



Borealis Mining Company Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE
THREE MONTHS ENDING OCTOBER 31, 2025 AND 2024

The following management's discussion and analysis of the results of operations and financial condition ("MD&A") for Borealis Mining Company Limited (the "Company" or "Borealis"), is prepared as of October 31, 2025, and should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended July 31, 2025 (the "Financial Statements"). Readers are encouraged to read the Cautionary Note Regarding Forward-Looking Information included on page 2 of this MD&A. The financial information in this MD&A is derived from the Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A has been prepared effective December 23, 2025, and has been approved by the Board of Directors of the Company. All figures contained herein are expressed in United States dollars ("US\$" or "\$"), or as otherwise stated.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking information. Often, but not always, forward-looking statements use words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved or any variations (including negative variations) of such words and phrases. Such forward-looking statements, including but not limited to statements with respect to anticipated business plans or strategies, total cash costs, the mineral resource estimate (MRE) and capital expenditures, involve known and unknown risks, uncertainties and other factors which may cause the actual actions, events and results to be materially different from estimated actions, events or results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risk Factors" in the Company's Base Shelf Prospectus dated April 25, 2025, which is available for review on SEDAR+ at www.sedarplus.ca.

The Company believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Although the Company has attempted to identify key factors that could cause actual actions, events, or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated, or intended. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

BUSINESS DESCRIPTION

Borealis Mining Company Limited ("Borealis," "BMCL," or the "Company") was incorporated under the Business Corporations Act (British Columbia) on October 20, 2021. The head office and registered office is located at 5th Floor, 410 West Georgia Street, Vancouver, British Columbia, V6B 1Z3, and a mailing address is located at 401-217 Queen Street West, Toronto, Ontario, Canada, M5V 0R2. Borealis is an exploration and development stage mining company engaged in the business of acquiring and exploring mineral properties. The Company's principal project is the Borealis Gold Project ("Borealis Project") held via its wholly owned subsidiary, Borealis Mining Company, LLC. The Borealis Project is a fully permitted gold-silver mine and absorption, desorption, and refining ("ADR") plant, located near Hawthorne, Nevada. The Borealis Project was mined intermittently by previous owners since 1981.

Currently, the business objective of Borealis is to identify mineral resources at the Borealis Project and produce gold and silver utilizing its existing heap leach and ADR facilities. In the long term, the business objective of Borealis is to identify, evaluate, acquire, and explore additional mineral properties for the purpose of identifying additional mineral resources and extracting gold and silver.

The Company acquired two exploration properties during the year ended July 31, 2025, from Gold Bull Resources; the Sandman (held by Sandman Resources Inc) and Big Balds (held by GRU Resources Corp) projects both located in Nevada. The Sandman project, near Winnemucca, NV, has a recent (2023) Preliminary Economic Assessment (PEA) which considers a conventional heap leach mining operation targeting 38,000 ounces of gold produced per annum over a 9-year operation. Given the nature of the Sandman deposits (outcropping), a 2.2 Mtpa production rate and very low strip ratio of 2.2:1 extracts an average gold grade of 0.73 g/t Au (majority oxide). The PEA envisions a scenario where a simple heap leach operation is built at Sandman and loaded carbon is shipped to an external ADR facility to process into doré bars. The Borealis ADR facility is fully permitted and fully equipped to process external carbon. The Big Balds project provides the Company with an early-stage exploration project proximal to the Bald Hills mine near Elko, NV.

Additionally, the Company acquired six dormant subsidiaries from Gold Bull Resources. These inactive companies were kept historically to utilize tax losses in the future; Borealis will review and research the validity of these tax losses with US tax experts in the near future.

BOREALIS PROPERTY

Unless otherwise indicated, the technical information included in this MD&A is based upon information included in the Technical Report for the Borealis Project prepared by SRK Consulting (U.S.), Inc. consultants Douglas Reid, P. Eng, titled "NI 43-101 Technical Report Project Status Report Borealis Mine, Nevada, U.S.A." with an effective date of October 10, 2023 (the "Borealis Technical Report"). The Borealis Gold Project is located in western Nevada, approximately 16 road miles southwest of the town of Hawthorne in the Walker Lane Mineral Belt and 12 miles northeast of the California border. Hawthorne is 144 highway miles southeast of Reno and 331 highway miles northwest of Las Vegas. The Borealis property is comprised of 815 unpatented mining claims of approximately 20 acres each totaling about 16,900 acres and one unpatented mill site claim of about 5 acres.

