

ALTAI RESOURCES INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025**

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Dated November 24, 2025**

The following management's discussion and analysis of the financial position and results of operations (the "MD&A") dated November 24, 2025, has been prepared by management and are based on and derived from the unaudited condensed interim consolidated financial statements of Altai Resources Inc. ("Altai" or the "Company") for the three and nine months ended September 30, 2025 and 2024.

This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements and the related notes for the three and nine months ended September 30, 2025 and 2024, as well as the Company's audited consolidated financial statements for the year ended December 31, 2024 and the related MD&A.

The condensed interim consolidated financial statements for the three and nine months ended September 30, 2025, are unaudited and prepared by management in accordance with the IFRS[®] Accounting Standards ("IFRS") issued by the International Financial Reporting Interpretations Committee and the International Accounting Standards ("IAS"), as applicable to interim financial reports including IAS 34 Interim Financial Reporting. The unaudited condensed interim consolidated financial statements were presented in Canadian dollars, which is both the functional and presentation currency of the Company and its subsidiary. Figures referred to in this discussion are in Canadian dollars, unless otherwise stated.

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca and on Altai's website at www.altairesources.com.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements and assumptions about the Company's strategies, future operations, and commodity prices and presents certain issues, risks, and uncertainties that can be expected to impact any of such matters.

Forward-looking statements and assumptions are generally identifiable by the terminology used, such as "plan", "intend", "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. By its very nature, the forward-looking statements contained in this discussion require Altai and its management to make assumptions that may not materialize or that may not be accurate. In addition, the forward-looking statements and assumptions contained in this discussion are subject to known and unknown risks and uncertainties and other factors, some of which are beyond the control of Altai, which could cause actual results, expectations, achievements or performance to differ materially.

The Company disclaims any intention or obligation to update publicly or revise any forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

COMPANY OVERVIEW

Altai Resources Inc. was incorporated under the laws of the Province of Ontario with a head-office located at 895 Don Mills Road, Two Morneau Shepell Centre, Suite 900, Toronto, Ontario, M3C 1W3. The Company is a resource company that held assets comprised of an oil-producing property with four oil wells and an exploration gold property with six mineral claims in the exploration stage. Both properties were located in Canada. The Company has a wholly owned subsidiary, Altai America Inc., which is dormant.

Altai's common shares are listed on the TSX Venture Exchange under the symbol ATI.

OVERVIEW OF PROPERTIES

The Company held a 50% working interest in an exploration gold property in the Malartic Township, Quebec (the "Malartic Gold Property"), and a 50% working interest in an oil-producing property in Cessford, Alberta (the

“Cessford Oil Property”). During the nine months ended September 30, 2025, the Company sold the Malartic Gold Property and the Cessford Oil Property.

For the Company’s 100% owned Sorel-Trois Rivieres natural gas property located in St. Lawrence Lowlands, Quebec (the “Sorel-Trois Gas Project”), comprised of five oil and gas and reservoir exploration licences, for which all of the Company’s licences had been revoked and expropriated by the Government of Quebec on August 23, 2022 through the 2022 Act *ending exploration for petroleum and underground reservoirs and production of petroleum and brine*, CQLR c R-1.01 (the “Act”), in March 2022 the Company filed a claim (the “Claim”) in the Superior Court of Quebec (the “Court”) against the Minister of Energy and Natural Resources of Quebec and the Government of Quebec, as represented by the Attorney General of Quebec (collectively, the “Defendants”) seeking compensatory damages from the Defendants for the expropriation of the Company’s licences by the Defendants through the enactment of the Act. During the nine months ended September 30, 2025, the Company’s legal counsel voluntarily ceased to represent the Company in regard to the Claim and the Company declined to appoint a new legal counsel. Further to that, the Court notified the Company that it granted, at the request of the Attorney General of Quebec, the dismissal of the Claim on the grounds that the Company no longer had legal representation.

MALARTIC GOLD PROPERTY, QUEBEC

The 50%-owned Malartic Gold Property (named “Blackcliff gold property” by joint-venture partner and operator, Globex Mining Enterprises Inc.) consisted of six map-designated claims totalling 127.6 hectares (315 acres) in the Malartic Township, Quebec.

During the period ended September 30, 2025, the Company’s management determined that the book value of the Malartic gold property exceeded its fair market value of \$123,711 and therefore recognized an impairment charge of \$909,902 on the property.

On August 26, 2025, the Company sold the Malartic Gold Property to Globex Mining Enterprises Inc., for \$142,000, recognizing a gain of \$18,289.

