

BADLANDS RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Six Months Ended September 30, 2025

The following Management's Discussion and Analysis ("MD&A") has been prepared by management as of November 27, 2025, and should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes of Badlands Resources Inc. (the "Company") as at September 30, 2025 and for the six months then ended, and the audited consolidated financial statements of the Company, together with the related notes thereto, as at March 31, 2025 and for the year then ended. The condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars, unless otherwise indicated.

Statements in this MD&A that are forward-looking statements (see **Forward-looking Statements**) are subject to various risks and uncertainties concerning the specific factors disclosed under the heading **Risk and Uncertainties**. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update or revise any forward-looking statement, whether due to new information, future events or any other reason.

OVERVIEW

Badlands Resources Inc. was incorporated on September 1, 2006 under the laws of British Columbia, Canada, and maintains its head office at 1615 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. Its registered office is located at 2501 – 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. Effective December 1, 2023, the Company changed its name from Mineral Mountain Resources Ltd. to Badlands Resources Inc. The Company is engaged in the acquisition, exploration and development of mineral properties in North America. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "BLDS", on the OTC Pink under the symbol "BDLNF" and on the Frankfurt Stock Exchange under the symbol "B7Q".

The Company is engaged in the acquisition, exploration and development of mineral properties in North America, specifically South Dakota. As of the date of this report, the Company controls a 100% interest in 515 unpatented lode mineral claims totaling 8,636 acres (3,496 hectares) in the Rochford District and 9 patented claims totaling 67.45 acres (27 hectares) for a grand total of 8,703.45 acres (3,523.66 hectares) owned by the Company in the Rochford District.

MINERAL EXPLORATION ACTIVITIES

Standby Gold Project, Black Hills, South Dakota

The Rochford Gold District is situated within the Homestake Gold Trend 27 kilometres (16 miles) south-southwest of the Homestake Mine, one of the largest gold producers in North American history and the largest iron formation-hosted gold deposit of its kind in the world.

In August 2022, a geological mapping program combined with a grab sampling program was conducted in the King of the West Trend area and in the Standard Mine area, two of the Company's highest priority gold targets. Several high grade gold grab samples were recorded and news released. In December 2022, the Company acquired a proprietary LiDAR (light detection and ranging) for the entire Black Hills further providing an advanced mapping tool.

In January 2023, the Company received the assay results for a grab sampling program conducted over the King of the West and Standard Mine trends. The sampling program confirmed a number of high grade gold samples along both trends. Importantly, age dating of the Standard Mine banded iron formation confirmed that the host rocks were the same age as the Homestake Mine deposit banded iron formations geology.

On May 27, 2025, the Company entered into an option agreement to sell the Standby Gold Project. The Company received a \$100,000 option fee and, if the purchaser decides to exercise the option, the Company will receive \$600,000 and 17,000,000 common shares of the purchaser upon closing. The Company will also be granted a 1% net smelter return royalty, which may be repurchased for \$500,000 at any time until five years following the commencement of commercial production. A subsequent amendment to the option agreement requires the purchaser to pay \$50,000 of the \$600,000 in advance of exercising the option. On August 19, 2025, the purchaser provided notice of its intention

to exercise the option. Closing of the sale is subject to approval by the TSX-V. As of November 27, 2025, the approval is pending.

At March 31, 2025, the Company impaired the Standby Gold Project to the estimated recoverable amount of \$700,000, resulting in an impairment loss of \$10,759,048. The estimated recoverable amount was determined based on the expected proceeds of disposition. The Company estimated the probability of the option being exercised and applied that to the remaining proceeds.

During the six months ended September 30, 2025, the Company incurred an additional \$44,489 of expenditures on the Standby Property, offset by the \$100,000 option fee received. The remaining balance of \$644,489 is the estimated recoverable amount at September 30, 2025.

Goliath Property, Ontario

On September 24, 2025, the Company entered into an agreement to acquire a 100% interest in the Goliath Property, located in the Kenora Mining Division, Ontario, for cash consideration of \$200,000.

The Goliath Property is subject to an existing 2% NSR, with the Company retaining the right to buy back one-half of the NSR (1%) for \$1,000,000.

The transaction is subject to the acceptance of the TSX-V. As of November 27, 2025, the approval is pending.

Qualified Person

The technical contents in this document have been reviewed and approved by R. Dale Ginn, P.Geo., a qualified person, as defined by National Instrument (“NI”) 43-101 *Standards of Disclosure for Mineral Projects*.

