



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE MONTHS ENDED OCTOBER 31, 2025**

**(Expressed in Canadian Dollars)**

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**Tactical Resources Corp.**  
**Management's Discussion and Analysis**  
**For the three months ended October 31, 2025**

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**DATE**

The following Management's Discussion and Analysis ("MD&A") of Tactical Resources Corp.'s ("Tactical" or the "Company") financial position and results of operations for the three months ended October 31, 2025 is prepared as at December 22, 2025. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended October 31, 2025 and the supporting notes. The unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

**FORWARD-LOOKING INFORMATION**

This MD&A contains forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, the discovery of new mineral resources, mineral resource estimates, the merits of the Company's mineral properties, future studies, and the Company's plans and exploration programs for its mineral properties, including the timing of such plans and programs. Such forward looking statements are subject to certain risks, uncertainties and assumptions of management, which are noted in the paragraph below. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, which are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks, assumptions and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; the Company's limited operating history; the Company's negative operating cash flow and dependence on third party financing; the uncertainty of additional funding for the Company; there being no known mineral reserves or mineral resources with respect to the Sierra Blanca Quarry Project, and certain exploration risks; the Company may fail to obtain all necessary licenses and permits required to carry out its activities; and risks related to the business, operations, and financial condition of the Company arising from COVID-19; unanticipated operating events; stock market volatility, volatility in its share price and lack of a liquid market for its common shares; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties". Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

## **COMPANY OVERVIEW**

Tactical was incorporated under the Business Corporations Act of British Columbia on June 25, 2018. The principal business of the Company is exploration and development of Rare Earth Elements ("REE").

The Company's head office, principal address, registered address and records office is 1055 West Georgia Street, 1500 Royal Centre, PO Box 11117, Vancouver, BC V6E 4N7.

The Company's common shares are listed on the TSX Venture Exchange (under the symbol "RARE.V") and are quoted in the United States on the OTC Markets under the symbol "USREF".

## **FINANCIAL REPORTING AND DISCLOSURE DURING ECONOMIC UNCERTAINTY**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The Company has not been significantly impacted by the spread of COVID-19. However, the ongoing COVID-19 pandemic, inflationary pressures, rising interest rates, the global financial climate and the conflicts in Ukraine and the Middle East are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position and the Company's ability to raise funds at this time.

## **DESCRIPTION OF BUSINESS**

Norman Chow, P.Eng., is the designated Qualified Person (QP) under National Instrument 43-101 ("NI 43-101"), with respect to the disclosure of metallurgical scientific and technical reporting regarding the Peak project.

Roy Eccles, P.Geo., is the designated Qualified Person (QP) under National Instrument 43-101 ("NI 43-101"), with respect to the disclosure of geological scientific and technical reporting regarding the Peak project.

## **Share consolidation**

On December 5, 2025, the Company completed a consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for five pre-consolidation common shares (the "Share Consolidation"). The exercise price and number of common shares issuable pursuant to the exercise of any outstanding convertible securities, including incentive stock options and warrants, were also adjusted in accordance with the Share Consolidation. The numbers of outstanding securities and other relevant information including but not limited to price per share, and exercise prices of convertible securities presented in these consolidated financial statements have been retroactively adjusted accordingly, unless otherwise specified.

## **Proposed transaction**

On August 22, 2024, the Company entered into a definitive business combination agreement (the "Business Combination Agreement") with Plum Acquisition Corp. III (NASDAQ: PLMJF) ("Plum"), a NASDAQ-listed special purpose acquisition company.

Pursuant to the terms of the Business Combination Agreement:

- (i) Plum will re-domicile in the Province of British Columbia and amalgamate with a newly formed company incorporated under the laws of the Province of British Columbia ("Pubco"), and
- (ii) immediately thereafter, a newly formed, wholly owned subsidiary of Plum incorporated under the laws of the Province of British Columbia will amalgamate with the Company, such that, following the closing of the transactions contemplated by the Business Combination Agreement (the "Closing"), the Company will continue

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as a wholly owned subsidiary of Pubco, which will be renamed “Tactical Resources Corp.” or such other name as may be agreed to between the parties.

