LOMBARD STREET CAPITAL CORP.

a capital pool corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended December 31, 2024

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The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Lombard Street Capital Corp. ("we", "our", "us", "Lombard", or the "Company") for the three and six months ended December 31, 2024 and should be read in conjunction with the Company's condensed interim financial statements for the same period, as well as the Company's audited financial statements and MD&A for the period from incorporation, January 31, 2024, to June 30, 2024. As the Company was incorporated on January 31, 2024, there is no comparative information for the current three and six months ended December 31, 2024. The financial statements and related notes of Lombard have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

This MD&A reports our activities for the three and six months ended December 31, 2024 through to the date of this report unless otherwise indicated. Unless otherwise noted, all references to currency in this MD&A refer to Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Lombard, certain information contained herein may constitute forward-looking information under Canadian securities legislation. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "continue", "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", "will", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements represent the Company's expectations, estimates and projections regarding future events and are made based upon certain assumptions and other important facts that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, amongst others, currency fluctuations, the global economic climate, dilution, share price volatility and competition. Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity, performance or achievements of Lombard to be materially different from those expressed or implied by such forward-looking statements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with limited operating history, no history of earnings or payment of any dividends, unlikely to generate earnings or pay dividends in the immediate or foreseeable future, no current business operations, no current assets other than cash, ability to complete a qualifying transaction, ability to raise additional funds if required, potential dilution of shares as a result of a potential qualifying transaction, reliance on the management team, conflicts of interest among certain directors and officers of the Company, lack of liquidity for shareholders of the Company and market risk. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. There can be no assurance that such statements 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 statements. These factors are not intended to represent a complete list of the factors that could affect the Company. The Company disclaims any intention or obligation to update or revise any forward-looking information or to explain any material difference between subsequent events and such forward-looking information, except to the extent required by applicable law and regulations.

ABOUT THE COMPANY

Lombard was incorporated under the laws of Ontario, Canada. The Company has not commenced operations and has no assets other than cash and other current assets. The Company completed an Initial Public Offering ("IPO") on November 28, 2024. The Company is classified as a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange. The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

SUMMARY OF QUARTERLY RESULTS

	December 31, 2024	September 30, 2024	June 30, 2024	January 31 to March 31, 2024
	Q2-2025	Q1-2025	Q4-2024	Q3-2024
Other income	31,296	$44	$36,293	$0
Net loss and comprehensive loss	($205,831)	($3,407)	($58,152)	($498)
Basic and diluted loss per share	(0.01)	($0.00)	($0.00)	($0.00)
Total assets	$3,620,925	$1,169,863	$1,059,210	$0
Non-current financial liabilities	$0	$0	$0	$0

The Company is in the process of identifying a Qualifying Transaction and expenses are minimal to date. Net loss during Q2-2025 and Q4-2024 include stock-based compensation. Income recognized during Q4-2024 relates to interest income earned on a short-term loan receivable. And income earned during Q2-2025 relates to interest income earned on cash held in Guaranteed Investment Certificates ("GICs").

Total assets increased during Q1-2025 as a result of a private placement from directors and officers. And during Q2-2025, total assets increased upon the close of the IPO.

RESULTS OF OPERATIONS

	Three months ended December 31, 2024	Six months ended December 31, 2024
Professional fees	$ 7,626	$ 10,682
General and administrative expenses	2,466	2,861
Stock-based compensation	226,890	226,890
Other income	(31,296)	(31,340)
Income tax expense	145	145
Net loss and comprehensive loss for the period	$205,831	$209,238

The Company incurred minimal legal and administrative expenditures and is accruing audit fees during the three and six months ended December 31, 2024, as the Company complete its IPO and continues to identify a Qualifying Transaction. During Q2-2025, 3,000,000 stock options were granted to directors and officers of the Company. These were valued using the Black-Scholes option pricing model with the following assumptions: expected dividend yield – 0%; expected volatility – 100%; risk-free interest rate – 3.08% and expected life – 5 years.

Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction.

LIQUIDITY, CAPITAL RESOURCES AND OUTLOOK

During the first year of incorporation, the Company completed a non-brokered private placement on April 30, 2024, issuing 20,000,000 common shares of the Company at a price of $0.05 per share for total proceeds of $1,000,000.

On September 5, 2024, the Company completed a private placement where directors and officers subscribed for 421,053 common shares of the Company at a price of $0.10 per share for gross proceeds of $42,105.

The Company completed an offering of 30,000,000 common shares at a price of $0.10 per share raising gross proceeds of $3,000,000 as part of an Initial Public Offering ("IPO"). iA Private Wealth Inc. acted as agent for the IPO. As compensation, the agent received 1) a cash commission of $275,142 which was equal to 10% (6% in respect of up to $1,500,000 in subscription from subscribers referred by the Company) of the gross proceeds of the offering; 2) 2,564,985 broker options exercisable at $0.10 per share to purchase common shares of the Company expiring 24 months following the date on which the Company completes a Qualifying Transaction; 3) a one-time work fee of $12,500; and 4) out-of-pocket expenses including agent legal disbursements.

