MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2025

DATE OF REPORT: February 18, 2026

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Falcon Gold Corp. ("Falcon Gold" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the six months ended December 31, 2025. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements for the years ended June 30, 2025 and 2024 and related notes attached thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year presented are not necessarily indicative of the results may be expected for any future years.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of The Company Gold's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Nature of the Business and Corporate Overview

The Company was incorporated on November 24, 2006 under the Business Corporations Act (Ontario) and was continued under the Business Corporations Act (British Columbia) on May 2, 2013. The Company trades on the TSX Venture Exchange under the symbol "FG". The address of the Company and the registered office is Suite 220, 145 Chadwick Court, North Vancouver, British Columbia V7M 3K1. The address of the records office is 200-3310 South Service Road, Burlington, Ontario L7N 3M6.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

Forward Looking Information

Certain statements in this Management Discussion and Analysis constitute forward-looking statements under applicable securities legislation. Forward-looking statements or information typically containing statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose" or similar words suggesting future outcomes or statements regarding, and outlook. Forward-looking statements or information in this Management Discussion and Analysis include, but are not limited to, statements regarding:

- Business objectives, plans and strategies;
- Exploration objectives, plans and strategies; and,
- Certain geological interpretations and expectations.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to other assumptions identified in this Management Discussion and Analysis, assumptions have been made regarding, among other things:

- The ability of the Company to continue to fund its operations through financings, options and joint ventures;
- The ability of the Company to obtain equipment, services and supplies in a timely manner to carry out its activities;
- The level of exploration activities and opportunities;
- The ability of the Company to retain access and develop its mineral claims; and
- Current and future mineral commodity prices.

Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to:

- The ability of management to execute objectives, plans and strategies;
- Exploration, development and operational risks inherent in the mining industry;
- Market conditions;
- Risks and uncertainties inherent in geology and exploration for deposits;
- Potential delays and changes in plans;
- The Company's ability to retain land tenure;
- Uncertainties regarding financings and funding;
- General economic and business conditions;
- Possibility of governmental policy changes;
- Changes in First Nations policies;
- Other risks and uncertainties described within this document.

The forward-looking statements or information contained in this Management Discussion and Analysis are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities law.

OVERALL PERFORMANCE

As at December 31, 2025	Central Canada	Spitfire & Sunny	Stony Lake	Hope Brook	Baie Verte	Springpole	Great Burnt	Holmstead	Nickel North	Others	Sub-Total
Cash	$ -	$ -	$ 45,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 45,000
Staking	-	-	9,490	-	-	-	-	-	-	-	9,490
Shares issued	-	-	-	-	-	-	-	-	-	-	-
Warrants issued	-	-	-	-	-	-	-	-	-	-	-
Exploration costs											
Geophysics	-	-	25,000	-	-	-	71,590	-	-	-	96,590
Drilling	-	-	-	-	-	-	850	-	-	-	850
Surveys & assays	-	-	-	-	-	-	100,000	542,900	404,400	-	1,047,300
Reports	-	-	101,000	-	-	-	40,000	-	-	-	141,000
Other	-	-	-	-	-	-	4,299	-	-	-	4,299
Amounts recovered	-	-	-	-	-	-	(27,535)	-	-	-	(27,535)
Total	$ -	$ -	$ 180,490	$ -	$ -	$ -	$ 189,204	$ 542,900	$ 404,400	$ -	$ 1,316,994

As at December 31, 2024	Central Canada	Spitfire & Sunny	Gaspard	Hope Brook	Baie Verte	Springpole	Great Burnt	Holmstead	Gander South	Others	Sub-Total
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
						-	-	-	-		
Staking	-	-	-	-	-					7,215	7,215
Shares issued	-	-	-	-	-	-	-	-	-	-	-
Warrants issued	-	-	-	-	-	-	-	-	-	-	-
Exploration costs											
Geophysics	-	-	-	-	-	-	-	-	-	187,027	187,027
Drilling	-	-	-	-	-	-	-	-	-	10,144	10,144
Surveys & assays	-	-	-	-	-	-	-	-	-	-	-
Reports	-	-	-	400	-	-	-	-	-	-	400
Other	50,000	50,000	-	250	-	-	-	-	-	58,908	159,158
Amounts recovered	-	-	-	-	-	-	-	-	-	-	-
Total	$ 50,000	$ 50,000	$ -	$ 650	$ -	$ -	$ -	$ -	$ -	$ 263,294	$ 363,944

