



RESOLVE ENERGY INC.

Management Discussion and Analysis

For the nine months ended November 30, 2025

This Management Discussion and Analysis (“MD&A”) provides a discussion and analysis of the financial condition and results of operations of ReSolve Energy Inc. to enable a reader to assess material changes in the financial condition and results of operations of the Corporation as at and for the nine months ended November 30, 2025 and should be read in conjunction with the interim consolidated financial statements and notes thereto for the nine months ended November 30, 2025 and 2024. All amounts included in this MD&A are in Canadian Dollars, the Corporation’s functional currency.

The interim consolidated financial statements of ReSolve Energy Inc. (“ReSolve” or the “Corporation”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Corporation operates in one segment defined as the cash generating unit which is Canada.

This MD&A has an effective date of January 29, 2026, the date this MD&A was reviewed by the Audit Committee and approved by the Board of Directors.

Additional information relating to the Corporation can be found on SEDAR at www.sedarplus.com.

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FORWARD-LOOKING/SAFE HARBOUR STATEMENT AND FAIR DISCLOSURE STATEMENT

This MD&A may contain certain forward-looking statements concerning the future performance of the Corporation’s business, its operations and its financial performance and condition, as well as management’s objectives, strategies, beliefs and intentions. These forward-looking statements are based on information currently available to the Corporation and the Corporation provides no assurance that actual results will meet management’s expectations. Forward-looking statements include estimates and statements that describe the Corporation’s future plans, objectives or goals, its ability to access capital, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and reliance on key personnel, and include words to the effect that the Corporation or management expects a stated condition or result to occur. This list is not exhaustive of the factors that may affect any of the Corporation’s forward-looking statements. Statements relating to estimates of resources are also forward-looking statements as they involve risks and assumptions, including but not limited to assumptions with respect to future commodity prices and production economics, that the reserves and resources described exist in the quantities and grades estimated and are capable of economic extraction. Forward-looking statements may be identified by such terms as “believes”, “anticipates”, “expects”, “estimates”, “may”, “could”, “would”, “will”, or “plan”. All forward-looking information is inherently uncertain and subject to risks, uncertainties, and a variety of assumptions to address future events and conditions. These and other factors should be considered carefully and readers should not place undue reliance on the Corporation’s forward-looking statements. The Corporation does not undertake to update any forward-looking statement that may be made from time to time by the Corporation or on its behalf, except in accordance with applicable securities laws.

The preliminary assessments contained in the Technical Report referenced in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome. Although the Corporation believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. All subsequent forward-looking statements, whether written or orally attributable to the Corporation or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

OUTLOOK

On October 20, 2025, the Corporation completed a reverse takeover transaction (the “RTO”). QNB Metals Inc. (“QNB”) was identified as the legal acquirer / accounting acquiree and changed its name to *ReSolve Energy Inc.* and changed its fiscal year end to February 28 consistent with the fiscal year end of *ReSolve Energy Inc. (former private company)*. *ReSolve Energy Inc. (former private company)*, identified as the accounting acquirer as its former shareholders obtained control of the resulting issuer, changed its name to *ReSolve Energy Holdings Inc.* and became a wholly owned subsidiary of the Corporation. The former joint venture between QNB and *ReSolve Energy Inc. (private company)* was dissolved, and *ReSolve Hydrogen Inc.* became a wholly owned subsidiary of *ReSolve Energy Holdings Inc.*

The Corporation, post RTO, is advancing its strategy to design and construct a continuous demonstration plant that will validate its proprietary platform and support future commercial-scale facilities.

The Corporation submitted new applications for certain provincial and federal government grants during the nine month period ended November 30, 2025 to fund up to 75% of the total equipment and labor costs to finalize the continuous demonstration of the Corporation’s patent pending technology. It is noted that *ReSolve Energy Inc. (former private company)* was previously approved for a substantial grant from the same provincial grant program. It is expected that such grants will be approved in the near term.