CESSFORD OIL PROPERTY, CENTRAL ALBERTA

In 2012, the Company acquired a 50% (net 45%) working interest in 240 acres of Alberta Crown leases in the Cessford area of southern Alberta and production of approximately 12.5 barrels of light oil per day (11 bopd net to Altai) in four long-life oil producing wells for a cash consideration of \$800,000, and royalty payments, varying from 1.25%-3% of gross revenue on certain wells to barrels of oil produced on other wells. Two Calgary parties (together the “Parties”) provided technical support to Altai during the acquisition process and were paid a fee in kind by Altai, that is, each of them held a 2.5% working interest in the property on the transaction closing. ConocoPhillips Canada Energy Partnership of ConocoPhillips Canada Resources Corp., a wholly owned subsidiary of ConocoPhillips, US, was the 50% partner and operator of the property until November 2015 when it assigned both its working interest and operatorship of the property to Canadian Natural Resources Limited (“CNRL”).

The wells are producing from the Glauconitic “C” pool. Reserve life of the wells is estimated at 15 years. However, there has been no reserve studies performed to accurately estimate the reserves within the Cessford Oil Property.

In April 2022, the civil claim filed by the Parties in 2020 for a payment of \$10,481 for their share of the Cessford oil property’s revenue to a certain date and the counterclaim by the Company were resolved, with Altai and the Parties signing a Settlement Agreement and Mutual Release and the Company purchasing the Parties’ combined 5% net working interest in the Cessford oil property. Thereafter, the Company owned 50% net working interest in the Cessford Oil Property.

During the period ended September 30, 2025, the management determined that the book value of the Cessford Oil Property exceeded its fair value of \$Nil and so the Company recognized an impairment charge of \$137,684.

On September 29, 2025, the Company sold the Cessford Oil Property and settled its decommissioning liabilities, also known as asset retirement obligations (“ARO”), and other associated liabilities for a net cash payment by the Company to CNRL of \$50,674, recognizing a gain of \$123,115.

As the Cessford Oil Property represented the Company's major line of business with distinct cash flows, the Company presented its oil production operations as discontinued operations in its condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 and 2024.

SOREL TROIS RIVIERES PROPERTY, QUEBEC (Oil and Gas interests, Quebec)

The Company's five oil and gas and reservoir exploration licences totalling 68,483 hectares (169,225 acres) in the Sorel-Trois Rivieres area, St. Lawrence Lowlands, Quebec, along with all other oil and gas and reservoir licences issued in Quebec, had been revoked and expropriated by the Government of Quebec on August 23, 2022 through the 2022 Act ending exploration for petroleum and underground reservoirs and production of petroleum and brine, CQLR c R-1.01 (the "Act").

In view of the prolonged delay in the formation of a new energy policy in Quebec dating back to 2011, resulting in the uncertainty as to the future of shale gas development in Quebec, as at December 31, 2014, the Company had written down the project to \$1, as was required by accounting standards. During the nine months ended September 30, 2025, the Company fully impaired the project. Following the impairment taken on December 31, 2014, the exploration and other expenditures on the interests were being reported in the profit and loss.

In March 2022, the Company filed a claim (the "Claim") in the Superior Court of Quebec (the "Court") against the Minister of Energy and Natural Resources of Quebec and the Government of Quebec, as represented by the Attorney General of Quebec (collectively, the "Defendants") seeking compensatory damages from the Defendants for the expropriation of the Company's licences by the Defendants through the enactment of the Act. During the nine months ended September 30, 2025, the Company's legal counsel voluntarily ceased to represent the Company in regard to the Claim and the Company declined to appoint a new legal counsel. Further to that, the Court notified the Company that it granted, at the request of the Attorney General of Quebec, the dismissal of the Claim on the grounds that the Company no longer had legal representation.

SIGNIFICANT MILESTONES FOR THE PERIOD ENDED SEPTEMBER 30, 2025 AND UP TO THE DATE OF THE FILING OF THIS MD&A

Management Changes

On January 10, 2025, Maria Au resigned from her position as the Company's Secretary-Treasurer, Chief Financial Officer ("CFO") and as a director. Kursat Kacira, Altai's Chairman, President and Chief Executive Officer, accepted a position of interim Chief Financial Officer and Corporate Secretary, until a permanent replacement was appointed.

On May 1, 2025, the Company appointed Yana Silina as the CFO to replace Mr. Kacira in that role. Ms. Silina holds a diploma in management studies from Thompson Rivers University and is currently a senior accountant at Da Costa Management Corp., where she provides financial consulting and outsourced CFO services to both public and private companies. Ms. Silina serves as CFO of StimCell Energetics Inc., Stuhini Exploration Ltd., Tocvan Ventures Corp., and Cascade Copper Corp. In addition, she is a director of Kesselrun Resources Ltd.

Initiation of Strategic Review

On May 1, 2025, the Company announced that it had initiated a strategic review process to identify, evaluate, and pursue a range of potential strategic alternatives with the goal of maximizing shareholder value and liquidity (the "Strategic Review"). As part of the Strategic Review, the potential strategic alternatives could include, amongst other things, either individually or in combination, the sale of part, or all, of the assets of the Company, the sale of the Company, a merger or other business combination with another party, a special cash distribution, a wind-up, or any other strategic transaction.