In the Proposed Business Combination, shares of the Company (the “Company Shares”) will be exchanged for newly issued shares of Pubco (“Pubco Shares”) pursuant to an exchange ratio to be determined at the Closing.

The exchange ratio is to be based on a pre-transaction deemed equity value of the Company of US\$500 million. Specifically, the exchange ratio will be calculated by dividing:

- a) the quotient obtained by dividing:
  - (i) the sum of US\$500 million, the amount of any new equity financings and the aggregate exercise price of any in-the-money equity awards, by
  - (ii) the number of issued and outstanding Company Shares on a fully diluted basis, and
- b) US\$10 per share.

On December 10, 2024, the Company amended its Business Combination Agreement (the “BCA”), which was further amended on January 28, 2025, with Plum Acquisition Corp. III, extending the transaction deadline to July 30, 2025, and removing the \$5,000,001 net tangible asset requirement, subject to shareholder approval. Plum’s securities moved to OTC Markets after delisting from Nasdaq on January 27, 2025. Regulatory filings with the U.S. Securities and Exchange Commission (“SEC”) and Canadian Securities Administrators (“CSA”) are in progress.

On July 30, 2025, the Company executed Amendment No. 3 to the BCA, which introduced the following terms:

- **Lock-Up Restrictions:** 80–85% of shares issued to Company shareholders at closing will be subject to a six-month lock-up, with early release possible in three tranches based on Pubco’s stock price performance.
- **Reverse Stock Split:** Requires shareholders’ approval to effect a reverse stock split prior to closing, with a maximum exchange ratio of 1-for-25.
- **Termination Extension:** The outside date for closing was reaffirmed as July 30, 2026 in Amendment No. 3.
- **Ancillary Agreements:** The Key Company Securityholder Lock-Up Agreement was executed, formalizing lock-up obligations for certain shareholders.

As of October 31, 2025, the Company has incurred \$6,048,460 (July 31, 2025 – \$5,299,424) in accumulated costs including \$749,036 during the three months ended October 31, 2025, that were expensed which related to the proposed transaction, and an accumulated costs of \$4,848,946 remained unpaid and is included in accounts payable and accrued liabilities (July 31, 2025 – \$4,460,367).

In addition, on January 1, 2025, the Company entered into agreements with its directors, officers, and consultants to grant 920,148 common shares of the Company as bonus shares (the “Bonus Shares”) with a fair value of \$1.275 per share, totaling \$1,173,187 which was included in share-based payments during the year ended July 31, 2025. Of these, 414,383 common shares are to be issued to the Company’s directors and officers. On January 1, 2025 the Company also agreed to pay certain consultants \$333,887 in cash (the “Cash Bonus”) for filing the initial filing statement of the proposed transaction on October 29, 2024. The Bonus Shares and Cash Bonus are to be issued and paid upon the closing of the proposed transaction.

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On April 23, 2025, the Company entered into a consulting agreement with a consultant to provide capital market advisory services for a 12-month period. Pursuant to the agreement, the consultant is entitled to receive 50,000 PubCo Shares upon the Closing.

On May 26, 2025, the Company amended the advisory agreement originally entered into on February 13, 2024 (the “Amended Advisory Agreement”) with its financial advisor (the “Advisor”). Under the terms of the Amended Advisory Agreement, the Advisor is entitled to an advisory fee of US\$1 million (the “Advisory Fee”), which is earned and payable upon the closing of the proposed transaction and subject to the size of the concurrent financing (the “Proposed Financings”) associated with the transaction.

The Advisory Fee payment structure is as follows:

- If the gross proceeds from the Proposed Financings are less than US\$20 million, 100% of the Advisory Fee will be deferred or settled in PubCo Shares at the sole discretion of the Advisor.
- If the gross proceeds from the Proposed Financings exceed US\$20 million but are less than US\$35 million, 50% of the Advisory Fee will be paid in cash, while the remaining 50% will be deferred or settled in PubCo Shares at the sole discretion of the Advisor.
- If the gross proceeds from the Proposed Financings exceed US\$50 million, 100% of the Advisory Fee will be paid in cash.