The Corporation entered into procurement and installation commitments, with prepaid expenses of \$1,550,000 for the period ended November 30, 2025, for required equipment to be installed and integrated with the existing pilot equipment already located at the Corporation’s Lac Megantic plant. These prepayments, to be recognized as milestones are completed, relate primarily to process design work, equipment purchase commitments, and installation services in order to de-risk execution and accelerate technology validation. Funds were used from the subscription receipts financing of \$2,500,000 completed as a condition of closing of the RTO.

The Corporation has reviewed various sites that have become available recently that would support requirements for the first commercial plant. These existing locations appear to be less costly alternatives to new construction and accelerates the timeline to the first commercial plant. The target sites are located in the desired lower Saint Lawrence Valley in Quebec and include land and building(s) with appropriate municipal zoning, existing infrastructure for material flow from stockpile areas, certain equipment which may be used in the commercial plant, access to railways, access to seaports, and utilities in place. Existing connections to the Hydro Quebec electrical grid is expected to accelerate the pathway to the installation of the first cogeneration plant which is expected to precede the startup of the first commercial plant.

Hydrogen exploration fieldwork in *ReSolve Hydrogen Inc.* is expected to commence in calendar 2026 on its Quebec and Ontario claims. Exploration fieldwork or possible sale/disposition of the *Kingsville Salt Project* is expected in calendar 2026.

CORPORATE OVERVIEW

ReSolve Energy Inc. (the “Corporation” or “ReSolve”) was originally incorporated as QNB Metals Inc. under the Canada Business Corporations Act on October 19, 2020.

ReSolve is engaged in the development of renewable energy and bio-industrial technologies and has engineered a proprietary, patent-pending acid hydrolysis platform capable of converting residual biomass, including bark, demolition wood, and paper sludge, into three complementary low carbon, renewable energy products: second-generation ethanol, industrial-grade lignin pellets, and electricity generated via integrated biomass cogeneration. The corporation’s activities are focused on technology development, project evaluation, and the advancement of demonstration and commercial-scale renewable energy facilities.

The Corporation, through *ReSolve Hydrogen Inc.*, also holds a prospective land package consisting of 119 mineral exploration claims covering 6,613 hectares (66 km²) in Quebec and additional claims in Ontario. The Quebec land package is eligible for Quebec super flow-through exploration incentives.

The Corporation also owns the *Kingsville Salt Project*, an exploration project located in the area of Kingsville, on Nova Scotia's Cape Breton Island. The project is being explored for the presence of a natural reservoir and salt occurrences to capture and store carbon gas for industrial operations.

GREEN ENERGY AND EXPLORATION HIGHLIGHTS

ReSolve entered into procurement and installation commitments and made deposits on the required continuous demonstration equipment to be installed and integrated with the existing pilot equipment already located at the Corporation's Lac Megantic plant.

The Corporation submitted new applications for certain provincial and federal government grants during the period to fund up to 75% of the total equipment and labor costs to finalize the continuous demonstration of the Corporation's patent pending technology. It is noted that *ReSolve Energy Inc. (former private company)* was previously approved for a substantial grant from the same provincial grant program. It is expected that such grants will be approved in the near term.

The Corporation did not undertake any exploration activities on its *Kingsville Salt Project* during the period.

FINANCIAL REVIEW

The financial statements, including comparatives, have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. The Corporation is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Corporation's funding initiatives will continue to be successful and the Corporation's financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Corporation will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

This section discusses significant changes in the Statements of Financial Position, Statements of Changes in Shareholders' Equity, Statements of Loss, Comprehensive Loss and Deficit, and Statements of Cash Flows for the nine months ended November 30, 2025.