Mr. Kacira, Altai's Chairman, CEO, and President, is leading the Strategic Review. As of the date of this MD&A, the Company has not established a definitive timeline to complete the Strategic Review or any transaction, and no decisions have been reached. As such, the process is subject to unknown variables, including the costs, structure, terms, timing, and outcome. There can be no assurance that the Strategic Review will result in any transaction or initiative or, if a transaction or initiative is undertaken, as to the terms or timing of such a transaction or initiative and its impact on the financial condition, liquidity, and results of operations of the Company.

As part of the Strategic Review, during the nine months ended September 30, 2025, the Company sold all of its remaining marketable securities for cash proceeds of approximately \$2.66 million, most of which were reinvested into high-interest savings accounts (HISA); sold its Malartic Gold Property and Cessford Oil Property, and completed the special cash distribution to shareholders (as discussed below). As of the date of this MD&A, the Company holds approximately \$0.7 million in cash and cash equivalents.

Special Cash Distribution

On September 3, 2025, the Company held a special meeting, where the shareholders approved a special resolution authorizing and approving a reduction of the stated capital account of the common shares of the Company (the “Common Shares”) by an aggregate amount to be determined by the board of directors of the Company from time to time up to a maximum cumulative total amount of \$4,000,000 pursuant to Section 34(1)(b) of the Business Corporations Act (Ontario) for the purposes of distributing such amount to holders of Common Shares by way of a return of capital in one or more special cash distribution(s).

On September 4, 2025, the Board of Directors approved the special cash distribution of \$0.06 per Common Share (the “Special Cash Distribution”) for a total of \$3,362,013. The Special Cash Distribution was paid on October 9, 2025, to holders of the Common Shares of record at the close of business on October 2, 2025. Due to the size of the Special Cash Distribution relative to the Company’s share trading price, the Common Shares commenced trading on a “due bill” basis, as mandated by the TSX Venture Exchange, at the opening of trading on October 3, 2025, and commenced trading “ex-distribution” on October 10, 2025. The initial due bill redemption date was October 10, 2025.

Sale of the Malartic Gold Property

On August 26, 2025, the Company completed the sale of its 50% working interest in six mineral titles comprising the Malartic Gold Property, located in Malartic Township, Quebec, to the owner of the other 50% working interest, and the property’s operator, Globex Mining Enterprises (“Globex”), for a cash payment to the Company from Globex of \$142,000, representing a premium of \$18,289 over the carrying value of Malartic Gold Property as of the date of the sale.

Sale of the Cessford Oil Property

On September 29, 2025, the Company completed the sale of its 50% working interest in four oil wells comprising the Cessford Oil Property, located in Cessford, Alberta, to the owner of the other 50% working interest, and the property’s operator, Canadian Natural Resources Limited (“CNRL”), for a net cash payment by the Company to CNRL of \$50,674, of which \$50,000 was applied to the settlement of the Company’s AROs. The Company recognized a gain of \$123,115 on the sale of the Cessford Oil Property.

Dismissal of Claim Against the Government of Quebec

For the Company’s 100% owned Sorel-Trois Rivieres natural gas property located in St. Lawrence Lowlands, Quebec (the “Sorel-Trois Gas Project”), comprised of five oil and gas and reservoir exploration licences, for which all of the Company’s licences had been revoked and expropriated by the Government of Quebec on August 23, 2022 through the 2022 Act *ending exploration for petroleum and underground reservoirs and production of petroleum and brine*, CQLR c R-1.01 (the “Act”), in March 2022 the Company filed a claim (the “Claim”) in the Superior Court of Quebec (the “Court”) against the Minister of Energy and Natural Resources of Quebec and the Government of Quebec, as represented by the Attorney General of Quebec (collectively, the “Defendants”) seeking compensatory damages from the Defendants for the expropriation of the Company’s licences by the Defendants through the enactment of the Act. During the nine months ended September 30, 2025, the Company’s legal counsel voluntarily ceased to represent the Company in regard to the Claim and the Company declined to appoint a new legal counsel. Further to that, the Court notified the Company that it granted, at the request of the Attorney General of Quebec, the dismissal of the Claim on the grounds that the Company no longer had legal representation.

SELECTED FINANCIAL INFORMATION

| | Nine months ended September 30, 2025 | Year ended December 31, 2024 |
|---|---|---------------------------------|
| | \$ | \$ |
| Net income (loss) from continuing operations | (964,562) | (86,925) |
| Net income from discontinued operations | 5,506 | 63,784 |
| Basic and diluted loss per share from continuing operations | (0.02) | 0.00 |
| Basic and diluted loss per share from discontinued operations | 0.00 | 0.00 |
| Total assets | 4,108,350 | 5,334,591 |

OVERALL PERFORMANCE

During the nine months ended September 30, 2025, the Company undertook several activities aimed at simplifying its operations and reducing non-core expenditures. These activities included completing impairment assessments on its resource properties, disposing of its working interests in both its gold property and oil wells, ceasing all legal expenditures in connection with the Company's Claim against the Government of Quebec, and declaring a Special Cash Distribution funded from the Company's cash reserves.