Additionally, in the event that the Company and/or Plum completes an equity or equity-linked offering, including a private investment in public equity (PIPE), or any financing related to the proposed transaction that may dilute the Company’s capitalization, the Advisor will be entitled to a fee equal to 5% of the gross proceeds raised in the PIPE (the “PIPE Fee”), payable as follows:

- 50% in cash
- 50% in PubCo Shares upon closing

Furthermore, if the Company and/or Plum completes a debt offering in connection with the proposed transaction (the “Debt Offering”), the Advisor will be entitled to a fee equal to 2.5% of the gross proceeds raised in the Debt Offering (the “Debt Fee”), payable as follows:

- 50% in cash
- 50% in PubCo Shares upon closing

In addition, accounts receivable as of October 31, 2025, include \$45,150 receivable from PLUM III Merger Corp. for transaction costs paid by the Company on its behalf (July 31, 2025 – \$37,275).

On November 7, 2025, the Company, Tactical, and YA II PN, Ltd (“Yorkville”) entered into a financing agreement (the “SEPA”) and a registration rights agreement (the “Registration Rights Agreement”). Pursuant to the SEPA, Yorkville will open a standby equity line for the Company in an aggregate principal amount of up to US\$100,000,000. Yorkville is to advance US\$7,500,000 to the Company in the form of a first pre-paid advance evidenced by a convertible promissory note on the closing of the Business Combination, and another US\$2,500,000 to the Company in the form of a second pre-paid advance with an equivalent note that is not convertible on the date the initial registration statement on form F-1, filed pursuant to the Registration Rights Agreement in connection with the SEPA, becomes effective.

Pursuant to the SEPA, Yorkville has a right of first refusal for 24-months from the date of entering into the SEPA for any at-the-market offering program pursuant to Rule 415(a)(4) under the Securities Act of 1933, as amended.

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Pursuant to the Registration Right Agreement, the Company will file within 30 calendar days of closing of the Business Combination a registration statement on Form F-1 registering the SEPA. The Company shall use its best efforts to have the registration statement on form F-1 declared effective as soon as practicable, but in no event later than 60 calendar days after the filing of the registration statement.

Since signing the SEPA, no funds have been received as of December 22, 2025.

On December 16, 2025, the Company announced that its shareholders approved the Business Combination Agreement. PubCo is expected to list its common shares on the Nasdaq Stock Market in the first quarter of 2026, subject to regulatory approvals.

**Sierra Blanca Quarry Project**

On July 14, 2021, the Company entered into an assignment and assumption agreement (the "SBQ Assignment Agreement") with Peak 6891 LLC ("Peak"). Peak is party to an agreement dated June 1, 2021 with Sierra Blanca Quarry, LLC ("SBQ LLC"), Dennis Walker and Becky Dean Walker (the "SBQ Offtake Agreement"), pursuant to which Peak was granted the rights to acquire certain crushed ore and tailings materials extracted by SBQ LLC from the Sierra Blanca Quarry, located in Hudspeth County in the State of Texas. Pursuant to the SBQ Assignment Agreement, on August 11, 2021, (the "SBQ Closing Date"), Peak assigned all of its rights and obligations under the SBQ Offtake Agreement to the Company.

The Peak project found within the Sierra Blanca Complex is located 68 miles southeast of El Paso, Texas. The project is located within the Sierra Blanca Quarry which is currently operational in the production of ballast material for the Union Pacific railway.

In consideration for the SBQ Assignment Agreement, on the SBQ Closing Date, the Company issued 200,000 common shares ("SBQ Consideration Shares") (issued with a fair value of \$200,000), which have been capitalized to deferred acquisition costs. As of October 31, 2025, the Company has not completed the acquisition of crushed ore or tailings materials and accordingly the costs incurred are recorded as deferred acquisition costs.