Central Canada Property

On January 10, 2018, the Company entered into an option agreement to acquire 100% of the Central Canada Property consisting of a claim group located in Ontario. The Central Canada Property consists of various unpatented mining claims. As consideration, the Company issued 325,000 common shares and made cash payments totalling $141,500 and incurred $100,000 in exploration and evaluation expenditures. During the year ended June 30, 2023, the Company earned its 100% interest in the property.

The Company made a pre-production advance royalty cash payment of $20,000 and is required to make cash payments of $5,000 on each anniversary of the approval date.

The Central Canada Property is subject to a 2.0% net smelter return in favour of the previous owner of the claims. The Company may purchase the one-half of the net smelter return for an aggregate amount of $1,000,000 at any time prior to the commencement of production.

Spitfire and Sunny Boy

The Company holds a 100% interest in Spitfire and Sunny Boy claims in south central British Columbia.

The property is subject to a 2% net smelter royalty (NSR). The Company will have the right to purchase 0.5% of the total NSR 1% at any time up to commencement of production for a one-time payment of $400,000.

Hope Brook

During the year ended June 30, 2021, the Company staked claims in Newfoundland. During year ended June 30, 2022, the Company staked additional claims. During fiscal 2023, it was determined that some of the claims comprising the Hope Brook property would be allowed to lapse. During fiscal 2024, the Company staked additional claims during the year ended June 30, 2024, at a cost of $10,200.

Baie Verte Area

During the 2023 fiscal year, the Company entered into an option agreement with Carmanah Minerals Corp. ("Carmanah") with respect to various claims whereby the Company will receive cash payments of $62,000 over a four-year period and 4,000,000 common shares and 4,000,000 common share purchase warrants of Carmanah with each share purchase warrant exercisable for one common share at $0.10 per share for a period of three years from the date of issue. In addition, the Company will retain a 2.5% NSR of which Carmanah may purchase 1% for $1,000,000 at any time. The transaction was subject to approval by the TSX Venture Exchange as the Company and Carmanah are related parties as a result of common officers and directors.

The transaction with Carmanah was completed during the year ended June 30, 2024 and the Company received 4,000,000 common shares and 4,000,000 common share purchase warrants of Carmanah.
During the year ended June 30, 2025 the Company received a cash payment of $5,000 with respect to the option.

Springpole West Project

On August 25, 2020, the Company staked various mining claims in Ontario at a cost of $11,850.

During the period ended December 31, 2025, the claims were allowed to lapse.

Great Burnt

During the year ended June 30, 2021 the Company staked various claims in Newfoundland at a cost of $5,915.

During the year ended June 30, 2025 the Company staked various claims in Newfoundland at a cost of $7,215.

Gander South

During the year ended June 30, 2022, the Company various staked claims in Gander Newfoundland for a total cost of $37,180.

During the period ended December 31, 2025, these claims were allowed to lapse.

Stony Lake

During October 2025, the Company acquired 543 claim units located in Central Newfoundland at a cost of $45,000. In addition, during October 2025, the Company staked an additional 146 claim units in Central Newfoundland at a cost of $9,490.

Other properties

Gander North

During the year ended June 30, 2021, the Company staked various claims in Gander Newfoundland for a total cost of $26,390.

During the period ended December 31, 2025, these claims were allowed to lapse.

Camilleri Project/Timmins West

The Company holds a 100% interest in the Camilleri project which is located in Ontario, Canada. The Camilleri project is subject to a 1% net smelter return which the Company may purchase back for $300,000 at any time.