ANNUAL FINANCIAL INFORMATION

The following table shows selected key financial information for the last three fiscal years:

	Year ended March 31, 2025 \$	Year ended March 31, 2024 \$	Year ended March 31, 2023 \$
Total revenues	Nil	Nil	Nil
Loss for the year before taxes	(11,771,816)	(739,812)	(954,194)
Loss per share	(1.04)	(0.07)	(0.09)
Total assets	776,275	11,288,818	11,023,464
Long-term debt	Nil	Nil	Nil
Cash dividends	Nil	Nil	Nil

The Company has recorded losses in each of its three most recently completed fiscal years, and expects to continue to record losses until such time as an economic resource is identified, developed and brought into profitable commercial operation.

DISCUSSION OF OPERATIONS

The Company is an exploration stage company and has no operating revenue. Expenditures related to mineral exploration and evaluation assets are capitalized. During the six months ended September 30, 2025, the Company incurred \$44,489 (2024 - \$120,211) in exploration expenditures and a recovery of \$100,000 (2024 - \$nil) in exploration expenditures.

For the Three Months Ended September 30, 2025

Net loss for the three months ended September 30, 2025 was \$325,269, compared to a net loss during the three months ended September 30, 2024 of \$238,688. The significant differences include:

- Interest and accretion of \$13,171 (2024 - \$8,935) increased due to additional bridge loans during the prior period;
- Management and consulting fees of \$227,500 (2024 - \$172,500) increased due to additional consultants engaged in the current period;

- Media and news dissemination of \$12,581 (2024 - \$22,891) decreased as a result of a decrease in marketing expenses;
- Office and miscellaneous of \$16,639 (2024 - \$20,035) decreased due to timing of expenditures;
- Professional fees of \$53,706 (2024 - \$12,516) increased due to an increase in legal fees compared to the prior period;
- Rent of \$12,000 (2024 - \$10,000) increased due to a change in rental rates;
- Transfer agent and filing fees of \$6,153 (2024 - \$3,565) increased due to an increase in corporate activity during the period;
- Foreign exchange loss of \$21,266 (2024 - gain of \$11,754) increased due to a high amount of United States (or “US”) dollar denominated payables with a strengthening US dollar during the period; and
- Other income of \$37,747 (2024 - \$nil) related to a reversal of a payable as a result of a mutual release between the Company and the vendor.

For the Six Months Ended September 30, 2025

Net loss for the six months ended September 30, 2025 was \$538,525, compared to a net loss during the six months ended September 30, 2024 of \$448,516. The significant differences include:

- Interest and accretion of \$26,294 (2024 - \$15,630) increased due to additional bridge loans during the prior period;
- Management and consulting fees of \$400,000 (2024 - \$345,000) increased due to additional consultants engaged in the current period;
- Media and news dissemination of \$28,274 (2024 - \$42,691) decreased as a result of a decrease in marketing expenses;
- Office and miscellaneous of \$36,801 (2024 - \$36,665) was comparable to the prior period;
- Professional fees of \$87,692 (2024 - \$30,009) increased due to an increase in legal fees compared to the prior period;
- Rent of \$24,000 (2024 - \$13,698) increased due to a rental credit received during the prior period that related to the prior premises lease;
- Transfer agent and filing fees of \$7,789 (2024 - \$7,390) were comparable to the prior period;
- Foreign exchange gain of \$34,578 (2024 - \$2,567) increased due to a high amount of US dollar denominated payables with a weakening US dollar during the period;
- Gain on sale of exploration and evaluation assets of \$nil (2024 - \$40,000) was related to the sale of the Straw Lake property in the prior period; and
- Other income of \$37,747 (2024 - \$nil) related to a reversal of a payable as a result of a mutual release between the Company and the vendor.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company’s eight most recent quarters ending with the last quarter for the three months ended on September 30, 2025.

	For the Three Months Ended							
	Fiscal 2026		Fiscal 2025				Fiscal 2024	
	Sept. 30, 2025 \$	Jun. 30, 2025 \$	Mar. 31, 2025 \$	Dec. 31, 2024 \$	Sept. 30, 2024 \$	June 30, 2024 \$	Mar. 31, 2024 \$	Dec. 31, 2023 \$
Total revenues	-	-	-	-	-	-	-	-
Loss from continuing operations	(325,269)	(213,256)	(10,985,969)	(337,331)	(238,688)	(209,828)	(168,949)	(258,320)
Net loss	(325,269)	(213,256)	(10,985,969)	(337,331)	(238,688)	(209,828)	(168,949)	(258,320)
Loss from continuing operations per share – basic and diluted	(0.03)	(0.02)	(0.97)	(0.03)	(0.02)	(0.02)	(0.01)	(0.02)
Loss per share – basic and diluted	(0.03)	(0.02)	(0.97)	(0.03)	(0.02)	(0.02)	(0.01)	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2025, the Company had a cash and cash in trust balance of \$8,691 (March 31, 2025 - \$2,443 cash). The Company spent \$71,790 (2024 - \$54,577) in operating activities and \$nil (2024 - \$149,466) on its mineral exploration project, and received \$100,000 from the option of the Standby property (2024 - \$40,000 from the sale of the Straw Lake claims). The Company received share subscriptions of \$nil (2024 - \$10,000), received loans advanced from related parties of \$nil (2024 - \$157,766) and repaid loans from related parties of \$21,962 (2024 - \$nil) during the six months ended September 30, 2025.

