



Overview

The following covers the operations of EGR Exploration Ltd. (the "Company" also referred to as "EGR") for the year ended March 31, 2025 prepared as of July 8, 2025. This management discussion and analysis ("MD&A") should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2025 and related notes.

These documents are available for viewing on SEDAR+ at www.sedarplus.ca. Unless otherwise indicated, all dollar amounts therein and in the following MD&A are in Canadian dollars. These consolidated financial statements were prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Forward-Looking Statements

This MD&A contains certain statements that may be deemed "forward-looking statements". All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in the forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change beyond the procedures required under applicable securities laws.

Description of Business

The Company was incorporated on March 2, 2006 in British Columbia. Its registered office and records office is Suite 2300 – 550 Burrard Street, Vancouver, BC, V6C 2B5.

The Company is in the process of acquiring and exploring resource properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company changed its name from Gambier Gold Corp. to EGR Exploration Ltd. on October 17, 2022 and listed on the TSX Venture Exchange ("TSX V" or the "Exchange") under the symbol "EGR".



The Company recognizes environmental, social and governance (“ESG”) best practices as key components to responsible mineral exploration and development. The Company’s exploration programs are conducted to meet or exceed environmental regulations, while respecting the communities and environments in which we operate. The Company strives to earn its social license with local and Indigenous communities by meeting with stakeholders, regulators, and other concerned parties before and during exploration work to understand traditional and cultural issues important to these communities. The Company’s approach is based on transparency, open communication, inclusivity, and respect, to better enable social and economic benefit for communities as well as value for investors.

Exploration and evaluation assets

The following tables summarize the Company’s exploration and evaluation assets as at March 31, 2025 and 2024.

| Exploration and evaluation assets | Detour West | Urban Barry | Total |
|--|--------------------|--------------------|--------------|
| As of March 31, 2023 | \$ 614,300 | \$ - | \$ 614,300 |
| Cash - payment | 760 | 12,613 | 13,373 |
| Cash - option payment received | - | (15,000) | (15,000) |
| Proceeds received in excess of exploration and evaluation asset costs – recognized as income | - | 2,387 | 2,387 |
| As of March 31, 2024 | 615,060 | - | 615,060 |
| Shares - option payment received | - | (62,500) | (62,500) |
| Cash - option payment received | - | (35,000) | (35,000) |
| Proceeds received in excess of exploration and evaluation asset costs – recognized as income | - | 97,500 | 97,500 |
| As of March 31, 2025 | \$ 615,060 | \$ - | \$ 615,060 |

The following tables summarize the Company’s exploration recovery for the year ended March 31, 2025.

| Mineral exploration expenses for the year ended March 31, 2025 | Detour West | Urban Barry | Total |
|---|--------------------|--------------------|--------------|
| Consulting | \$ 86,556 | \$ - | \$ 86,556 |
| Geological | 250 | 750 | 1,000 |
| Permits | 1,200 | - | 1,200 |
| Project supervision | - | 38 | 38 |
| | \$ 88,006 | \$ 788 | \$ 88,794 |



Detour West, Ontario

On August 20, 2024, the Company received approval for exclusion of select claims on the Detour West property that cover the Frenchman River watershed. In the process of communication and engagement with the Moose Cree First Nation regarding the Detour West property, it became apparent that there is significant importance to the sensitive area of the Frenchman River watershed. As such, the Company applied for the exclusion and extension on claims held within the watershed in order to help protect them. The Company will continue to apply for exclusions on the area protected from future development.

During fiscal 2025, the Company incurred \$88,006 (2024 – \$306,139 net of \$200,000 government grant) in exploration expenditures due to the slowdown of exploration activities on this property. Management plans to continue exploration at Detour West and is seeking to fund further exploration through equity financing or via partnerships with other mining companies.

Urban Barry, Quebec

The Company incurred \$788 during the year ended March 31, 2025 (2024 - \$18,573) on some miscellaneous geological consulting and project supervision to Harvest Gold Corp. (“Harvest Gold”), the optionee on this property as Harvest Gold earns into this property.

During the year ended March 31, 2025, the Company received 1,500,000 common shares with a fair value of \$62,500 from Harvest Gold as part of the earn-in payment and recognized the proceeds received as other income.

On July 22, 2024, the Company and Harvest Gold agreed to extend the timing of the \$30,000 cash payment by paying late fees in cash. As of March 31, 2025, the Company received \$30,000 option payment plus \$5,000 late fee and recognized the amounts received as other income. Harvest Gold also met its exploration spending of \$100,000 on the property by February 28, 2025.