Holmstead Project (Outard)

The Company holds a 100% interest in the Holmstead project which is located in Quebec, Canada. The Holmstead project is subject to a 1% net smelter return which the Company may purchase back for $300,000 at any time.

HSP Claims

The Company holds a 100% interest in the HSP Claims located in Quebec, Canada.

The claims are subject to a 1% NSR which the Company may buy back for $400,000 at any time. The Company agreed to give the vendor the first right of refusal on technical work to a maximum of $50,000 for a twelve month term.

During the period ended December 31, 2025, these claims were allowed to lapse.

Nickel North Project

The Company holds a 100% interest in the Nickel North project which is located in Quebec, Canada.The Nickel North project is subject to a 1% net smelter return which the Company may purchase back for $400,000 at any time.

Robb & Turnbull Property

The Company holds a 100% interest in the Robb & Turnbull Property, located in Ontario.

Bruce Lake Property

On September 6, 2019, the Company entered into an option agreement to acquire 100% interest in the Bruce Lake Property located in Ontario.

The Bruce Lake Property is subject to a 1.5% net smelter return ("NSR") in favour of the previous owner of the claims. The Company may purchase the one-half of the NSR for an aggregate amount of $400,000 at any time prior to the commencement of production.

On June 20, 2020, the Company entered into property assignment agreement with Portofino Resources Inc. ("Portofino") whereby the Company has assigned 100% of the interest in the Bruce Lake Property. As consideration, the Company received 650,000 common shares of Portofino valued at $74,750 and Portofino will assume the remaining cash payments of $50,000 commencing on September 6, 2020.

The Company will receive an additional 0.5% NSR for a total of 2% NSR of which 1.5% is payable to the previous owner.

Burton Property

The Burton Property consists of a 49% interest in a claim group located in Ontario, Canada. The Burton Property consists of 16 unpatented mining claims and 6 patented claims in a largely contiguous block.

The Burton Property is subject to a 2.5% net smelter return and a 10% net profits interest in favour of the previous owner of the claims. The Company may purchase sixty percent of the net smelter return for an aggregate amount of $1,500,000 at any time.

Selected Annual Information

	Year ended June 30, 2025	*Year ended June 30, 2024*	*Year ended June 30, 2023 (restated)*
Revenue	*Nil*	*Nil*	*Nil*
Net Loss	*$1,381,466*	*$1,569,793*	*$1,709,550*
Total Assets	*$322,281*	*$465,554*	*$721,099*
Total Long-term Liabilities	*$-*	*$-*	*$-*
Cash dividends per share	*$-*	*$-*	*$-*

During the year ended June 30, 2023, the Company recorded a net loss of $1,709,550 which included a decrease in professional fees, management fees, and no share-based compensation expense. During the year ended June 30, 2024, the Company recorded a net loss of $1,569,793 which included a decrease in consulting fees, an increase in exploration expenditures and share-based compensation expense of $82,989. During the year ended June 30, 2025, the Company recorded a net loss of $1,381,466 which included a decrease in exploration expenditures, an increase in consulting expense and share-based compensation expense of $29,653.

RESULT OF OPERATIONS

During the three months ended December 31, 2025, the Company recorded a net loss of $440,854 as compared to the net loss of $314,042 for the comparable quarter ended December 31, 2024.

Total expenses for the current quarter amounted to $468,354 as compared to $362,734 for the comparable quarter an increase of approximately $106,000. The increase can be attributed to the following items.

Filing fees and communications have decreased to $5,272 from $62,614 in the current quarter, which can be attributed to an increase in the engagement of third parties involved with investor relations services in the quarter ended December 31, 2024.

Exploration expenditures increased from $147,382 to $375,239 in the current quarter. The exploration expenditures on its mineral properties include amounts recovered of $27,535 along with geological and surveys costs in the current quarter, compared to primarily drilling and geological costs in the prior quarter.