The principal operating permits are currently in place for a heap leach operation in the center of the property. The status of all approved permits is current and can be maintained with the appropriate fees being paid on an annual basis. The balance of the property is prospective for epithermal gold and silver mineralization, with several exploration permits active and in good standing for drilling and other activities.

Appreciable gold mineralization was first identified in 1979 by Houston International Minerals Company, which led to rapid exploration and development that resulted in production beginning in October 1981 as an open-pit mining and heap leaching operation. The project was then acquired by Tenneco Minerals in 1981, who assumed operations and identified and developed several additional gold deposits (all of which now comprise the Borealis Project). In 1986, Echo Bay Mines acquired the Nevada assets of Tenneco Minerals, including the Borealis Project, and assumed operations. In 1990, mining operations ceased. During the period of mining from 1981 through to 1990, gold recovered from material placed on heap leach pads was approximately 500,000 troy ounces plus an estimated 1,500,000 troy ounces of silver. Reclamation of the mine began immediately upon the cessation of production and continued for several years.

In subsequent years, several operators conducted various exploration activities on the Borealis Project. In 2005, Gryphon Gold Corporation, through its wholly owned subsidiary Borealis Mining Company, earned 100% in the Borealis Project and conducted several exploration campaigns. In June of 2011, Gryphon Gold began construction of the Borealis Project, and its first shipment of loaded carbon was sent out in October 2011. Owing to cost overruns and construction delays, Gryphon entered into a debt facility with Waterton Global Value. Gryphon filed for voluntary Chapter 11 bankruptcy protection in July of 2013, triggering a protracted series of lawsuits over the ownership of the Borealis Project. The case was dismissed in Waterton's favour, who foreclosed on Gryphon. Waterton assumed control of Borealis Mining Company and operated the project until April of 2023, when it was sold to Borealis Mining Company Limited.

The Borealis Project is an advanced exploration and development asset that is permitted for production and maintains all necessary permits and infrastructure for possible future development. Office buildings, laboratory facilities, adsorption, desorption, and recovery (ADR) plant, and storage facilities were constructed or installed after 2011 and are in good condition. Roads in the Borealis Project area are a mix of open and maintained haul roads to recently operating pit areas, two-track roads along previously reclaimed roadways, and several all-terrain trails to access undeveloped portions of the Project. Power is supplied to the site via 69kV overhead line from the Hawthorne Substation located approximately 14.5 miles from the site. Water is supplied to the site from a topographically isolated basin. Two wells are located approximately 3 miles from the mine facilities and are in operable condition.

SANDMAN PROPERTY

The Sandman project is located in Humboldt County, Nevada, USA, on a checkerboard mix of public and private lands. Sandman is located in Townships 36 and 37 North, Ranges 35 and 36 East, Mount Diablo Meridian, Humboldt County, Nevada, USA. The property is situated south of the Slumbering Hills and west of the Tenmile Hills, circa 24 km northwest of the town of Winnemucca, Nevada. The property lies 23 km south of the historical producing Sleeper gold mine.

The Sandman project can be described as 117km² of consolidated checker-board lands consisting of Bureau of Land Management (BLM) and private ownership sections. The Sandman project is made up of 761 unpatented lode mining claims (ABLE, NAP, REST, SAM, SAN (445), and SM (316)) and approximately 6km² of private land holdings in Humboldt County, Nevada. The underlying title for the mining claims and the private land is held in the name of Sandman Resources Inc, which is 100% owned by Borealis Mining Company Ltd.

On July 31, 2023, a Preliminary Economic Assessment (PEA or Scoping) Phase 2 Study at the Sandman Project was completed. The Sandman Scoping **Phase 2** Study has identified a stand-alone, low pre-production capital \$31.5M, conventional heap leach gold project producing circa 35,000 to 40,000 ounces (average 38,000) of gold per year for 9 years. The project boasts a pre-tax Internal Rate of Return (IRR) at 102% and a pre-tax payback period of 1.1 years, using a gold price of \$1,800. The results from the Phase 2 study have identified a post-tax IRR of 81% with payback period of 1.3 years.

The Scoping Phase 2 Study focused on mining gold mineralized material within optimized pit shells in two phases: Phase 1 mines all mineralized material within the pit shell above the water table and Phase 2 study focused on mineralized material below the water table and within the pit shell, after completion of additional monitoring, permitting and dewatering efforts paid by mine cashflow.