All references to "Q3 2025" or "Q3 2024" relate to the three month period ended November 30 of those periods unless stated otherwise. All references to "YTD 2025" or "YTD 2024" relate to the nine month period ended November 30 of those periods unless stated otherwise.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Corporation's key consolidated financial information for the last eight quarters:

	F2026			F2025				F2024
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Statements of comprehensive loss (for the three month periods ended)								
Grants and Other income	-	-	27,311	94,039	25,303	32,035	-	36,914
Operating expenses	123,232	74,673	110,380	216,870	55,603	2,699	31,784	438,496
Listing expense	2,465,299	-	-	-	-	-	-	-
Writedown on interest in ReSolve Hydrogen Inc.	451,804	-	-	(901,804)	-	-	-	-
Cancellation of marketable securities	180,000	-	-	-	-	-	-	-
Mark-to-market of marketable securities	-	-	20,000	200,000	-	-	-	-
Income (loss) and comprehensive income (loss)	(3,220,335)	(74,673)	(103,069)	578,973	(30,301)	29,336	(31,784)	(401,582)
Earnings (loss) per share - basic and diluted	(0.12)	(0.00)	(0.00)	0.03	(0.00)	0.00	(0.00)	(0.02)
Statements of financial position (as at the end of the quarter)								
Cash and equivalents (Bank overdraft)	560,352	(8,770)	690	(8,123)	(2,030)	1,262	(5,381)	2,256
Receivables	-	-	10,210	-	-	-	-	4,542
Prepaid Expenses	1,550,000	-	-	-	-	-	-	-
Total assets	2,313,497	809,584	839,618	859,082	215,926	261,125	253,692	265,896
Total liabilities	243,675	178,813	134,174	50,568	73,885	88,027	109,930	91,106
Total shareholders' equity	2,069,822	630,771	705,444	808,514	142,041	173,098	143,762	174,790

SIGNIFICANT EVENTS DURING Q3 2026

ReSolve entered into procurement and installation commitments with prepaid expenses of \$1,550,000 for the quarter ended November 30, 2025, for required continuous demonstration equipment to be installed and integrated with the existing pilot equipment already located at the Corporation's Lac Megantic plant. Funds were used from the subscription receipts financing of \$2,500,000 completed as a condition of closing of the RTO.

The Corporation submitted new applications for certain provincial and federal government grants during the nine month period ended November 30, 2025 to fund up to 75% of the total equipment and labor costs to finalize the continuous demonstration of the Corporation's patent pending technology. It is noted that *ReSolve Energy Inc. (former private company)* was previously approved for a substantial grant from the same provincial grant program. It is expected that such grants will be approved in the near term.

The Corporation did not undertake any exploration activities during the nine months ended November 30, 2025.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with the Statements of Loss, Comprehensive Loss and Deficit for the nine months ended November 30, 2025 and the corresponding notes thereto.

The Corporation reported a loss and comprehensive loss of \$3,220,335 for Q3 2025 (YTD 2025: \$3,398,077) as compared to \$2,363 for Q3 2024 (YTD 2024: \$32,749). The increase is primarily due to a general increase in activity over the previous fiscal periods in addition to RTO-specific expenses including the (non-cash) listing expense of \$2,465,299 and the dissolution of the former joint venture related to ReSolve Hydrogen Inc. resulting in a writedown in Interest in ReSolve Hydrogen Inc. of \$451,804 and cancellation of Marketable securities of \$180,000 and related mark-to-mark losses of \$20,000.

Government grants were \$Nil in Q3 2025 (YTD 2025: \$ Nil) as compared to \$ Nil in Q3 2024 (YTD 2024: \$9,375). Rental income relates to the month-to-month sub-lease of a portion of the Lac Megantic plant and was \$Nil in Q3 2025 (YTD 2025: \$27,311) as compared to \$ Nil in Q3 2024 (YTD 2024: \$47,962).