On September 29, 2025, the Company completed the sale of the Cessford Oil Property to Canadian Natural Resources Limited. The transaction represents the Company's exit from a separate revenue-generating business line, and results related to this operation have been classified as discontinued operations for the current and comparative periods.

Revenues from discontinued operations declined by 17% compared to the prior period, reflecting lower well productivity as the wells neared the end of their economic lives and lower commodity prices, partially offset by modestly higher production volumes in the second quarter. Production costs increased by 56% compared to the over year due to lower output and higher per-unit operating costs. Net income from discontinued operations declined to \$5,506 (2024 – \$54,939), primarily as a result of the \$137,684 impairment recognized on the Cessford Oil Property. This impairment was partially offset by a \$123,115 gain on the settlement of the asset retirement obligations recorded on disposal.

Revenues from continuing operations decreased by 31% relative to the prior year. Interest and dividend income declined following the transfer of most cash balances from interest-bearing accounts to a non-interest-bearing operating account in preparation for the Special Cash Distribution. The Company also held no dividend-producing marketable securities during the period.

General and administrative expenses increased from the prior period, primarily reflecting higher professional and consulting fees, resignation-related payments to the former CFO and costs associated with the transition to a new CFO. Legal expenses related to the Company's Québec oil and gas interests also remained a significant component of expenditures.

During the period, the Company recorded total impairment charges of \$1,047,587, of which \$137,684 related to discontinued operations and \$909,903 related to exploration and evaluation assets included in continuing operations. These impairments reflect decreases in the estimated fair values of the Malartic Gold Property, Cessford Oil Property, and the Sorel-Trois Gas Project.

For the nine months ended September 30, 2025, the Company recorded a net loss and total comprehensive loss from continuing operations of \$2,127,502, which includes a \$1,162,940 decrease in the fair value of marketable securities recognized in other comprehensive income. Net income from discontinued operations was \$5,506 for the period.

RESULTS OF OPERATIONS

Continuing Operations for the Three Months ended September 30, 2025 and 2024

| | Three Months ended | |
|---|--------------------|-----------------|
| | September 30, | 2024 |
| | 2025 | |
| | \$ | \$ |
| Revenue | | |
| Interest and dividend income | 23,568 | 48,613 |
| Expenses | | |
| General and administrative expenses | 36,208 | 24,238 |
| Expenses on Quebec oil and gas interests | – | 16,153 |
| Amortization | – | 217 |
| Total expenses | (36,208) | (40,608) |
| Gain from sale of exploration and evaluation assets | 18,289 | – |
| Net income from continuing operations | 5,650 | 8,005 |

Revenue

Revenue from continuing operations consisted of interest earned on the Company's cash deposited in high-interest savings accounts (“HISA”) and dividends paid on its investment in marketable securities. During the three months ended September 30, 2025, revenue decreased by 52% to \$23,568 (September 30, 2024 – \$48,613) as the Company sold all of its dividend-producing marketable securities and reduced balances held in HISA accounts.

Expenses

The expenses from continuing operations for the three months ended September 30, 2025 and 2024, included general administrative expenses (“G&A”), amortization expenses on office equipment, and legal expenses relating to the claim against the Government of Quebec. Total expenses decreased by 11% to \$36,208 due to the absence of legal expenses from Claims and amortization during the three months ended September 30, 2025.

General and administrative expenses: The G&A expenses increased by 49% to \$36,208 (September 30, 2024 - \$24,238).

Expenditures on Quebec oil and gas interests: The expenditures for the expropriated Sorel-Trois Gas Project were \$Nil or 100% lower as compared to \$16,153 incurred by the Company during the previous comparative period ended September 30, 2024. These costs were reduced due to the Company’s decision not to appoint new legal counsel in connection with its Claim against the Government of Quebec

Amortization: The amortization expense was \$Nil for the third quarter, as the office equipment was fully depreciated in the quarter ended March 31, 2025 (September 30, 2024 - \$217).

Gain from the sale of exploration and evaluation assets

The sale of the Malartic Gold Property included a cash payment of \$142,000, which resulted in a \$18,289 gain for the three months ended September 30, 2025.

Net income

For the three months ended September 30, 2025, the Company recognized a net income of \$5,650 (September 30, 2024 - \$8,005).

Discontinued Operations for the Three Months ended September 30, 2025 and 2024

| | Three Months ended | |
|---|---------------------------|-----------------|
| | September 30, | |
| | 2025 | 2024 |
| | \$ | \$ |
| Revenue | | |
| Oil sales | 41,007 | 57,699 |
| Royalties | (1,883) | (2,653) |
| | 39,124 | 55,046 |
| Expenses | | |
| Production | (11,686) | 17,342 |
| Accretion | 1,731 | 2,697 |
| Amortization | – | 13,702 |
| Total expenses | 9,955 | (33,741) |
| Gain from sale of property | 123,115 | – |
| Net income from discontinued operation | 172,194 | 21,305 |

Revenue

Revenue from discontinued operations included oil sales from the Cessford Oil Property, net of royalties. Revenue fell by 29% to \$39,124 (September 30, 2024 - \$55,046).