On June 26, 2025, the Company and Harvest Gold agreed to extend the timing of the \$45,000 cash payment due on July 2, 2025, subject to late fees payable in cash if the payment is not received by August 1, 2025.

Corporate Update:

On September 10, 2024, the Company announced Owen Garfield resigned from the Company's board of directors.

On November 19, 2024, the Company arranged a non-brokered private placement of five million units of the Company at a price of five cents per unit and 8.33 million flow-through shares of the Company at a price of six cents per flow-through share for gross proceeds to the Company of up to \$750,000. Each unit shall consist of one common share of the Company and one-half common share purchase warrant. Each warrant will be exercisable by the holder thereof to acquire one common share at a price of 10 cents for a period of 24 months following the closing date of the offering.

On December 31, 2024, the Company announced not proceeding with the \$750,000 non-brokered private placement offering as previously announced dated November 19, 2024.



Qualified Person

Brian Atkinson, P.Geo, is a qualified person as defined by NI 43-101 and reviewed the preparation of the scientific and technical information in this MD&A disclosure. Further information and results of exploration programs can be found on www.sedarplus.ca and the Company's website. <https://egrexploration.com/>.

Selected Annual Information

The following is a summary of the Company's financial results for the Company's three most recently completed financial years:

| | 2025 | 2024 | 2023 |
|---------------------------------------|-------------|-------------|-------------|
| Total revenues | \$ - | \$ - | \$ - |
| Expenses | \$ 406,140 | \$ 978,936 | \$ 902,159 |
| Net loss for the year | \$ 274,504 | \$ 858,034 | \$ 522,198 |
| Basic and diluted loss per share | \$ 0.01 | \$ 0.02 | \$ 0.03 |
| Total assets | \$ 712,366 | \$ 885,815 | \$ 823,497 |
| Total long-term financial liabilities | \$ - | \$ - | \$ - |
| Cash dividend declared - per share | N/A | N/A | N/A |

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

| | Three months ended | | | |
|---------------------------|--------------------|-------------------|--------------------|---------------|
| | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 |
| Total revenues | \$ - | \$ - | \$ - | \$ - |
| Expenses | \$ 90,735 | \$ 88,065 | \$ 115,224 | \$ 112,116 |
| Net loss (income) | \$ 165,733 | \$ (23,441) | \$ 103,224 | \$ 28,988 |
| Loss (earnings) per share | \$ 0.00 | \$ (0.00) | \$ 0.00 | \$ 0.00 |

| | Three months ended | | | |
|----------------|--------------------|-------------------|--------------------|---------------|
| | March 31, 2024 | December 31, 2023 | September 30, 2023 | June 30, 2023 |
| Total revenues | \$ - | \$ - | \$ - | \$ - |
| Expenses | \$ 18,343 | \$ 98,133 | \$ 364,687 | \$ 497,773 |
| Net Loss | \$ 17,455 | \$ 87,633 | \$ 335,663 | \$ 417,283 |
| Loss per share | \$ 0.00 | \$ 0.00 | \$ 0.01 | \$ 0.01 |



Results of operations

During the three months ended March 31, 2025:

The Company incurred a net loss of \$165,733 (loss per share of \$0.00) for the three months ended March 31, 2025, as compared to a net loss of \$17,455 (loss per share of \$0.00) for the same period in 2024.

The Company incurred exploration expenses of \$2,356 during the three months ended March 31, 2025 (2024 – recoveries of \$106,855) due to exploration activities were slowing down during this quarter, while in 2024, the Company received the OJEP government grant for its Detour West exploration program.

Excluding depreciation of \$98 (2024 - \$131), the Company's administrative expenses total to \$88,279 (2024 - \$125,066), a decrease of \$36,787, of which the significant expenditures were as follows:

- Professional fees expenses of \$51,394 (2024 - \$49,500) which was consistent with last year;
- Management fee of \$15,000 (2024 - \$30,000) as the officers' monthly amounts were reduced; and
- Shareholder communication fees of \$10,360 (2024 - \$20,251) as the Company reduced its news and advertisements to promote the Company in the capital market in 2025 in order to conserve cash.

During the year ended March 31, 2025:

The Company incurred a net loss of \$274,504 (loss per share of \$0.01) for the year ended March 31, 2025, as compared to a net loss of \$858,034 (loss per share of \$0.02) for the same period in 2024.

The Company incurred exploration expenses of \$88,794 during the year ended March 31, 2025 (2024 – \$324,712) due to exploration activities were slowing down during this year, while the expenses mainly incurred from the Company's exploration program on its Detour West property for the same period in 2024.