Wages and benefits were \$22,848 in Q3 2025 (YTD 2025: \$88,168) as compared to \$10,483 in Q3 2024 (YTD 2024: \$36,955) reflecting a general ramp-up in activity with the same staffing over the previous fiscal periods. Depreciation - property, plant and equipment was \$10,363 in Q3 2025 (YTD 2025: \$31,090) as compared to \$13,969 in Q3 2024 (YTD 2024: \$41,906). Rent and utilities on the month-to-month lease at the Lac Megantic plant were \$19,767 in Q3 2025 (YTD 2025: \$59,250) as compared to \$2,039 in Q3 2024 (YTD 2024: \$6,418). Management fees were \$22,917 in Q3 2025 (YTD 2025: \$22,917) as compared to \$Nil in Q3 2024 (YTD 2024: \$Nil) reflecting the new senior management engaged post RTO. General & administration expenses were \$12,758 in Q3 2025 (YTD 2025: \$14,052) down from \$1,175 for in Q3 2024 (YTD 2024: \$1,827). Legal and audit expenses were \$34,579 in Q3 2025 (YTD 2025: \$92,808) up from to \$Nil for in Q3 2024 (YTD 2024: \$2,980) primarily related to various legal, audit and review engagement fees related to the *Resolve Energy Inc. (former private company)* first audited financial statements and reviewed interim financial statements required as part of the listing process.

Listing expense was \$2,465,299 in Q3 2025 (YTD 2025: \$2,465,299) as compared to \$Nil in Q3 2024 (YTD 2024: \$Nil) related to the RTO transaction which closed October 20, 2025.

Writedown on interest in ReSolve Hydrogen Inc. was \$451,804 in Q3 2025 (YTD 2025: \$451,804) as compared to \$Nil in Q3 2024 (YTD 2024: \$Nil) reflecting the dissolution of the former joint venture related to *ReSolve Hydrogen Inc.* Cancellation of marketable securities was \$180,000 in Q3 2025 (YTD 2025: \$180,000) as compared to \$Nil in Q3 2024 (YTD 2024: \$Nil) reflecting the cancellation of shares previously issued by QNB on closing of the RTO. Mark-to-market of marketable securities was \$Nil in Q3 2025 (YTD 2025: \$20,000) as compared to \$Nil in Q3 2024 (YTD 2024: \$Nil) reflecting mark-to-mark losses of the previous shares held in QNB.

FINANCIAL POSITION

This section should be read in conjunction with the Statements of Financial Position and Statements of Changes in Shareholders' Equity at November 30, 2025 and the corresponding notes thereto.

Assets

The current assets were \$2,313,497 at November 30, 2025 as compared to \$859,082 at February 28, 2025. Cash in bank was \$560,352 at November 30, 2025 as compared to an overdraft of \$8,123 at February 28, 2025. Prepaid expenses were \$1,550,000 at November 30, 2025 as compared to \$Nil at February 28, 2025 representing the procurement and installation commitments for required equipment to be installed and integrated with the existing pilot equipment at the Corporation's Lac Megantic plant. Sales taxes recoverable were \$26,957 at November 30, 2025 as compared to Sales taxes payable of \$373 at February 28, 2025 due to increased expenses during the period. Property, plant and equipment was \$176,188 at November 30, 2025 as compared to \$207,278 at February 28, 2025 representing the depreciation recognized for the period. Interest in ReSolve Hydrogen Inc. was \$Nil at November 30, 2025 as compared to \$451,804 at February 28, 2025 and Marketable Securities were \$Nil at November 30, 2025 as compared to \$200,000 at February 28, 2025, both reflecting the dissolution of the joint venture between QNB and *ReSolve Energy Inc. (former private company)*.

Liabilities

Liabilities were \$243,675 at November 30, 2025 (February 28, 2025: \$50,568) and included accounts payable due in the normal course of \$164,821 (February 28, 2025: \$34,678), accrued liabilities of \$66,142 (February 28, 2025: \$Nil) and payroll and wage levies payable of \$12,712 (February 28, 2025: \$7,394).