Expenses

For the three months ended September 30, 2025 and 2024, expenses from discontinued operations included production costs, amortization, and accretion relating to decommissioning liabilities. Total expenses for the current period decreased by 130% due to an \$11,686 recovery of production costs and a 36% decrease in accretion expense. During the comparative period, the Company recorded \$13,702 in amortization on the Cessford Oil Property; the Company did not recognize any amortization for the current three months ended September 30, 2025, as the property was fully impaired at June 30, 2025.

Gain from the sale of the Property

The sale of the Cessford Oil Property resulted in a gain of \$123,115.

Net income

Total net income from the discontinued operations increased by \$150,889 to \$172,194, compared to \$21,305 the Company realized during the previous period ending September 30, 2024. The rise in net income was due to the gain the Company recognized on the sale of the Cessford Oil Property, including the discharge of the asset retirement obligations associated with the property.

Other Comprehensive Income

For the comparative three months ended September 30, 2024, the Company's comprehensive income was affected by a \$276,957 increase in the fair value of marketable securities that the Company recognized as part of other comprehensive income. The Company did not have similar income or expenses during the three months ended September 30, 2025, as all marketable securities were sold during the period ended June 30, 2025.

Continuing Operations for the Nine Months ended September 30, 2025 and 2024

| | Nine Months ended September 30, | |
|---|------------------------------------|------------------|
| | 2025 | 2024 |
| | \$ | \$ |
| Revenue | | |
| Interest and dividend income | 100,499 | 146,034 |
| Expenses | | |
| General and administrative expenses | 148,877 | 72,212 |
| Expenses on Quebec oil and gas interests | 24,455 | 67,261 |
| Amortization | 115 | 650 |
| Impairment of non-current assets | 909,903 | – |
| Total expenses | (1,083,350) | (140,123) |
| Gain from sale of exploration and evaluation assets | 18,289 | – |
| Net income from continuing operations | (964,562) | 5,911 |

Revenue

Revenue from continuing operations consisted of interest earned on the Company's cash deposited in HISA accounts and dividends paid on its investment in marketable securities. During the nine months ended September 30, 2025, revenue decreased by 31% to \$100,499 (September 30, 2024 – \$146,034) as the Company sold all of its dividend-producing marketable securities and reduced balances held in HISA accounts.

Expenses

For the nine months ended September 30, 2025, expenses from continuing operations included G&A expenses, amortization expenses on office equipment, legal expenses relating to the claim against the Government of Quebec, and impairment charges. Total expenses increased to \$1,083,350 from \$140,123, mainly as a result of an impairment charge of \$909,903 for the Malartic Gold Property and Sorel-Trois Gas Project.

General and administrative expenses: The G&A expenses increased by 106% to \$148,877 (September 30, 2024 - \$72,212).

Expenditures on Quebec oil and gas interests: The expenditures for the expropriated Sorel-Trois Gas Project were \$24,455 or 64% lower compared to \$67,261 for the nine months ended September 30, 2024. These expenditures covered legal expenses for Altai's claim filed in March 2022 against the Minister of Energy and Natural Resources of Quebec and the Government of Quebec, as further described in the *Oil and gas interests, Quebec* Section of the MD&A.

Amortization: The Company recognized \$115 in depreciation of office equipment for the nine months ended September 30, 2025 (September 30, 2024 - \$650). The office equipment was fully depreciated in the first quarter.

Impairment of non-current assets: At September 30, 2025, impairment charges were \$909,903 (September 30, 2024 - \$Nil); of this amount \$909,902 was associated with the impairment of the Malartic Gold Property and \$1 for the impairment of the Sorel-Trois Gas Project (September 30, 2024 - \$Nil).

Gain from the sale of exploration and evaluation assets

The sale of the Malartic Gold Property included a cash payment of \$142,000, which resulted in a gain of \$18,289 for the nine months ended September 30, 2025.

Net income

For the nine months ended September 30, 2025, the Company recognized a net loss of \$964,562 (September 30, 2024 – net income of \$5,910).

Discontinued Operations for the Nine Months ended September 30, 2025 and 2024

| | Nine Months ended | |
|--|--------------------------|-----------------|
| | September 30, | |
| | 2025 | 2024 |
| | \$ | \$ |
| Revenue | | |
| Oil sales | 127,939 | 154,347 |
| Royalties | (5,878) | (6,996) |
| | 122,061 | 147,351 |
| Expenses | | |
| Production | 67,559 | 43,214 |
| Accretion | 5,271 | 8,092 |
| Amortization | 29,156 | 41,106 |
| Impairment of non-current assets | 137,684 | – |
| Total expenses | (239,670) | (92,412) |
| Gain from sale of property | 123,115 | – |
| Net income from discontinued operations | 5,506 | 54,939 |

Revenue

Revenue from discontinued operations included oil sales from the Cessford Oil Property, net of royalties. Revenue fell by 17% to \$122,061 (September 30, 2024 - \$147,351).