As further consideration for the SBQ Assignment Agreement, following the SBQ Closing Date, the Company is committed to the following additional payments which will be satisfied through the issuance of common shares of the Company (collectively, the "SBQ Milestone Shares"):

- a) \$250,000 upon receipt by the Company or any affiliate of a building permit and completion of construction bid set, including applicable specifications for construction, execution, operation and commercial production, for a facility (a "SBQ Processing Facility") to process material acquired by the Company pursuant to the SBQ Offtake Agreement, or any successor agreement;
- b) \$156,250 for each US\$2,000,000 of government grants received by the Company or any affiliate, in connection with the development and operation of the SBQ Processing Facility, to a maximum of \$1,171,875 provided that the final payment will be reduced in the event the maximum threshold has been reached;
- c) \$50,000 for each US\$2,000,000 of government loan guarantees received by the Company or any affiliate, in connection with the development and operation of the SBQ Processing Facility, to a maximum of \$625,000, provided that the final payment will be reduced in the event the maximum threshold has been reached;
- d) \$500,000 upon the Company or any affiliate reaching a decision to commence commercial production of HREE oxides or other refined metals at the SBQ Processing Facility; and
- e) \$250,000 upon the Company or any affiliate entering into a binding agreement to acquire commercial offtake

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material produced by the SBQ Processing Facility.

In addition, on July 14, 2021, in connection with the SBQ Assignment Agreement, the Company entered into an agreement ("SBQ Finders' Fee Agreement") with Oasis SB Inc. ("Oasis" or the "Finder"). Oasis introduced the transaction contemplated by the SBQ Assignment Agreement and assisted the Company in facilitating the transaction. Pursuant to the SBQ Finders' Fee Agreement, the Company agreed to issue 50,000 common shares of the Company ("Oasis Finders' Shares") to Oasis for the services provided. The Oasis Finders' Shares were issued during the year ended July 31, 2022 with a fair value of \$10,000, which have been included in capitalized deferred acquisition costs.

The Oasis Finders' Shares issued were subject to an escrow arrangement, which has since been fully released.

On July 30, 2021, the Company and SBQ LLC entered into a purchase and sale agreement ("SBQ P&S Agreement") to replace the SBQ Offtake Agreement. SBQ LLC owns and operates a surface metal mine that specializes in rhyolite, granite and other similar igneous rock, that is located in Sierra Blanca, Texas.

SBQ LLC has generated a stockpile located on the Surface Area that contains a minimum of 4 million tons of tailings (the "Tailings"). SBQ LLC has agreed to sell to the Company, the Tailings, in amounts selected by SBQ LLC, in its sole discretion, all on and subject to the terms and conditions of the SBQ P&S Agreement.

Delivery Schedule

- (i) A maximum of 45 days after commercial production decision and before November 30 of each calendar year, SBQ LLC shall advise the Company of the amount of Tailings that shall be available for purchase. The Company also has the option to purchase additional Tailings mined from the premises as and when the same become available on the same terms and conditions as set forth in the SBQ Agreement.
- (ii) A maximum of 15 days after the date set forth in Delivery Schedule (i) above, the Company shall advise SBQ LLC of the amount of Tailings the Company shall purchase for the remainder of the calendar year, or the upcoming calendar year.

During the three months ended October 31, 2025 and as of the date of this MD&A, no Tailings were purchased by the Company.

On May 13, 2022, the Company entered into an amendment of the SBQ Assignment P&S Agreement (the "Amended SBQ Assignment P&S Agreement") to provide an option to the Company to purchase all of the membership interest of SBQ LLC or partially of the membership interest of SBQ LLC with the consent of Dennis Walker and Becky Dean Walker on or before July 31, 2026. The purchase price of the membership interest of SBQ LLC will be determined by the Company and SBQ LLC based on the fair market value of SBQ LLC.

During the three months ended October 31, 2025, the Company incurred property investigation costs related to the Sierra Blanca Quarry Project of \$26,206 (October 31, 2024 – \$36,368). These costs were incurred to evaluate the Sierra Blanca Quarry Project and to assess the potential for processing the tailings into rare earth metals.

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Following is the breakdown of the property investigation costs incurred during the three months October 31, 2025, and 2024:

	For the three months ended	
	October 31, 2025	October 31 31, 2024
	\$	\$
Geological	-	2,583
Project management	20,795	20,697
Sample analysis	4,392	-
Technical studies	-	13,088
Travel	1,019	-
	<b>26,206</b>	<b>36,368</b>

On March 20, 2024, the Company provided an update on its Phase 1 Technical Work Program at the Peak Project. Key highlights included:

- Bench-scale bottle roll leach testing completed, with date analysis and reporting underway;
- Ongoing progress in remaining programs; and
- Solidified stance as a key player in strengthening the U.S. Rare Earth supply chain, aligning with national strategic objectives.