Shareholders' equity

Shareholders' equity was \$2,069,822 at November 30, 2025 as compared to \$808,514 at February 28, 2025. The change is primarily due to RTO including the reorganization of share capital (non-cash) adjustment of \$305,914, former QNB equity instruments which continue in the form of warrants reserve and share based compensation, and the reorganization of deficit. The (non-cash) listing expense of \$2,465,299, the dissolution of the joint venture in Resolve Hydrogen Inc. write-

down of \$451,804, and the cancellation of previously issued QNB shares write-down of \$200,000, factored significantly in the net loss and comprehensive loss for the current quarter and nine month periods ended November 30, 2025.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the Statements of Financial Position at November 30, 2025 and the corresponding notes thereto.

The working capital ratio at November 30, 2025 was 8.7 : 1 as compared to working capital ratio of 0 : 1 at February 28, 2025. At November 30, 2025, the Corporation held cash of \$560,352 (February 28, 2025: \$8,123 overdraft), prepaid expenses of \$1,550,000 (February 28, 2025: \$Nil), and sales taxes recoverable of \$26,957 (February 28, 2025: \$373 sales taxes payable). Current liabilities at November 30, 2025 included accounts payable due in the normal course of \$164,821 (February 28, 2025: \$34,678), accrued liabilities of \$66,142 (February 28, 2025: \$Nil) and payroll and wage levies payable of \$12,712 (February 28, 2025: \$7,394).

The Corporation manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Corporation's ability to continue as a going concern, maximizing the funds invested into exploration activities, exploring its projects, and considering additional financings which minimize shareholder dilution. There were no changes in the Corporation's approach to capital management during the nine months ended November 30, 2025.

The Corporation's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate.

The Corporation manages capital in proportion to risk and manages its mineral projects and capital structure based on economic conditions and prevailing commodity pricing and trends. The Corporation relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments. ReSolve has not earned significant revenues to date. As a result, the most meaningful information concerning the Corporation's financial position relates to its liquidity and solvency position. The Corporation raises funds for its operations primarily through the issuance of common shares.

The Corporation believes that it has sufficient working capital to meet its current obligations and currently planned operating costs and expenditures on its mineral projects. The Corporation intends to strategically advance its mineral projects by way of additional exploration programs. ReSolve intends to seek additional capital resources, when required, from equity financings, including flow-through, as market conditions permit. Although the Corporation has been successful in the past in raising funds, there can be no assurance that any funding required by the Corporation in the future will be available to it and, if such funding is available, that it will be offered on reasonable terms. In the event the Corporation is unsuccessful at raising such funds, it may not be able to continue as a going concern. ReSolve has no material commitments or contractual obligations with respect to the development of any mineral projects beyond those that would be considered as part of normal business.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Corporation paid fees of \$12,500, for the period ended November 30, 2025 (February 28, 2025: \$Nil) to a current officer for President and Chief Executive Officer services provided to the Corporation under an ongoing consulting agreement beginning November 1, 2025. The Corporation paid fees of \$10,416 for the period ended November 30, 2025

(February 28, 2025: \$Nil) to a current officer for Chief Financial Officer services provided to the Corporation under an ongoing consulting agreement beginning November 1, 2025. The Corporation paid fees of \$78,959 for the nine months ended November 30, 2025 (February 28, 2025: \$68,080) to a current officer for Vice President, Research and Development provided to the Corporation under an ongoing employment agreement. An amount of \$Nil for the period ended November 30, 2025 (February 28, 2025: \$18,000) was owing to the former President for advances made to *ReSolve Energy Inc.* (former private company).

These transactions, entered in the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are generally settled in cash.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to permit timely decisions regarding public disclosure. The CEO and CFO have, as at November 30, 2025, designed Disclosure Controls and Procedures as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators, or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the Corporation, disclosed in its annual and interim filings, is reported within the respective time periods specified under securities legislation. The Corporation's CEO and CFO have each evaluated the design and effectiveness of the Corporation's disclosure controls and procedures and have concluded that they are operating effectively as at November 30, 2025.

Internal Control over Financial Reporting

The CEO and CFO are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of the CEO and CFO, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Based on a review of its internal control procedures at the end of the period covered by this MD&A, the CEO and CFO have concluded that the internal controls and procedures are appropriately designed and effective, in all material respects, as at November 30, 2025.