Expenses

For the nine months ended September 30, 2025 and 2024, expenses from discontinued operations included production costs, amortization, impairment charges, and accretion related to decommissioning liabilities. Total expenses for the current period increased by 159%, as a result of increased production costs of \$67,559 (September 30, 2024 - \$43,214) for the Cessford Oil Property for the nine months ended September 30, 2025, and an impairment charge of \$137,684 (September 30, 2024 - \$Nil) as the Company determined that the fair market value of the Cessford Oil Property was \$Nil. These increases were in part offset by decreased amortization expense of \$29,156 (September 30, 2024 - \$41,106) and accretion expense of \$5,271 (September 30, 2024 - \$8,091).

Gain from the sale of the Property

The sale of the Cessford Oil Property resulted in a gain of \$123,115.

Net income

Total net income from the discontinued operations for the nine months ended September 30, 2025, increased by \$49,433 to \$5,506, compared to \$54,939 the Company realized during the previous period ending September 30, 2024. The rise in net income was related to the gain the Company recognized on the sale of the Cessford Oil Property, which included the discharge of the asset retirement obligations on the property.

Other Comprehensive Income/Loss

For the nine months ended September 30, 2025, the Company's comprehensive loss was affected by a \$1,162,940 decrease in the fair value of marketable securities that the Company recognized as part of other comprehensive loss (September 30, 2024 - \$166,097 income).

SUMMARY OF QUARTERLY RESULTS

The following table presents the quarterly results for each of the last eight quarters:

| | September 30, 2025 | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 |
|---|--------------------------|---------------------|----------------------|-------------------------|--------------------------|---------------------|----------------------|-------------------------|
| Revenue – continuing operations | \$ 23,569 | \$ 37,462 | \$ 39,468 | \$ 46,551 | \$ 48,613 | \$ 49,200 | \$ 48,221 | \$ 47,582 |
| Revenue – discontinued operations | 39,124 | 56,919 | 26,018 | 50,139 | 55,046 | 52,770 | 39,535 | 56,168 |
| Net income (loss) – continuing operation | 5,650 | (926,514) | (43,698) | (92,835) | 8,006 | 12,188 | (14,284) | (39,475) |
| Net income (loss) – discontinued operations | 172,193 | (154,377) | (12,311) | 8,844 | 21,304 | 22,412 | 11,224 | 25,734 |
| Total net income (loss) | 177,844 | (1,080,891) | (56,009) | (83,991) | 29,310 | 34,600 | (3,060) | (13,741) |
| Net income (loss) per share (basic and diluted) – continuing operations | 0.00 | (0.02) | (0.00) | (0.00) | 0.00 | 0.00 | (0.00) | (0.00) |
| Net income (loss) per share (basic and diluted) – discontinued operations | 0.00 | (0.00) | (0.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net income (loss) per share (basic and diluted) – total | 0.00 | (0.02) | (0.00) | (0.00) | 0.00 | 0.00 | (0.00) | (0.00) |

Q3 of 2025

During the quarter ended September 30, 2025, the Company sold its interests in the Malartic Gold Property and the Cessford Oil Property. The sales of these properties resulted in gains on disposal, and, as a result, the Company recorded net income from its continuing operations as well as discontinued operations (represented by the Cessford Oil Property operations). Revenue from discontinued operations decreased as a result of the sale of the Cessford Oil Property. Revenue from continuing operations decreased as a result of the sale of the Company's investments in marketable securities during the quarter ended June 30, 2025.

Q2 of 2025

During the quarter ended June 30, 2025, the Company's operating results were mainly impacted by impairment charges on its exploration and evaluation assets and its property and equipment, which amounted to \$1,047,587 (of which \$137,684 was attributed to discontinued operations). Discontinued operations were affected by increased production expenses, which amounted to \$57,263, as compared to \$21,981 incurred during the quarter ended March 31, 2025.

Q1 of 2025

The operating results for the quarter ended March 31, 2025, increased as a result of the changes in management, which included a \$50,000 severance payment to the Company's former CFO for her services. Additionally, the Company's revenue from oil production declined by 44% compared to Q4 2024, mainly due to lower oil prices and reduced production volumes.

Q4 of 2024

During the quarter ended December 31, 2025, oil revenues declined by 15%, or \$8,496, compared to Q3, reflecting softer commodity prices late in the year. Costs related to the Sorel-Trois Gas Project increased due to higher legal activity. Operating costs included the annual insurance renewal for the Cessford Oil Property, while G&A expenses rose with AGM-related spending and audit fee accruals. The Company also recorded \$29,700 in stock-based compensation for option grants issued to new directors and an officer.