SUMMARY OF QUARTERLY RESULTS

The following table presents certain selected financial information on a quarterly basis:

Quarter Ended	Revenue	Loss for the period	Basic and Diluted Loss per share
December 31, 2025	$ Nil	$	$
September 30, 2025	$ Nil	$ 874,672	$ (0.00)
June 30, 2025	$ Nil	$ 251,690	$ (0.00)
March 31, 2025	$ Nil	$ 417,284	$ (0.00)
December 31, 2024	$ Nil	$ 314,042	$ (0.00)
September 30, 2024	$ Nil	$ 398,450	$ (0.00)
June 30, 2024	$ Nil	$ 293,272	$ (0.00)
March 31, 2024	$ Nil	$ 201,561	$ (0.00)

Variances in quarterly results can be due to share-based payments incurred in a quarter as the Company's stock options generally vest on the grant date and therefore are fully expensed in the quarter in which they are granted and to exploration expenditures during a quarter.

LIQUIDITY

As at December 31, 2025, the Company had working capital deficit of $2,460,322 (June 30, 2025 – working capital deficit $1,173,212), had not yet achieved profitable operations, has accumulated losses of $17,945,378 (June 30, 2025 - $16,629,853) since its inception and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern.

The Company believes that the current capital resources are not sufficient to pay overhead expenses and its exploration expenditure commitment for the next twelve months and will need to seek additional funding for overhead expenses and any future commitments. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares, shares for debt, loans and related party loans to fund ongoing operations and investments. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

Risks and Uncertainties

Liquidity and Additional Financing

The Company has limited financial resources and no current revenues. There can be no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Company to reduce or terminate its operations.

Regulatory Requirements

Even if the Company's properties are proven to host economic reserves of gold or other precious or non-precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential success lie in its ability to discover, develop, exploit and generate revenue out of mineral deposits. Mineral exploration and development involves a high degree of risk, and few properties which are explored are ultimately developed into producing mines. The profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, if any, which may be affected by a number of factors beyond the Company's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of diamond, precious and non-precious metals, any of which could result in work stoppages, damage to the property, and possible environmental damage. Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fires, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labor are involved in mineral exploration, development and operation. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the financial position of the Company.

The Company will continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to determine if mineralization reserves exist through drilling, to develop processes to extract the precious and non-precious metals from the mineralization and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis or at all. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of mineralization mined, fluctuations in markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access to any properties in which the Company has or may have an interest may have an adverse effect on profitability in that infrastructure costs will be higher.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and cause insolvency and/or a decline in the value of the securities of the Company.

No Assurance of Title to Properties

The acquisition of title to mineral projects is a very detailed and time consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. The company believes that it presently holds all necessary licenses and permits to carry on with activities which it is currently conducting under applicable laws and regulations and the Company believes it is currently complying in all material respects with the terms of such laws and regulations. However, such laws and regulations are subject to change. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Competition

The mineral exploitation industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

Environmental Regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of any copper, nickel, gold, platinum or any other minerals discovered. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, consumption patterns, speculative activities and increased production due to new mine developments and improved mining and production methods.

The effect of these factors on the price of gold, base and precious metals and therefore the economic viability of any of the Company's projects cannot be accurately predicted.

Reliance on Key Personnel

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. The Company does not carry any key man insurance.

OFF BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following transactions in the normal course of operations with related parties:

	For the six months ended December 31,	
	2025	**2024**
Management fees – R7 Capital Ventures Ltd. controlled by the CEO	$ 90,000	$ 90,000
Rent – R7 Capital Ventures Ltd. controlled by the CEO	7,748	17,606
Accounting – Brant Capital Partners Inc. controlled by the CFO	12,000	22,000
Share-based payments – R7 Capital Ventures Ltd. controlled by the CEO	3,415	24,494
	$ 113,163	$ 154,100

Accounts payable and accrued liabilities include $125,399 (June 30, 2025 - $74,090) due to officers and directors of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Included in amounts receivable is $nil (June 30, 2025 $8,611) due from Marvel Discovery Corp., a company with common management. The balance is unsecured, non-interest bearing and due on demand.