Excluding share-based payments of \$Nil (2024 – \$53,710) and depreciation of \$394 (2024 - \$526), the Company's administrative expenses total to \$316,952 (2024 - \$599,988), a decrease of \$283,036, of which the significant expenditures were as follows:

- Accretion expense of \$24,762 (2024 - \$32,238) due to the amortization of the host liability of the convertible note;
- Management fee of \$105,000 (2024 - \$120,000) as the officers' monthly amounts were reduced; and
- Shareholder communication fees of \$33,316 (2024 - \$187,291) as the Company reduced its news and advertisements to promote the Company in the capital market in 2025 in order to conserve cash.

The Company benefitted from other income to the sum of \$131,636 (2024 - \$120,902) mainly because of (a) gain on re-valuation of derivative liability of \$30,000 (2024 - \$75,000); (b) proceeds received in excess of exploration and evaluation asset costs of \$97,500 (2024 - \$2,387); (c) write-off of accounts payable of \$21,628 (2024 - \$nil); and (d) flow-through share premium reversal of \$nil (2024 – \$42,857). The other income was offset by a loss on re-valuation of marketable securities of \$17,500 (2024 - \$nil).



Liquidity and Capital Resources

The Company had cash of \$35,174 at March 31, 2025, compared to \$245,647 at March 31, 2024. The Company had a working capital deficiency of \$99,748 at March 31, 2025 as compared to the working capital of \$32,362 at March 31, 2024.

The Company's cash decreased by \$210,473 as a result of the \$237,473 used in operating activities, and \$8,000 used in share issuance costs, while offset by the \$35,000 proceeds received in excess of exploration and evaluation asset costs.

On April 15, 2024, 1,777,778 warrants expired, on December 9, 2024, 350,000 options expired, and on May 15, 2024, 129,900 agent's warrants expired.

On November 22, 2022, the Company issued an unsecured convertible note of \$150,000 with a term of two years, convertible at: (i) \$0.18 per share in year one; or (ii) the greater of market price and \$0.10 per share in year two (the "Convertible Note").

The Convertible Note was bifurcated into an embedded derivative representing the conversion option and a host liability. The derivative liability of this Convertible Note was valued at \$63,000, determined using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 3.93% and an expected volatility of 163.44%. The residual amount of \$87,000, subtracting the issuance transaction cost of \$4,000 allocated by proration, resulted in \$83,000 recognized as host liability of the Convertible Note, and will be amortized using the effective annual interest rate of 34.48%. The issuance transaction cost of \$2,997 related to the derivative liability by proration was expensed. During the nine months ended December 31, 2024, the Company incurred \$24,762 accretion expense (2024 - \$32,238) in connection with the amortization of the host liability of this Convertible Note. The Note was converted on November 22, 2024, resulting in Note payable – host liability of \$150,000 immediately prior to the conversion of the Note (\$125,238 as of March 31, 2024).

During the year ended March 31, 2025, the Company recorded a gain on re-valuation of derivative liability of \$ \$30,000.

On November 22, 2024, the Company issued 1,500,000 shares in the conversion of the Convertible Note. The shares were recorded at the sum of the carrying amount of the host liability (\$150,000) and the carrying amount of the derivative liability (\$Nil) immediately before the conversion. With the issuance of the shares, the Company is debt-free other than amounts owed to related parties.

The Company's current activities have been funded to date through the issuance of common shares and obtaining loans from third parties.

The Company needs to seek additional funding for its working capital, overhead expenses and exploration expenditures for the next nine months as well as its future exploration program and operation needs. 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.

Management expects to settle some of the current working capital deficit with shares, debt, or reductions in amounts owing based on market rates for the work completed.



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 to fund ongoing operations and investment. 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.

Related Party Transactions

The following expenses were incurred with key management personnel of the Company and companies controlled by key management personnel. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity and include certain current and former directors and officers. Key current and former management compensation comprise of:

For the year ended March 31, 2025:

| | Service for | Key management compensation | TOTAL |
|--|--------------------------------------|-----------------------------|------------|
| Daniel Rodriguez ⁽¹⁾ CEO | Management fees | \$ 105,000 | \$ 105,000 |
| Mark T. Brown ⁽²⁾ CFO | Professional fees, financing fees | \$ 68,600 | \$ 68,600 |