The Scoping Phase 2 Study focused on the efficient extraction of all mineralized material within an optimized pit shell in a sequence that facilitates effective use of initial pre-production capital and a more rapid mine commissioning. In July 2023, minor modifications were made to the Scoping Study. The modifications provided include the addition of post-tax financial analysis and the addition of an independent metallurgical qualified person review, which resulted in the previously assumed recoveries increasing from 70% to 75% with multi-phase crushing.

BIG BALDS PROPERTY

The Big Balds project is located circa 10km west of the Bald Mountain Mine held by Kinross. The initial project is comprised of 109 lode mining claims on BLM tenure and is located within White Pine County, Nevada, USA. Two high priority targets on the project were identified which will form the core of a future exploration program.

OPERATIONAL HIGHLIGHTS AND BUSINESS DEVELOPMENTS

During the three months ending October 31, 2025, the Company continued to advance operational activities at the Borealis Mine in Mineral County, Nevada. Processing of the existing oxide stockpile remained the primary source of gold production during the period. Improvements made earlier in the year to the crushing and agglomeration circuits resulted in more consistent throughput and fewer disruptions related to screen wear, conveyor alignment, and material handling. Particle-size distribution feeding the leach pad stabilized, contributing to predictable solution grades and recoveries. Contractor crushing and placement of stockpile material took place through the quarter. During the quarter 123,000 tonnes were hauled to the leach pad (project-to-date 197,000 tonnes).

Leaching activities progressed in line with internal expectations for historic stockpile material. Pregnant solution grades fluctuated within modeled ranges, influenced primarily by the variability of the remaining stockpiles and seasonal evaporation rates. ADR plant performance remained steady, with carbon adsorption, stripping, and electrowinning operating without material interruption. Minor plant upgrades completed during the three months ending October 31, 2025, improved pump reliability and instrumentation accuracy, supporting better control of solution chemistry and recovery efficiency. The gold-bearing pregnant solution was captured in the ADR plant, with the first pour from the stockpile project taking place September 24, 2025. This pour resulted in 956.835 troy ounces at 42.638% Au and 27.836% Ag resulting in 406.951 payable Au ounces and 263.682 payable Ag ounces.

Preparatory work to resume open-pit mining and blasting in early 2026 advanced during the three months ending October 31, 2025. Engineering reviews of pit geometries, strip ratios, haul road standards, and blast patterns were completed. Site teams advanced workforce planning, contractor engagement, and equipment procurement assessments to ensure timely mobilization once mining restarts. Road maintenance on the Lucky Boy Pass access route was conducted on a scheduled basis, and no heavy haulage occurred on the public portion of the road during the period.

Environmental compliance activities remained on schedule. All monitoring and reporting requirements under federal, state, and county regulations were met. Seasonal upgrades to storm-water controls and sediment-management infrastructure were completed ahead of winter. Wildlife protection protocols, cyanide-handling procedures, and reagent-storage systems operated without incident.

On October 21, 2025, the Company announced the United States Forest Service (USFS) approved the Company's Minor Modification to the Borealis Mine Plan of Operations (#02-04-08). This marked another significant milestone in the operational readiness and mine restart preparations.

Exploration and Evaluation

Exploration activities focused on extensive mapping, sampling, and strategic planning. Mapping and geochemical sampling yielded promising results from the western side of the Borealis property, and a trenching and drill plan Notice of Intent (NOI) was approved by the Bureau of Land Management. VRIFY AI targeting identified a new exploration target southeast of the main Borealis trend.

Significant exploration was also the focus on the Sandman property, including detailed historical data review and identification of key targets for future sampling and potential drilling. New

sampling grids at Sandman were developed for the Q4 exploration plan. Two NOI's were approved for the Big Balds project.

A comprehensive exploration budget was presented to the board, outlining future drilling, permitting, and claim staking across multiple prospective areas

Subsequent to the three months ending October 31, 2025, the Company continued preparations for the planned restart of mining and blasting in early 2026. Discussions with regulatory authorities, including the Bureau of Land Management and Mineral County officials, advanced regarding updated blasting-clearance procedures and public-notification protocols. Contractor selection for drilling, blasting, and mining services also progressed, along with procurement planning for additional mobile equipment required for the restart.