On May 17, 2024, the Company announced the completion of the Vat-Leach testing, with ongoing data analysis and reporting to be completed on its Phase 1 Technical Work Program.

**RESULTS OF OPERATIONS**

**Three Months Ended October 31, 2025 compared with the Three Months Ended October 31, 2024**

The Company is in the exploration stage and has no revenue from operations. During the three months ended October 31, 2025, the Company recorded a net loss of \$1,048,068 compared to \$2,507,059 for the three months ended October 31, 2024. The decrease in net loss was primarily a result of the decrease in cash and non-cash compensation including proposed transaction fees, property investigation costs and share-based payments, which were offset by increases in accretion of interest, consulting fees, travel and foreign exchange loss.

During the three months ended October 31, 2025, the Company incurred the following expenditures:

- Transactions costs were \$749,036 for the three months ended October 31, 2025 compared to \$2,147,405 for the three months ended October 31, 2024. The decrease is related to legal and corporate advisory fees incurred in connection with the proposed transaction.
- Expense recovery was \$28,981 for the three months ended October 31, 2025 compared to the property investigation costs of \$nil for the three months ended October 31, 2024. The recovery in property investigation costs during the three months ended October 31, 2025, is related to a cost sharing agreement and a reduction in overall operating activities compared to the prior period.
- Share-based payments were \$nil for the three months ended October 31, 2025 compared to \$141,351 for the three months ended October 31, 2024. The Company recognized share-based payments expense arising from the restricted share units vesting during the three months ended October 31, 2024.
- Consulting fees were \$132,310 for the three months ended October 31, 2025 compared to \$61,760 for the three months ended October 31, 2024. The increase primarily relates to government relations consulting services

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undertaken to enhance the Company's visibility with policymakers, compared to the three months ended October 31, 2024.

- Travel was \$54,108 for the three months ended October 31, 2025 compared to \$nil for the three months ended October 31, 2024. The increase reflects additional travel undertaken by management and Company personnel during the three months ended October 31, 2025 as compared to the prior year.
- Accretion of interest was \$48,679 for the three months ended October 31, 2025 compared to \$23,865 for the three months ended October 31, 2024. Accretion of interest for the period included \$17,163 related to the Extended Payables, with payment terms extended to September 30, 2026, and \$31,516 related to the increase in the carrying value of the convertible note liability.

**SUMMARY OF QUARTERLY INFORMATION**

The quarterly results for the last eight quarters are summarized below:

	Three months ended			
	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025
	\$	\$	\$	\$
Net revenue	Nil	Nil	Nil	Nil
Net loss	(1,048,068)	(1,043,208)	(577,530)	(2,478,501)
Basic and diluted loss per share	(0.15)	(0.15)	(0.10)	(0.35)

	Three months ended			
	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
	\$	\$	\$	\$
Net revenue	Nil	Nil	Nil	Nil
Net loss	(2,507,059)	(2,146,760)	(727,225)	(252,033)
Basic and diluted loss per share	(0.35)	(0.30)	(0.10)	(0.05)

None of the variations in net loss reported in the previous periods were unusual or indicative of any trend with respect to the future when the Company expects to have more involvement in revenue-generating operations. Fluctuations reported were the result of the level of activity of the Company in each given reporting period.

**SELECTED FINANCIAL INFORMATION**

	For the three months ended		
	October 31, 2025	October 31, 2024	October 31, 2023
	\$	\$	\$
Finance income	-	-	-
Operating expenses	394,788	359,654	461,033
Net loss	(1,048,068)	(2,507,059)	(461,033)
Basic and diluted loss per share	(0.15)	(0.35)	(0.05)

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<b>As at:</b>	<b>October 31, 2025</b>	<b>July 31, 2025</b>	<b>July 31, 2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	467,649	436,162	367,535
Long-term financial liabilities	466,440	464,434	567,810
Cash dividend per share	Nil	Nil	Nil

The fluctuation in operating costs and corporate costs is attributable to variations in various expense items, such as consulting fees, corporate communications, general and administrative expenses, professional fees, and property investigations costs, which occur due to the administrative and fund-raising activities occurring during a particular period and to the availability of funds in those periods to pay for those activities. There is no seasonality to these variations, nor are they indicative of any trend. In comparing the net loss for the three months ended October 31, 2025 to October 31, 2024, the net loss decreased primarily due to property investigation costs, share-based payments and transaction costs related to the proposed transaction.