For the year ended March 31, 2024:

| | Service for | Key management compensation | Share-based payments | TOTAL |
|---|---|-----------------------------|----------------------|------------|
| Daniel Rodriguez ⁽¹⁾ CEO | Management fees | \$ 120,000 | \$ 6,150 | \$ 126,150 |
| Mark T. Brown ⁽²⁾ CFO | Professional fees | \$ 99,150 | \$ 6,150 | \$ 105,300 |
| Owen Garfield ⁽³⁾ Former Director | Marketing fees, recorded in shareholder communications | \$ 28,000 | \$ 5,125 | \$ 33,125 |
| Other directors and officers | Option grant | \$ - | \$ 21,525 | \$ 21,525 |



Related party balances:

| | Services for: | As at March 31, 2025 | As at March 31, 2024 |
|---|------------------------|----------------------------|----------------------------|
| Daniel Rodriguez ⁽¹⁾ | Management Fees | \$ 47,250 | \$ - |
| Daniel Rodriguez ⁽¹⁾ | Expenses reimbursement | 3,169 | 1,761 |
| Pacific Opportunity Capital Ltd. ⁽²⁾ | Accounting/ Financing | 35,280 | 6,352 |
| Mark T. Brown ⁽²⁾ | Expenses reimbursement | 1,804 | - |
| Total | | \$ 87,503 | \$ 8,113 |

Amounts owing are unsecured, non-interest bearing and have no specific terms of repayment.

- (1) Daniel Rodriguez was appointed as the Chief Executive Officer, effective June 1, 2022. The Company signed an executive management agreement with Mr. Rodriguez where the Company must pay Mr. Rodriguez one-year's management fee of \$120,000 if the Company is substantially sold or has a change of control (more than 50% change in ownership of the Company or a sudden change in the board of directors such that 50% of the board is changed at one meeting).
- (2) Mark T. Brown was appointed as the Chief Financial Officer, effective June 1, 2022. Mr. Brown's accounting and financing fees were incurred with Pacific Opportunity Ltd., a private company controlled by Mr. Brown.
- (3) Owen Garfield was appointed as the Director effective June 1, 2022 and resigned on September 10, 2024. Mr. Garfield's marketing fees were incurred with Navitas Surveyors Ltd., a private company controlled by Mr. Garfield.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Critical Accounting Estimates

Critical accounting estimates used in preparing the consolidated financial statements include the estimates involved with the fair value of note payable – derivative liability.

The Company estimates the fair value of note payable - derivative liability using the Black-Scholes valuation model which requires assumptions regarding expected volatility, estimated life, conversion price, and risk free rates. A gain or loss on the change of fair value of the derivative liability that is subsequently measured at each reporting date using the Black-Scholes valuation model is recognized in profit or loss in the period which it arises.

Significant Judgments

The Company's mineral properties are reviewed for impairment annually and whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If indication of impairment exists, the mineral properties' recoverable amount is estimated.

The assessment of the Company's ability to continue as a going concern requires significant judgement. See Note 1 to the consolidated financial statements.



Financial Instruments and Risk Management

The Company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or, the methods used to measure them from previous years unless otherwise stated in the note.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in notes to the financial statements.

The Company monitors its ability to meet its short-term administrative expenditures by matching investment income received to expenditures to be incurred and by disposing of its investments when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

As at March 31, 2025, the Company had a cash balance of \$35,174 and an amount receivable of \$7,414 to settle accounts payable and accrued liabilities of \$108,291, and due to related parties of \$87,503.

The Company's management team will continue to monitor the cash and will rely on equity financings to meet its capital requirements.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Interest rate risk

The Company has cash and no interest-bearing debt.



Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit risk

Financial instruments that potentially expose the Company to credit risk are cash. To minimize the credit risk on cash the Company places the instrument with a high-credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash, marketable securities, accounts payable and accrued liabilities, due to related parties, and note payable. The fair value of the financial liabilities approximates their carrying value due to their short-term nature.

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

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

Cash and marketable securities are measured at Level 1 and note payable – derivative liability was measured at Level 2.



Disclosure of Outstanding Share Capital

The Company's outstanding share capital as at the date of the MD&A is as follows:

| | Issued and outstanding | |
|---|------------------------|--------------|
| | March 31, 2025 | July 8, 2025 |
| Common shares outstanding | 41,699,202 | 41,699,202 |
| Options | 3,085,000 | 3,085,000 |
| Warrants | 19,998,376 | 19,998,376 |
| Fully diluted common shares outstanding | 64,782,578 | 64,782,578 |

Risks and Uncertainties

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit.

Directors and Officers Information

As at the date of this MD&A, the Company's directors and officers are as follows:

Directors

Ashley Kirwan
Daniel Rodriguez
David Stevenson
David Suda

Officers and Position

Daniel Rodriguez, Chief Executive Officer
Mark T. Brown, Chief Financial Officer
Winnie Wong, Corporate Secretary