The Company had working capital deficiency of \$3,747,775 as at September 30, 2025 compared to \$3,264,761 as at March 31, 2025.

At present, the Company does not have sufficient capital resources to meet its anticipated operating and capital requirements for the next twelve months.

On August 25, 2023, the Company entered into a bridge loan agreement with a company controlled by the chair and director of the Company. Under the terms of the agreement, the Company borrowed \$113,188. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of February 25, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. The loan is past due as of September 30, 2025.

On October 12, 2023, the Company entered into a bridge loan agreement with a company controlled by the chief financial officer of the Company. Under the terms of the agreement, the Company borrowed \$20,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of April 12, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. The loan is past due as of September 30, 2025.

On February 1, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$70,143. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of August 1, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. The loan is past due as of September 30, 2025.

On March 14, 2024, the Company entered into a bridge loan agreement with a company controlled by the chief executive officer of the Company. Under the terms of the agreement, the Company borrowed \$54,808. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of September 14, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. The loan is past due as of September 30, 2025.

On July 1, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$20,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of January 1, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. On June 9, 2025, the Company repaid the loan balance of \$21,962.

On August 23, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$137,766. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of February 23, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. The loan is past due as of September 30, 2025.

On February 25, 2025, the Company entered into a bridge loan agreement with a company controlled by the chief executive officer of the Company. Under the terms of the agreement, the Company borrowed \$40,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of August 25, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. The loan is past due as of September 30, 2025.

On March 29, 2025, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$23,890. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of September 29,

2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. The loan is past due as of September 30, 2025.

Going Concern

The Company is an exploration stage company. At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. To continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. The annual and interim consolidated financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. The Company is not subject to material externally imposed capital constraints.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Amounts due to related parties of \$1,621,419 (March 31, 2025 - \$1,287,660) were for services rendered to the Company by its directors and officers or companies controlled by its directors and officers, and are unsecured, non-interest-bearing and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the six months ended September 30, 2025 and 2024 is as follows:

	2025	2024
Management and consulting fees	\$ 300,000	\$ 300,000

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the six months ended September 30, 2025:

- a) Incurred management fees of \$90,000 (2024 - \$90,000) to a company controlled by the chief executive officer.
- b) Incurred management fees of \$90,000 (2024 - \$90,000) to a company controlled by the executive chair.
- c) Incurred management fees of \$45,000 (2024 - \$45,000) to a company controlled by the chief financial officer.
- d) Incurred management fees of \$45,000 (2024 - \$45,000) to a company controlled by the corporate secretary.
- e) Incurred management fees of \$30,000 (2024 - \$30,000) to a company controlled by a close family member of the chief executive officer.

On February 1, 2024, the Company entered into consulting agreements with the chief executive officer, executive chair, chief financial officer and corporate secretary. The agreements include termination and change of control clauses. In the case of termination, the parties are entitled to an amount equal to a multiple (ranging from one to two times) of the annual base fee payable. In the case of a change of control, the parties are entitled to an amount equal to a multiple (ranging from one to two times) of the sum of the annual base fee and minimum incentive fee payable. As at September 30, 2025, the total annual base fee payable to the parties is \$540,000 and the minimum incentive fee payable on a change of control would be \$135,000.

During the six months ended September 30, 2025, the Company incurred \$15,000 (2024 - \$15,000) in office and miscellaneous and \$24,000 (2024 - \$24,000) in media and news dissemination to a company controlled by the executive chair.

During the six months ended September 30, 2025, the Company incurred \$24,000 (2024 - \$18,000) in rent to a company with a common officer and director.

EVENTS AFTER THE REPORTING DATE

Subsequent to September 30, 2025, 295,000 stock options expired unexercised.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

- i) The determination of the fair value of stock options and agent warrants using stock pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.
- ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

SIGNIFICANT JUDGMENTS

The preparation of these condensed consolidated interim financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments include:

- i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these assets. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests have been prepared involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount.
- ii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.
- iii) The classification of financial instruments.
- iv) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows: cash and cash in trust are classified as subsequently measured at amortized cost; and accounts payable and accrued liabilities, amounts due to related parties and loans payable, as subsequently measured at amortized cost financial liabilities. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal, as it is held with high-credit quality financial institutions. Management does not expect counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure there is sufficient cash available to fund its projects and operations. As at September 30, 2025, the Company had a cash and cash in trust balance of \$8,691 and current liabilities of \$3,815,085. The Company's financial liabilities include accounts payable and accrued liabilities, which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants, as well as loans from related parties. Despite previous success in completing these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk to the extent of cash maintained at financial institutions. The interest rate risk on cash is not considered significant due to the short-term nature and maturity. The interest rate risk on loans payable is minimal, as the loans have fixed interest rates.