**LIQUIDITY AND CAPITAL RESOURCES**

**Working capital and cashflow**

The Company’s activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

The Company has no revenue-producing operations. As at October 31, 2025, the Company had accumulated losses of \$18,974,666 (July 31, 2025 – \$17,926,598). As at October 31, 2025, the Company had a working capital deficiency of \$7,889,908 (July 31, 2025 – working capital deficiency of \$6,957,695), including cash of \$78,573 (July 31, 2025 – \$64,306). Except for property expenditures on the Sierra Blanca Quarry Project, the Company does not have any commitments for capital expenditures.

The Company’s business objectives using the available funds are to evaluate the existing tailings at the Sierra Blanca Quarry and acquire an exclusive option to purchase all or part of the membership interest of the Peak project.

The Company is dependent on external financing, including equity issuances and debt financing, to fund its activities. Management will determine whether to accept any offer for financing, weighing such factors as the financing terms, the results of exploration, share price at the time and current market conditions, among others. Circumstances that could impair the Company’s ability to raise additional funds include general economic conditions, and the other factors set forth below under “*Risk Factors*”.

On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned, exploration and committed administrative costs, to maintain adequate levels of working capital.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of financing cannot be obtained then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

**Operating activities**

Cash outflows of \$13,458 were recorded from operating activities during the three months ended October 31, 2025. This is primarily due to outflows relating to consulting fees, corporate communications, exploration and evaluation, general and administrative, professional fees, property investigation costs, and transfer agent and regulatory fees.

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**Financing activities**

On May 17, 2024, the Company completed a non-brokered private placement of a 2-year, 10% unsecured convertible notes in the principal amount of \$200,000 with an arm's length lender (the "2024 Convertible Notes"). Any accrued and unpaid interest may, at the Company's sole discretion, be paid in cash or in units at a conversion price equal to the last closing market price of the Company's common shares on the TSXV immediately prior to the conversion date, subject to TSXV policies. The convertible notes have a maturity date of May 17, 2026 (the "2024 Maturity Date").

The 2024 Convertible Notes may be converted into units of the Company (the "2024 Units") at any time from the date of issuance until the 2024 Maturity Date, with a conversion price of \$0.50 per 2024 Unit. Each 2024 Unit consists of one common share of the Company and one share purchase warrant. Warrants are exercisable into additional common shares of the Company at an exercise price of \$0.75 for a period of 3 years.

On January 21, 2025, the Company completed a non-brokered private placement of a 2-year, 10% unsecured convertible notes in the principal amount of \$500,000 (the "2025 Convertible Notes"); of this amount \$485,00 was with arm's length lenders and \$15,000 with related parties. Any accrued and unpaid interest may, at the Company's sole discretion, be paid in cash or in units at a conversion price equal to the last closing market price of the Company's common shares on the TSXV immediately prior to the conversion date, subject to TSXV policies. The convertible notes have a maturity date of January 21, 2027 (the "2025 Maturity Date").

The 2025 Convertible Notes may be converted into units of the Company (the "2025 Units") at any time from the date of issuance until the Maturity Date, with a conversion price of \$1.00 per 2025 Unit. Each 2025 Unit consists of one common share of the Company and one share purchase warrant. Warrants are exercisable into additional common shares of the Company at an exercise price of \$1.00 for a period of 3 years.

The 2024 Convertible Notes, the 2025 Convertible Notes and warrants issued upon conversion are subject to the following blocker provisions:

- **10% blocker:** Prevents conversion if it would result in the securityholder holding 10% or more of the issued and outstanding shares.
- **20% blocker:** Restricts exercise of warrants if it exceeds 20% ownership.