Gold production in November continued to reflect the characteristics of remaining stockpile material and normal fluctuations in solution inventory. A second pour occurred after the three months ending October 31, 2025, resulting in preliminary troy ounces of 625.235 and approximately 280 ozs of Au and 160 ozs of Ag.

The Company is also continuing internal evaluations across its Nevada portfolio, including potential sequencing of Borealis and Sandman to maximize cash flow, optimize capital allocation, and leverage shared operational capabilities where appropriate. These evaluations remain ongoing and may form the basis of future technical and economic studies.

SELECTED FINANCIAL INFORMATION

	For the three months ended October 31, 2025	For the three months ended October 31, 2024
	\$	\$
Revenue	1,544,485	943,811
Net loss	(877,004)	(2,267,874)
Comprehensive loss	(989,811)	(2,252,094)
Net loss per share (basic and diluted)	(\$0.01)	(\$0.03)

	For the three months ended October 31, 2025	As at July 31, 2025
	\$	\$
Total Assets	15,604,329	9,014,096
Working Capital	11,872,503	5,160,379
Total non-current liabilities	10,664,352	10,734,682

Since inception, the Company has incurred losses while advancing its business plan. The comprehensive loss for the three months ending October 31, 2025, was \$989,811 (October 31, 2024: loss of \$2,252,094).

As at October 31, 2025, the Company had not yet achieved profitable operations, has accumulated losses since its inception, and expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. The Company has been successful in raising funds, therefore, the Company's ability to obtain additional financing is enough to assume that the Company will continue as a going concern, however there is no certainty this will occur in the future at terms acceptable to the Company.

RESULTS OF OPERATIONS

	For the three months ended October 31, 2025	For the three months ended October 31, 2024
	\$	\$
Exploration and evaluation costs	343,645	806,207
Operating expenses	7,405	243,030
Consulting and professional fees	946,230	1,261,845
General and administrative	410,065	550,002

Exploration and evaluation costs are provided in additional detail below:

	For the three months ended October 31, 2025	For the three months ended October 31, 2024
	\$	\$
Drilling	-	589,636
Personnel	69,779	207,055
Travel	33,857	9,363
Contractors / Consultants	154,371	-
Other	14,276	153
Claim Staking Cost	71,362	-
	343,645	806,207

The Company incurred \$343,645 in exploration expenses during the three months ending October 31, 2025 (2024 - \$806,207). A decrease year over year of \$462,562. The Company's drilling program on the Borealis project was in full operation during the three months ending October 31, 2024, and no drilling occurred in the three months ending October 31, 2025.

Operating expenses for the three months ending October 31, 2025, were \$7,405, a decrease over the comparative period of \$235,625. The majority of operating costs for the first quarter of this fiscal year were calculated into cost of goods sold for inventory as the sole focus of operators on the Borealis project was crushing the stockpile.

Consulting and professional fees for the three months ending October 31, 2025, were \$946,230. This decrease over the comparative periods of \$315,615 is primarily due to the majority of share-based awards vested in the previous fiscal year.

General and administrative expenses are provided in additional detail below:

	For the three months ended October 31, 2025	For the three months ended October 31, 2024
	\$	\$
Personnel	64,465	-
Contractors / Consultants	70,384	316,129
Office and General	218,009	230,014
Travel	57,050	3,672
Foreign Exchange	157	187
	410,065	550,002

General and administrative expenses remained fairly constant quarter over quarter. Personnel is a newly formed category outlining the US administration staff hired and travel increased during the three months ending October 31, 2025, as the CEO focuses on investor relations and growing the Company's asset portfolio.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2025, the Company had cash of \$8,176,726 (July 31, 2025 - \$3,183,238) and working capital of \$11,872,503 (July 31, 2025: \$5,160,379). The Company has sufficient working capital on hand to pay all commitments costs required to move the business forward in the next twelve months. The company has operating losses and negative cash flows from operations. The Company will remain reliant on capital markets and production that commenced on June 6, 2025, for future funding to meet its ongoing obligations.