Foreign exchange rate risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. At September 30, 2025, the Company had financial assets of \$255 and financial liabilities of \$1,041,338 denominated in United States dollars. A 10% strengthening of the US dollar would affect net loss by approximately \$104,000. The Company does not hedge its foreign exchange risk.

CONTINGENCIES

The Company establishes liabilities for litigation and contingencies when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

During the year ended March 31, 2024, the Company was subject to two legal claims for unpaid debt. Of the two legal claims, one matter was paid during the year ended March 31, 2024, and the other was paid both during the years ended March 31, 2024 and 2025. Based on information currently known to management, the liability established for the outstanding portion of the claim at September 30, 2025 is sufficient.

During the year ended March 31, 2025, a civil claim was filed against the Company by a company controlled by a former director for unpaid debt. The Company has formally responded to the claim and denied that any amounts are due and owing. The Company will continue to vigorously defend the claim through the court process. The amount of the claim is included in amounts due to related parties at September 30, 2025.

OUTSTANDING SHARE DATA

The Company had the following common shares, stock options and warrants outstanding:

	November 27, 2025	September 30, 2025	March 31, 2025
Common shares	11,307,265	11,307,265	11,307,265
Stock options	212,500	507,500	522,500
Warrants	-	-	-
	11,519,765	11,814,765	11,829,765

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New accounting standard

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which introduces new requirements on presentation within the statement of profit or loss, disclosure standards regarding management defined performance measures, and principles for aggregation and disaggregation of financial information in the financial statements and the notes.

IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027, but companies can apply it earlier. IFRS 18 replaces International Accounting Standard (“IAS”) 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged. The Company is assessing the impact of the adoption of this standard.

RISK AND UNCERTAINTIES

Operating hazards and risks

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, any of which could result in work stoppages, damage to persons or property or the environment, and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs. In addition, certain properties of the Company are located within areas that may include Indigenous asserted traditional territories, and the exploration and development of these properties may affect or be perceived to affect asserted Indigenous rights and titles, which may cause permitting delays or opposition by Indigenous groups.

Environmental factors

The Company currently conducts exploration activities in South Dakota, USA. Such activities are subject to various laws, rules and regulations governing the protection of the environment. Such legislation imposes rigorous standards on the mining industry to reduce or eliminate the effects of waste generated by extraction and processing operations and subsequently deposited on the ground or emitted into the air or water.

All phases of the Company’s operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulations, if any, will not adversely affect the Company’s operations. The cost of compliance with changes in governmental regulations has the potential to preclude entirely the economic development of a property.

The Company can conduct its explorations within the provisions of the applicable environmental legislation without undue constraint on its ability to carry on efficient operations. The estimated annual cost of environmental compliance for all properties held by the Company in the exploration stage is minimal and pertains primarily to carrying out diamond drilling, trenching or stripping. Environmental hazards may exist on the Company’s properties, which hazards are unknown to the Company at present, that have been caused by previous or existing owners or operators of the properties.

Governmental regulation

Exploration activities on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Changes in such regulations could result in additional expenses and capital expenditures, restrictions on the availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

The Company is at the exploration stage on all its properties. Exploration on the Company's properties requires responsible best exploration practices to comply with Company policy, government regulations, maintenance of claims and tenure. All mining activities in South Dakota, regardless of the private or public status of the land on which they occur, are regulated through the South Dakota *Mined Land Reclamation Act* and the South Dakota Mined Land Reclamation Regulations. The South Dakota Department of Environment and Natural Resources ("DENR") administers the state mining laws; mining-related environmental permits are issued by the DENR and its governor-appointed citizen boards.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters.

Additional Funding Requirements

Further exploration on and development of the Company's projects will require additional resources and funding. The Company currently does not have sufficient funds to fully develop these projects. In addition, any positive production decision, if achieved, would require significant funding for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through debt financing, equity financing, joint venturing of projects or other means. There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets", "may", "will" and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is developed. The forward-looking statements reflect the current beliefs of the management of the Company and are based on currently available information. Readers are cautioned not to place undue reliance on these statements, as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the chief executive officer and chief financial officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual consolidated financial statements and respective accompanying management's discussion and analysis.

In contrast to the certificates under NI 52-109 *Certification of Disclosure in an Issuer's Annual and Interim Filings*, the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR+ at www.sedarplus.ca and on the Company's website at <https://badlandsresources.com/>.

APPROVAL

The board of directors of Badlands Resources Inc. has approved the contents of this management discussion and analysis on November 27, 2025.