**Subsequent to October 31, 2025:**

- On November 6, 2025, the Company received cash advances totaling \$100,000 from several prospective investors. The advances are non-interest bearing, repayable on demand and not subject to any binding financing agreements. These funds are intended to be used to pay professional fees and other working capital needs prior to the completion of the business combination.

**OUTSTANDING SHARE DATA**

At October 31, 2025, the Company had 7,345,379 common shares issued and outstanding (July 31, 2025 – 7,134,896) with a value of \$7,580,909 (July 31, 2025 – \$7,410,662).

**During the three months ended October 31, 2025:**

- 189,000 stock options were exercised for proceeds of \$94,500.

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- 21,483 units were issued in connection with the conversion of the 2025 Convertible Notes with a principal value of \$20,000, including interest. Each unit consists of one common share of the Company and one share purchase warrant. Each share purchase warrant, exercisable into an additional common share of the Company at an exercise price of \$0.20 for a period of three years.
- No warrants were exercised or cancelled.
- No options were granted or cancelled.
- No RSUs were granted, exercised or cancelled.

**Obligation to issue shares**

On January 1, 2025, the Company entered into agreements with its directors, officers, and consultants for the issuance of 920,148 common shares of the Company (“Bonus Shares”), of which 414,383 Bonus Shares were allocated to the Company’s directors and officers. The Bonus Shares were earned upon the successful filing of the initial filing statement related to the proposed transaction on October 29, 2024, and are to be issued upon a future closing of the proposed transaction. The fair value of the Bonus Shares, totaling \$1,173,187, was recorded as share-based payments in the statements of loss and comprehensive loss for the year ended July 31, 2025.

**Subsequent to October 31, 2025:**

- 183,000 common shares were issued upon the exercise of 183,000 stock options with cash proceeds of \$91,500.
- 538,000 common shares were issued upon the settlement of 538,000 RSU’s.

As of the date of this MD&A, the Company had:

- 8,066,379 common shares issued and outstanding;
- 592,783 warrants outstanding;
- 107,000 stock options outstanding; and
- 170,000 RSU’s outstanding.

**RELATED PARTY TRANSACTIONS**

The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors and corporate officers. The following table discloses the total compensation incurred to the Company’s key management personnel during the three months ended October 31, 2025, and 2024:

<b>Related Party</b>	<b>Relationship</b>
Ranjeet Sundher	CEO and Director
Alnesh Mohan	CFO
Matt Chatterton	Director
Kuljit (Jeet) Basi	Director
J. Garry Clark	Director
Mark Mukhija	Director
1323552 BC Ltd.	A company in which the CEO is a principal
Quantum Advisory Partners LLP	A partnership in which the CFO is a partner
Number Eight Management Ltd.	A company in which a director is a principal
SVK Metrix Inc.	A company in which a director is a principal

The Company entered into the following transactions with related parties during the three months ended October 31, 2025, and 2024:

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	For the three months ended	
	October 31, 2025	October 31, 2024
	\$	\$
<b>Ranjeet Sundher, CEO and Director</b>		
Consulting fees <sup>(1)</sup>	30,000	30,000
Share-based payments	-	5,671
	<b>30,000</b>	<b>35,671</b>
<b>Alnesh Mohan, CFO</b>		
Professional fees <sup>(2)</sup>	22,880	30,680
Transaction costs <sup>(2)</sup>	28,860	71,240
Share-based payments	-	693
	<b>51,740</b>	<b>102,613</b>
<b>Kuljit (Jeet) Basi, Director</b>		
Consulting fees <sup>(3)</sup>	30,000	30,000
Share-based payments	-	5,041
	<b>30,000</b>	<b>35,041</b>
<b>Matt Chatterton, Director</b>		
Share-based payments	-	1,669
<b>Mark Mukhija, Director</b>		
Share-based payments	-	1,039
<b>TOTAL</b>	<b>111,740</b>	<b>176,033</b>

(1) Paid to 1323552 BC Ltd.

(2) Paid to Quantum Advisory Partners LLP. Fees consist of CFO, financial reporting, accounting support services and transaction support services.

(3) Paid to SVK Metrix Inc.

All related party transactions are carried out in the normal course of operation and are recorded at fair value.