All issued and outstanding common shares are subject to a uniform 18-month escrow release schedule following completion of a Qualifying Transaction and will be released as to 25% on the date of the final Qualifying Transaction Exchange bulletin and an additional 25% on each of the dates that are 6, 12 and 18 months thereafter, pursuant to the terms of an Escrow Agreement dated as of September 5, 2024 between the Company, TSX Trust Company, and the shareholders of the Company.

All common shares acquired on exercise of stock options granted to directors and officers prior to completion of a Qualifying Transaction must also be deposited and held in escrow pursuant to the requirements of the Exchange.

As at December 31, 2024, the Company had a cash and cash equivalents balance of $3,589,831 to settle current liabilities of $16,043.

Management believes that it has sufficient cash to meet its obligations and its objectives of completing a Qualifying Transaction. However, additional equity or debt financing may be required to complete a Qualifying Transaction. There can be no assurance that the Company will be able to obtain adequate financing to complete a Qualifying Transaction.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements as at December 31, 2024.

CASH FLOWS

Cash provided by operating activities during the six months ended December 31, 2024 was $5,116. This includes changes in working capital where previously paid advances or accrued amounts for legal costs and other fees related to the IPO transaction were applied against the proceeds of the initial public offering. The net change in non-cash working capital reported on the cash flow statement identifies the changes in current assets and current liabilities that occurred during the period. An increase in a liability (or a decrease in an asset) account is a source of funds, while a decrease in a liability (or an increase in an asset) account is a use of funds.

Cash provided by financing activities during the six months ended December 31, 2024 was $2,570,040 from a non-brokered private placement in September 2024 as well as the IPO which closed on November 28, 2024. Issue costs related to the IPO totaled $472,065 and included agent commissions, legal and audit costs, translation costs and printing costs.

Cash provided by investing activities during the six months ended December 31, 2024 was $nil.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies can be found in Note 3 of its audited financial statements for the period from incorporation, January 31, 2024 to June 30, 2024.

CAPITAL RISK MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the exploration and development of mineral properties. The capital of the Company consists of share capital, share-based payment reserve and deficit. The Board of Directors 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.

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any Qualifying Transaction must be accepted by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, it is also subject to Majority of the Minority Approval in accordance with the CPC Policy. As of the date hereof, the Corporation has not conducted commercial operations.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

RELATED PARTY DISCLOSURES

The Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

Directors and officers of the Company subscribed for a total of 421,053 shares valued at $42,105 during the private placement financing that closed on September 5, 2024. Directors and officers subscribed for a total of 1,300,000 shares that were issued subsequent to the end of the quarter as part of the IPO. As of today's date, directors and officers own 9.8% of total issued and outstanding shares of the Company.

On November 28, 2024, the Company granted 3,000,000 stock options to directors and officers of the Company with an exercise price of $0.10 expiring five years from the date of issuance. All common shares acquired on exercise of stock options granted to directors and officers prior to completion of a Qualifying Transaction must also be deposited and held in escrow pursuant to the requirements of the Exchange.

<u>Compensation of key management personnel of the Company</u>
Key management consists of the officers and directors who are responsible for planning, directing, and controlling the activities of the Company. All related party transactions are carried out in the normal course of operation. As at December 31, 2024, there were no balances owing to related parties. Compensation costs for the three and six months ended December 31, 2024 are detailed in the table below.

	Three months ended December 31, 2024	Six months ended December 31, 2024
Share-based payments	$ 226,890	$ 226,890

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities were classified as follows:

	Assets at amortized cost	Assets at fair value through profit or loss	Liabilities at amortized cost	Total
As at December 31, 2024				
Cash and cash equivalents	$ 110,831	$ 3,479,000	$ -	$ 3,589,831
Accounts payable and accrued liabilities	-	-	16,043	16,043

The carrying values of cash and cash equivalents, and accounts payable and accrued liabilities approximate fair value due to the short-term nature of the financial instruments.

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels.

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 or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company’s financial assets and liabilities measured at fair value by level within the fair value hierarchy as at December 31, 2024:

	Level 1	Level 2	Level 3	TOTAL
As at December 31, 2024				
Cash equivalents	$ 3,479,000	$ -	$ -	$ 3,479,000

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the three and six months ended December 31, 2024.

Credit risk
The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of bank deposits and guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk
The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

As at December 31, 2024, the Company had current assets of $3,620,925 to settle current liabilities of $16,043. Approximately $9,750 of the Company's financial liabilities as at December 31, 2024 have contractual maturities of less than 30 days and are subject to normal trade terms.

OUTSTANDING SHARE DATA

Number of:	As at December 31, 2024	As at February 21, 2025
Common Shares	50,421,053	50,421,053
Stock options	5,000,000	5,000,000
Broker options	2,564,985	2,564,985

RISKS AND UNCERTAINTIES

The Corporation was incorporated on January 31, 2024, has not commenced commercial operations and has no assets other than cash. It has no history of earnings and shall not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction.

There is no market through which the Common Shares may be sold. There can be no assurance that an active and liquid market for the Company' Common Shares will develop and an investor may find it difficult to resell its Common Shares.

Until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

In the event that the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business, and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

The Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and impact estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

February 21, 2024