Loans payable and long-term loans payable bear interest at a fixed rate, thus the cash flows are not subject to interest rate risk.

c) Liquidity risk:

   Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. Given that the Company continues to use cash in operations, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company on a timely basis. At April 30, 2025, the Company has cash balances of $8,797 and a negative working capital of $912,172.

Key Management Personnel Compensation:

The key management personnel of the Company are the members of the Company's executive management team and Board of Directors.

In addition to their salaries and director fees, as applicable, directors and executive officers, along with certain employees of the Company, also participate in the Company's stock option plan.

Outstanding share data

As of April 30, 2025, LTX had 24,672,144 common shares outstanding.