As of October 31, 2025 and July 31, 2025, the amount due to the Company's officers and directors, and the company controlled by the Company's officers and directors was as follows:

	October 31, 2025	July 31, 2025
	\$	\$
Accounts payable and accrued liabilities	836,159	716,900
Convertible notes	12,749	12,749
Obligation to issue shares	528,338	528,338
	<b>1,377,246</b>	<b>1,257,987</b>

The carrying value due to the Company's directors and officers included in accounts payable and accrued liabilities was \$836,159 as of October 31, 2025, including amounts owed to the following:

- SVK Metrix Inc.: \$249,500 (July 31, 2025 - \$216,962)
- Quantum Advisory Partners LLP: \$338,909 (July 31, 2025 - \$284,582)
- 1323552 BC Ltd.: \$247,750 (July 31, 2025 - \$215,356)

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The amounts due to related parties are unsecured, non-interest bearing and payable on demand.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not utilize off-balance sheet arrangements.

**CRITICAL ACCOUNTING ESTIMATES**

These financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. Refer to Note 2 of the audited financial statements for the year ended July 31, 2025 for details on critical accounting estimates and judgments.

**NEW ACCOUNTING PRONOUNCEMENTS**

The Company has not identified any new accounting pronouncements that are likely to have a material impact on the audited financial statements.

There were no recently adopted accounting standards with a material impact to the financial statements during the three months ended October 31, 2025.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after August 1, 2025. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after August 1, 2025 will have a significant impact on the Company's future results of operations or financial position.

**FINANCIAL INSTRUMENTS**

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 11 of our unaudited financial statements for the three months ended October 31, 2025. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the financial statements for the year ended July 31, 2025.

**OTHER MD&A REQUIREMENTS**

**Management's responsibility for financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Risks and uncertainties**

- **Financing risks**

Additional funds may be required in the future to finance exploration and development work. The Company has access to funds through the issuance of additional equity and borrowing. There can be no assurance that such funding will be available to the Company under current economic conditions. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or that it will provide the Company with sufficient funds to meet its objectives, which could adversely affect the Company's business and financial condition.

- **Title to properties**

The Company will diligently investigate all title matters concerning the ownership of all mining claims and plans to do so for all new claims and rights to be acquired. The Company's options to acquire mining properties may be affected by undetected defects in title, such as the reduction in size of the mining titles and other third-party claims affecting the Company's interests. Maintenance of such interests is subject to ongoing compliance with the terms governing such mining titles. Mining properties sometimes contain claims or transfer histories that examiners cannot verify. Upon the exercise of its option, a successful claim that the Company does not have title to any of its mining properties could cause the Company to lose any rights to explore, develop, and extract any ore on that property, without compensation for its prior expenditures relating to such property.

- **Permits and licenses**

The operations of the Company will require licences and permits from various governmental and non-governmental authorities. The Company will obtain all necessary licences and permits required to carry on with activities which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development, and extraction operations on its mining properties.

- **Environmental and other regulatory requirements**

Environmental and other regulatory requirements will affect the future operations of the Company, including exploration and development activities and commencement of production on the Company's mining properties. Such projects will require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing exploration, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. Companies engaged in the development and operation of mines and related facilities often experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations, and permits.

Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the Company's mining properties and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development, or operation of ore extraction facilities at the Company's mining properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and environmental laws.

Amendments to current laws, regulations, and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

- **SBQ Agreement**

The Company has not yet completed a work program on the tailings acquired pursuant to the SBQ Agreement, and there is no guarantee that such tailings will have economically recoverable REEs.

- **Risk of global outbreaks and contagious diseases**

The risk of global outbreaks, including COVID-19, have the potential to significantly and adversely impact the Company's operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. The Company is continuously evaluating the uncertainty and impact of the outbreak on the Company and its ability to operate due to employee absences, the length of travel and quarantine restrictions imposed by governments of affected countries, disruption in the Company's supply chains, information technology constraints, government interventions, market volatility, overall economic uncertainty and other factors currently unknown and not anticipated.

There can be no certainty that COVID-19, or other infectious illness, and the restrictive measures implemented to slow the spread of the virus will not materially impact the Company's operations or personnel in the coming weeks and months. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, results of operations or ability to raise funds at this time.