PROPOSED TRANSACTIONS

See subsequent events.

SUBSEQUENT EVENTS

Subsequent to December 31, 2025:

On January 16, 2025, 6,666,665 share purchase warrants expired unexercised.

ACCOUNTING POLICY JUDGMENTS AND ESTIMATION UNCERTAINTY

The preparation of financial statements requires the use of accounting estimates. It also requires management to exercise judgment in the process of applying its accounting policies. Estimates and judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The use of judgments, estimates and assumptions affects the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The following discusses accounting policy judgments and the sources of estimation uncertainty that may result in material changes in the carrying amount of assets or liabilities within the next year:

(a) Accounting policy judgements

Determining Amount and Timing of Reclamation Provisions

A reclamation provision represents the present value of estimated future costs for the reclamation of the Company's mineral properties. These estimates include assumptions as to the future activities, cost of services, timing of the reclamation work to be performed, inflation rates and interest rates. The actual cost to reclaim a mine or exploration property may vary from the estimated amounts because there are uncertainties with respect to the extent of required future remediation activities, as studies are currently ongoing, and uncertainties in factors used to estimate the cost and potential changes in regulations or laws governing the reclamation of a mineral property. Management periodically reviews the reclamation requirements and adjusts the liability as new information becomes available and will assess the impact of new regulations and laws as they are enacted.

CHANGES IN ACCOUNTING POLICIES

Accounting Standards Issued but Not Yet Applied

There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

RISK MANGEMENT, FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company defines its capital as shareholders' equity. 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 manage its capital to be able to sustain the future development of the Company's business.

The Company currently has no source of revenues, and therefore is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended December 31, 2024. The Company is not subject to externally imposed capital requirements.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure is as follows:

	December 31, 2025	June 30, 2025
Cash	$ 20,425	$ 42,723
Amounts receivable	$ 228,456	$ 77,569

The credit risk associated with cash is minimized by ensuring it is placed with a major Canadian financial institution with a strong investment-grade rating issued by a primary ratings agency.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required for operations, anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations. The Company has insufficient cash to meet its requirements for administrative overhead, to conduct due diligence on mineral property acquisition targets, and to conduct exploration of its mineral properties and mineral properties that may be acquired.

The Company does not generate cash flows from operations to fund its activities and therefore relies principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

i. Interest rate risk

The Company's cash consist primarily of cash held in bank accounts and term deposits with banks. Due to the short-term nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair value as of September 30, 2025. The Company manages interest

rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. Accordingly, the Company is not subject to interest rate risk.

ii. Foreign currency risk

During the period ended December 31, 2025, the Company was not exposed to material foreign currency risk.

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, foreign currency risk or commodity price risk. The Company's marketable securities are exposed to other price risk.

Financial assets and liabilities that are recognized on the statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements.

The levels in the hierarchy are:

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

The Company's financial assets include cash and is classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

The Company's financial assets measured at fair values through profit or loss are as follows:

December 31, 2025	Level 1	Level 2	Level 3
	$	$	$
Marketable securities	222,715	-	1

June 30, 2025	Level 1	Level 2	Level 3
	$	$	$
Marketable securities	175,215	-	1

Financial risk

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

The Company's financial instruments consist of cash, receivable, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values.

Outstanding Share Data

As at December 31, 2025 and at the date of this MD&A, the Company has the following shares or equities that are convertible to the Company's share capital on a one-to-one basis:

	As at	
Security description	December 31, 2025	MD&A
Common shares – issued and outstanding	177,934,130	177,934,130
Share purchase warrants	33,874,437	27,207,772
Stock options	6,200,000	6,200,000
Restricted share units	500,000	500,000
Common shares – fully diluted	218,508,567	211,841,902

Additional Information

Additional information about the Company, including the Annual Financial Statements, is available on SEDAR at www.sedarplus.ca.