Management works to mitigate the risk of a material misstatement in financial reporting; however, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, including the possibility of human error and the circumvention or overriding of the controls and procedures by an individual or groups of individuals acting in collusion, they cannot provide absolute assurance that all control issues and instances of fraud, if any, have been prevented or detected. Due to inherent limitations, internal controls over financial reporting and disclosure may not prevent or detect all misstatements. Management will continue to monitor the effectiveness of its internal control over financial reporting and disclosure controls and procedures and may make modifications from time to time as considered necessary.

There were no changes to the Corporation's internal controls to November 30, 2025 that have materially affected, or are likely to materially affect, the internal controls over financial reporting or disclosure controls and procedures. The CEO and CFO will continue to monitor the effectiveness of the internal controls over financial reporting and disclosure controls and procedures and will make changes to the controls as and when appropriate.

CRITICAL ACCOUNTING ESTIMATES

ReSolve's material accounting policies are summarized in note 3 to the interim consolidated financial statements for the nine months ended November 30, 2025. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Significant areas requiring the use of management estimates include, but are not limited to, the determination of carrying value of exploration and evaluation assets, the valuation of share-based compensation transactions, the valuation of purchase warrants issued on financings, deferred income tax assets and liabilities, and accrued liabilities and contingencies. Estimates and assumptions are regularly evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

The following are the areas involving estimates made in the process of applying the Corporation's accounting policies that have a significant effect on the amounts recognized in the interim consolidated financial statements.

Share based payments

Management measures the fair value of granted stock options using the Black-Scholes option valuation model. The fair value of stock options using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

Exploration and evaluation expenditures

The application of the Corporation's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale of the property, or where exploration activities are not adequately advanced to support a resource assessment. The determination is an estimation process that requires varying degrees of uncertainty and these estimates directly impact the deferral of exploration and evaluation expenditures.

Impairment of long-lived assets

The carrying amounts of exploration and evaluation assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on a property by property basis. The assessment requires the use of estimates and assumptions such as, but not limited to, long-term commodity prices, future capital requirements, resource estimates, and exploration potential. It is possible that the actual fair value could be significantly different from those assumptions, and changes in these assumptions will affect the recoverable amount of the exploration and evaluation assets.

Decommissioning and restoration provision

The Corporation records the fair value of estimated costs of legal and constructive obligations required to restore operating locations in the year in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation, and re-vegetation of affected areas.

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the year in which it is incurred and when a reasonable estimate of fair value can be made. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Corporation subsequently allocates the cost to expense using a systematic and rational method over its useful life, and records the accretion of the liability as a charge to the Statement of Loss, Comprehensive Loss and Deficit.

As the Corporation has not commenced construction and development of any mining operations, it does not have any provisions for decommissioning or restoration costs.

Contingent Liabilities

Contingent liabilities are not recognized in the financial statements unless estimable and probable and are disclosed in notes to the financial statements unless their occurrence is remote. By their nature, contingent liabilities will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

CHANGES IN ACCOUNTING POLICIES / ADOPTION OF NEW ACCOUNTING STANDARDS

There were changes in accounting policies during the period.

New Accounting Policies Not Yet Adopted

The Corporation has not yet adopted certain new standards, amendments and interpretations to existing standards effective for accounting periods beginning on or after March 1, 2025 or later periods. The new and amended standards are not expected to have a material impact on the Corporation except for the below standards.

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, effective for annual reporting periods beginning on or after January 1, 2026, introduce clarifications related to the classification and measurement of financial instruments and enhanced disclosure requirements. The Corporation is currently evaluating the impact of these amendments on its financial statements and does not expect the adoption of these amendments to have a material impact.

IFRS 18: *Presentation and Disclosure in Financial Statements* aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Corporation is currently assessing the impact on its financial statements.