Q3 of 2024

Oil revenues remained relatively stable quarter-over-quarter, supported by consistent production levels. Expenditures for G&A and on the Sorel-Trois Gas Project remained fairly consistent.

Q2 of 2024

Oil revenues increased from Q1 as production levels improved. Sorel-Trois Gas Project expenditures continued to consist of legal costs associated with the ongoing claim. G&A expenses mainly reflected routine filing fees, transfer agency services, and property accretion.

Q1 of 2024

Oil revenues decreased from the prior quarter due to lower oil prices early in the year. Sorel-Trois Gas Project costs were driven by legal activity on the expropriation file. G&A expenditures included annual TSXV sustaining fees, transfer agency charges, and accretion related to the Cessford asset.

Q4 of 2023

Oil revenues improved modestly from Q3 as pricing strengthened early in the quarter. Operating expenses included the annual insurance cost for the Cessford Oil Property. Sorel-Trois Gas Project expenditures reflected ongoing legal fees. G&A costs were higher due to the inclusion of AGM expenses and the accrual of annual audit fees. In addition, the Company recognized \$25,000 in stock-based compensation relating to options granted to directors and an officer.

EXPENDITURES FOR MINING PROPERTY AND QUEBEC OIL AND GAS INTERESTS

| As at September 30, | 2025 | 2024 |
|---|---------------|---------------|
| | \$ | \$ |
| Malartic Gold Property, Quebec | – | – |
| Sorel-Trois Gas Project, Quebec (revoked and expropriated by Government of Quebec on August 23, 2022) | 24,455 | 67,261 |
| Expenditures | 24,455 | 67,261 |

Refer to the Section on Overall Performance and Results of Operations for the three and nine months ended September 30, 2025 and 2024.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2025, the Company had cash and cash equivalents of \$4,091,186 (December 31, 2024 - \$1,499,432) and a working capital of \$741,648 (December 31, 2024 - \$3,957,295). The working capital decreased from the prior year as a result of the Special Cash Distribution, which was approved by the Company's shareholders on September 3, 2025, and by the board of directors on September 4, 2025. This resulted in \$3,362,013 being recorded as a current liability, as the Special Cash Distribution was completed on October 9, 2025.

In addition to cash and cash equivalents, current assets included \$4,023 (December 31, 2024 – \$7,784) in prepaid expenses and \$13,141 (December 31, 2024 – \$28,271) in accounts receivable. As of December 31, 2024, the Company had \$2,598,535 in marketable securities, which were sold during the nine months ended September 30, 2025, for total cash proceeds of \$2,662,251.

The Company maintains a conservative approach to managing its operational expenses and follows industry best practices to reduce its financial risks. Interest income from the Company's low-risk bank deposits remained steady through the three quarters of 2025. However, with the Bank of Canada's monetary policy of reducing interest rates to cushion the impact of economic uncertainty, the Company expects lower income from its deposits.

The Company's marketable securities consisted of shares of Canadian large-cap corporations denominated in Canadian currency, which were liquid and were accompanied by recurring income from dividends and interest. Though inflation rates have fallen, the uncertainty in economic outlook, decreasing confidence in the financial markets due to increasing macroeconomic challenges and turmoil in 2025 caused by US tariffs and the increasing geopolitical tensions in the world, have caused capital markets to be more volatile. To mitigate any financial risks from these challenges, the Company's management decided to rebalance its investment portfolio by transitioning from marketable securities to high-interest savings accounts, ensuring continued liquidity and stable returns.

As such, during the nine months ended September 30, 2025, the Company sold all of its marketable securities for total cash proceeds of \$2,662,251, which was deposited into high-interest savings accounts. The equity securities had a total cost of \$1,234,652, resulting in a realized gain on sale of marketable securities of \$1,407,370 and an unrealized

loss of \$1,162,940 from the reversal of previously recognized revaluation of marketable securities (including deferred tax liabilities of \$180,714).

The Company included the following in its capital as at September 30, 2025 and December 31, 2024:

| | September 30, 2025 | December 31, 2024 |
|--|--------------------|-------------------|
| | \$ | \$ |
| Share capital | 30,641,007 | 34,003,020 |
| Contributed surplus | 3,306,091 | 3,306,091 |
| Accumulated deficit | (33,205,450) | (33,653,764) |
| Accumulated other comprehensive income | – | 1,162,940 |
| Total Shareholders' Equity | 741,648 | 4,818,287 |

The Company's objectives when managing capital are to:

- (a) ensure that the Company maintains the level of capital necessary to meet the requirements of its exploration programs and current operating expenditures;
- (b) allow the Company to respond to changes in economic and/or marketplace conditions;
- (c) give shareholders sustained growth in shareholder value by increasing shareholders' equity; and
- (d) maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments in light of variations in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) realizing proceeds from the disposition of its investments; and
- (b) raising capital through equity financings.

The Company is not subject to any capital requirements imposed by a regulator.