RELATED PARTY TRANSACTIONS

Related parties are defined as management and directors of the Company and/or members of their immediate family and/or other companies and/or entities in which a board member or senior officer is a principal owner or senior executive. Other than disclosed elsewhere in the consolidated financial statements, related party transactions and balances are as follows:

	For the three months ended October 31, 2025	For the three months ended October 31, 2024
	\$	\$
Short-term compensation	110,624	151,582
Share-based compensation	6,242	1,151,397

SUBSEQUENT EVENTS

Subsequent to the three months ending October 31, 2025:

- 380,600 warrants were exercised for gross proceeds of \$206,957 (CAD\$290,360)
- 121,021 agent options were exercised for gross proceeds of \$48,389 (CAD\$67,772)
- 196,500 options were exercised for gross proceeds of \$104,820 (CAD\$147,001)
- 148,800 Gold Bull options expired November 25, 2025

On November 12, 2025, the Company granted 2,300,000 stock options to certain directors, officers, employees, and consultants with an exercise price of CAD\$1.63 (\$1.16) per share, of which 1,400,000 were issued to management. These options are exercisable for a period of five years and vest on November 12, 2026, with the exception of 150,000 options granted to the Company's Investor Relations consultant; these vest 25% each quarter.

On November 12, 2025, the Company granted 158,500 RSU's to certain employees and one consultant. These RSU's will vest on November 12, 2026.

EQUITY

The Company's authorized share capital consists of an unlimited number of common shares. As at the date thereof, please see the table below for information regarding the outstanding share capital of the Company.

Type of security	Number outstanding
Common shares	130,842,365
Warrants	10,207,780
Agent's options	228,099
Stock Options	4,806,800
RSUs	120,000
Fully diluted	146,205,044

RISK OF FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks in its financial instruments resulting from both its operations and its investment activities. The Company's management manages financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes. The Company's main financial risk exposures and its financial policies are as follows:

Credit Risk

Credit risk is the risk of a potential loss to the Company if one party of a financial instrument fails to meet its contractual obligations. The maximum credit exposures at October 31, 2025, are the carrying amount of cash. To reduce credit risk, all significant cash balances are placed with major, reputable, Canadian and U.S. financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company manages liquidity risk through the effective management of its capital structure. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to settle obligations and liabilities when due. The Company has the following undiscounted contractual obligations:

	Less than 1 year \$	2 to 3 years \$	4 to 5 years \$	Greater than 5 years \$	Total \$
Accounts payable and other payables	966,631	-	-	-	966,631
Decommissioning obligations	-	11,224,111	64,984	68,447	11,357,542
October 31, 2025	1,098,337	11,483,681	66,231	69,544	12,717,793

Commodity Price Risk

The Company is exposed to fluctuations in commodity prices as its ability to monetize inventory is impacted by prevailing gold prices.

Currency Risk

The Company is subject to currency risk on its financial instruments which are denominated in a currency that is not the same as the functional currency of the entity that holds them. Exchange gains and losses would impact profit or loss. At October 31, 2025, the Company held CAD\$8,799,100 in Canadian currency. A 10% change in the CAD/USD foreign exchange rate would have following impact (in US\$) on the balance held in CAD\$:

	\$ Impact
10% increase	(570,636)
10% decrease	697,445

Interest Rate Risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently, the Company has no assets or liabilities with a variable interest rate. Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. As at October 31, 2025, the Company did not have any outstanding loans and borrowings that are subject to variable interest rates.

Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The classification of the financial instruments as at October 31, 2025, as well as their gross carrying values, are shown in the table below:

	Classification	Measurement (\$)
Financial assets at amortized cost		
Cash	Amortized cost	8,176,726
Total financial assets		8,176,726
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	Amortized cost	966,631
Total financial liabilities		966,631

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

There have been no transfers between fair value levels during the year ending October 31, 2025, or July 31, 2025.

Cash, accounts payable and all other current payables are all short-term in nature and, as such, their carrying values approximate fair value.

As at October 31, 2025, and July 31, 2025, there were no financial assets or liabilities other than contingent consideration were measured and recognized in the consolidated statements of financial position at fair value.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES

See notes 3 and 4 of the Company's consolidated financial statements for the year ending July 31, 2025, for more information.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

See notes 3 and 4 of the Company's consolidated financial statements for the year ending July 31, 2025, for more information.

RISKS AND UNCERTAINTIES

There are various risk factors that could cause the Company's future results to differ materially from those described in this MD&A. The risks and uncertainties described below are those the Company currently believes to be material, but they are not the only ones the Company faces. If any of the following risks, or any other risks and uncertainties that the Company has not yet identified or that it currently considers not to be material, occur or become material risks, the Company's business, financial condition, results of operations and cash flows, and consequently the price of the Shares, could be materially and adversely affected. See "Risk Factors" in the Company's filing statement dated July 29, 2024.