Canadian Sustainability Disclosure Standards

The Corporation is evaluating the requirements of sustainability-related financial disclosures in accordance with the *Canadian Sustainability Disclosure Standards* ("CSDS") issued by the Canadian Sustainability Standards Board ("CSSB") in order to comply with related disclosures for CSDS 1: *General Requirements for Disclosure of Sustainability-related Financial Information*, and CSDS 2: *Climate-related Disclosures*.

Given the Corporation's scientific, research and experimental development technologies are at the demonstration stage, not commercialization, the Corporation is evaluating both the qualitative and quantitative information required in developing these disclosures, and where appropriate, the development of reasonable estimates and assumptions based on currently available information that could reasonably be expected, in future, to affect the Corporation's cash flows, access to finance, or cost of capital over the short, medium, or long term.

The Corporation is currently evaluating the impact of the above policies and standards which are not expected to have a material impact on the financial statements.

At the date of authorization of these interim consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Corporation. Management anticipates that all of the pronouncements will be adopted in the Corporation's accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards,

amendments and interpretations have been issued but are not expected to have a material impact on the financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the Corporation's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Corporation's statement of financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through identifying risk appropriately, aligning risk with overall exploration and development strategy, diversifying risk, mitigation through preventive controls, and transferring risk to third parties.

Fair value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

The fair value of cash and equivalents, receivables, and accounts payable and accrued liabilities, approximate their carrying amounts due to their short-term maturities.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Corporation during the period. The objectives and strategy for the exploration and evaluation assets remains unchanged.

The Corporation's exploration and development activities expose it to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's exposure to credit risk is concentrated in three specific areas: the credit risk on operating balances including other receivables and cash and equivalents held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets.

The aggregate gross credit risk exposure at November 30, 2025 was \$560,352 (February 28, 2025: \$Nil), and was comprised of \$560,352 (February 28, 2025: \$8,123 overdraft) in cash held with Canadian financial institutions with a "AA-" credit rating.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Corporation's primary market risk exposures, and how those exposures are currently managed, follows:

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 rates. The Corporation's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Corporation has historically had insignificant operations in United States ("US") dollars. The Corporation has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Commodity price risk

Commodity prices, and in particular commodity spot prices, fluctuate and are affected by factors outside of the Corporation's control. This risk is not applicable as the Corporation is not currently in commercial production. The current

and expected future spot prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Corporation's ability to raise equity financing for its ongoing working capital requirements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Corporation has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and working capital obligations as they become due. To manage cash flow requirements, the Corporation maintains principally all its assets in cash and equivalents.

The Corporation's liabilities were \$243,675 at November 30, 2025 (February 28, 2025: \$42,445) and includes accounts payable due in the normal course of \$164,821 (February 28, 2025: \$34,678), accrued liabilities of \$66,142 (February 28, 2025: \$Nil), and payroll and wage levies of \$12,712 (February 28, 2025: \$7,394).

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date. Where the counterparty has a choice of when an amount is paid, the liability has been included on the earliest date on which payment can be required.

The Corporation believes that its cash position provides adequate liquidity to meet the Corporation's near-term obligations, subject to unforeseen circumstances.

CONTINGENT LIABILITIES

Governmental laws and regulations regarding environmental protection regulate the Corporation's operations. The environmental consequences are not easily identifiable, either in terms of results, the impacts or the expiration date. Currently, and to the best knowledge of its management, the Corporation is in conformity with current laws and regulations.

OUTSTANDING SHARE DATA

As at November 30, 2025, the Corporation had a total of 36,549,992 (February 28, 2025: 26,549,992) common shares outstanding, 510,000 (February 28, 2025: N/A) stock options outstanding at an average exercise price of \$0.39 per share (February 28, 2025: N/A), and 2,040,000 purchase warrants and 72,000 broker warrants exercisable between \$0.375 - \$0.70 and expiring May 2026 (February 28, 2025: N/A). Additional details are available in note 7 to the interim consolidated financial statements for the nine months ended November 30, 2025.