On September 4, 2025, the board of directors of the Company declared the Special Cash Distribution, further to the approval of the Company's shareholders on September 3, 2025. The Special Cash Distribution of \$0.06 per common share, for a total amount of \$3,362,013, was paid on October 9, 2025, to holders of the Company's common shares of record at the close of business on October 2, 2025.

The Company's management is responsible for the management of capital. The Company expects that its current capital resources will be sufficient to discharge its liabilities for the ensuing twelve months.

SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Company's condensed interim consolidated financial statements requires management to use accounting policies relevant to its industry and operations. The material accounting policies used are presented in Note 3 to the consolidated financial statements for the year ended December 31, 2024 and in Note 3 to the condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 and 2024.

In the process of applying the Company's accounting policies, management has to make:

- 1) estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. The estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimates; and
- 2) critical judgments related to the economic recoverability of the Company's resource properties and the assumption that the Company will continue as a going concern.

SHARE CAPITAL

Authorized: Unlimited number of common shares with no par value;

The following table summarizes the outstanding share capital as of the date of the MD&A:

| Type | Amount | Conditions |
|---------------|-------------------|---|
| Common Shares | 56,033,552 | Issued and outstanding. |
| Stock Options | 200,000 | Fully vested and exercisable into 200,000 Shares at \$0.10, expiring on November 23, 2028 |
| Stock Options | 600,000 | Fully vested and exercisable into 600,000 Shares at \$0.10, expiring on October 19, 2029 |
| | 56,833,552 | Total common shares outstanding (fully diluted) |

COMMITMENTS

The Company was committed to certain royalty payments on the Cessford Oil Property. Upon the sale of the Cessford Oil Property on September 29, 2025, the Company has no obligations related to any assets.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2025, the Company incurred \$18,000 in consulting fees with Maria Au, the Company's former Secretary-Treasurer, CFO and director (September 30, 2024 - \$40,500). During the same period, the Company incurred a \$50,000 settlement fee on the resignation of Ms. Au from her positions as the Company's Secretary-Treasurer, CFO and director effective January 10, 2025.

During the nine months ended September 30, 2025, the Company incurred \$5,000 in consulting fees to the new CFO (September 30, 2024 - \$Nil).

The Company did not pay any other benefits, apart from the compensation reported above, to the directors and officers during the periods ended September 30, 2025 and 2024.

At September 30, 2025, the balance payable to related parties was \$Nil (December 31, 2024 - \$12,036), and was included in accounts payable and accrued liabilities.

OFF-BALANCE SHEET TRANSACTIONS

At September 30, 2025 and to date, the Company does not have any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents as fair value through profit or loss and marketable securities as available-for-sale, both of which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as financial liabilities measured at amortized cost.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Board approves and monitors the risk management process.

The types of risk exposure and the way in which such exposures are managed are as follows:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its payment obligations. The Company's exposure to credit risk includes cash and cash equivalents. The risk exposure is limited to their carrying amounts at the date of the financial position statement. Cash and cash equivalents are maintained with financial institutions. The risk is mitigated because the financial institutions are major institutions with high credit ratings. Cash and cash equivalents include highly liquid money market instruments with original

maturities of three months or less. These instruments are readily convertible to known amounts of cash and are subject to an insignificant risk change in value. As of September 30, 2025, the Company held a total of \$4,091,186 in cash and cash equivalents, of which \$3,362,013 was reserved for the Special Cash Distribution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by actively forecasting, planning, reviewing and monitoring expenditures and commitments and anticipated financial requirements. Cash and cash equivalents on hand at September 30, 2025, and to date are expected to be sufficient to fund the Company's ongoing operational needs for the next twelve months. As of September 30, 2025, the accounts payable were due between 30 and 60 days.

(c) Market risk

Market risk is the risk that changes in market prices, such as natural gas and mineral prices, foreign exchange rates and interest rates will affect the Company's income. The object of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(d) Commodity risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals and oil and gas prices. The Company does not use derivative financial instruments to reduce its exposure to commodity price risk.

(e) Currency risk

The Company is not exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates only in Canada and all of its expenses are incurred in Canadian dollars.

(f) Interest rate risk

The Company is not exposed to significant interest rate risks since all of its financial instruments can be quickly turned into cash, thus avoiding additional risks.

DISCLOSURE CONTROL AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the condensed interim consolidated financial statements and interim MD&A (the "interim filings") for the three and nine months ending September 30, 2025 and 2024, do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, for the periods covered by the interim filings, and (ii) the interim financial statements together with other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in the interim filings.

In contrast to the certificates required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Interim Filings (NI 52-109), the Venture Issuer Basic Certificates filed by the Company's President and the Secretary-Treasurer (in his capacity as an officer also performing the functions of a chief executive officer) and the Company's chief financial officer (together the "certifying officers") do not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the certificates are not making any representations relating to the establishment and maintenance of controls and other procedures designed to provide reasonable assurance that information required to be disclosed in the interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting standards (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificates. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of the interim filings and other reports provided under securities legislation.