



Borealis Mining Company Limited
(formerly 1329300 B.C. Ltd.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE
YEAR ENDING JULY 31, 2025**

The following management's discussion and analysis of the results of operations and financial condition ("MD&A") for Borealis Mining Company Limited (formerly, 1329300 B.C. Ltd.) (the "Company" or "Borealis"), is prepared as of July 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 November 25, 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 "\$"), except for production 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 important 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 (formerly 1329300 B.C. Ltd.) ("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 historically kept 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 the 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 generally 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, the Company reported minor modifications 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 year ending July 31, 2025, Borealis Mining Company Limited (“Borealis”, “BMCL”, or the “Company”) advanced all core components of its strategy to restart production at the Borealis Mine while expanding its project portfolio and strengthening its capital markets profile. Work focused on three key areas: (i) advancing the Borealis Project toward near-term production, (ii) expanding the long-term growth pipeline through acquisition and exploration, and (iii) elevating market awareness following listing on two major exchanges.

The Company’s common shares commenced trading on the TSX Venture Exchange on August 7, 2024, under the trading symbol BOGO, following conditional approval announced on August 6, 2024. In October 2024, Borealis completed a secondary listing on the Frankfurt Stock Exchange under the symbol L4B0, improving access to European investors. These listings were supported by a focused investor relations program assisted by Adelaide Capital of Toronto, which included participation at several industry and capital markets events such as the Beaver Creek Precious Metals Summit (Colorado, USA), the Red Cloud Fall Mining Showcase (Toronto, Canada), IMARC (Sydney, Australia), the Atlantic One Investment Summit (Mallorca, Spain), Mines and Money (London, UK), and multiple webinars and in-person roadshows across North America and Europe.

Operational work at the Borealis Mine focused on residual leaching, gold recovery, detailed engineering, permitting refinement and site upgrades. Pregnant solutions from the permitted heap leach pad continued to be processed through the fully permitted ADR facility and converted to doré. During the year, the Company recovered 1,365,105 ounces of gold and 1,701,039 ounces of silver, for gross proceeds of \$3,963,872 from gold and \$55,304 from silver.

Significant upgrades were completed during the year to improve process reliability and prepare for restart of full operations. The electrowinning cell was fully refurbished with new anodes, cathodes, insulators, and copper busbars, resulting in improved metal recovery and reduced time in circuit. The on-site laboratory was materially upgraded with two new fire assay furnaces, a new crusher and pulverizer, calibration of existing equipment, and the temporary hiring of a dedicated laboratory technician. The pregnant pond underwent liner repair and was returned to service during the year. Both sets of cascading carbon columns were emptied, repaired, inspected and prepared for further optimization as the project moves toward active production.

Engineering and mine planning accelerated with the addition of a dedicated mine engineer in late July 2024. The engineer’s work during the year included pit design and scheduling, haulage and mining studies, evaluations of contract versus owner-operated crushing and mining scenarios, and documentation of permitting requirements and timelines. A minor modification to the current Borealis Mine Plan of Operations was submitted to the U.S. Forest Service and the Nevada Department of Environmental Protection to expand pit and dump footprints, providing greater operational flexibility and the opportunity to optimize cut-off grades under prevailing gold prices. In addition, metallurgical column testing was completed by McClelland Labs in Reno, a site metallurgical audit was completed by Haggarty Technical Services, and a Site Superintendent was recruited to manage plant and leaching activities in April 2025.

Preparations for first-stage production accelerated toward the end of the period. On June 6, 2025, a crushing contractor began processing the mineralized stockpile material on site. By July 31, 2025, a total of 73,650 tonnes had been crushed and stacked on the active heap leach pad at an average grade of 0.67 grams per tonne gold, containing an estimated 1,050 ounces of recoverable gold based on a projected 73.3% recovery rate. The first leach pad panel was placed under cyanidation on August 1, 2025, with the first gold pour from freshly crushed material

completed on September 29, 2025. This outcome validates the Company's crushing and leaching strategy and confirms the operational readiness of the ADR plant ahead of broader mining restart.

Exploration and geological activities continued throughout the year across the Borealis district. Reverse circulation drilling targeted historical confirmation, deposit expansion, and new structural concepts in the Graben, Jamie's Ridge and Cerro Duro areas, where a total of 2,605 feet was drilled across 12 holes. In November 2024, Borealis reported strong RC results from the Graben area, including 2.25 grams per tonne gold over 99.1 metres with higher-grade sub-intervals. In March 2025, further positive oxide intercepts were reported at the Cerro Duro and Jaime's Ridge deposits including 30.5 metres of 4.48 grams per tonne gold and 20.5 grams per tonne silver in hole BMCD012 with 6.1 metres grading 15.16 grams per tonne gold and 42.18 grams per tonne silver, located near historical open pits. The Company also worked on its internal geological model during the year.

Geological work extended to mapping, sampling, spectral analysis and modernization of historical datasets. Mapping was completed across the Middle Earth target area and extended to the Brody and Northeast Ridge west areas. A total of 184 rock chip samples were taken at Middle Earth, with an additional 72 rock chip samples collected from other target areas. Seventy-seven samples from the Graben area were sent for metallurgical testing. Historical drill logs and assay certificates were digitized for integration into modern target generation software. Spectral data collected at Middle Earth and Graben/Freedom Flats were interpreted during the year and confirmed several structural trends and targets for further work, including a structure subparallel to the Cerro Duro shear zone. Geological staff also completed a comprehensive exploration guide for the Borealis District, supported by core boards designed to improve interpretation consistency among project geologists.

During the year, Borealis significantly expanded its Nevada asset base. On December 10, 2024, the Company announced a definitive agreement to acquire Gold Bull Resources Ltd. and its Sandman and Big Balds gold projects in Nevada. A 2023 Preliminary Economic Assessment for Sandman outlined a low-capital heap leach operation with an indicated resource of approximately 433,000 ounces of gold and an inferred resource of approximately 60,800 ounces of gold, with robust economics and potential for staged development. The transaction closed on March 13, 2025, resulting in the issuance of approximately 14 million shares to former Gold Bull shareholders, who now hold approximately 14 percent of Borealis. During the year, VRIFY used historical datasets to produce AI-based exploration targets at Sandman, establishing future work programs and potential synergies with the Borealis ADR facility.

The Company strengthened its balance sheet through a bought deal financing completed in February 2025. The offering was upsized to 17,857,150 units at a price of CAD\$0.56 per unit, for gross proceeds of approximately CAD\$10 million. Each unit consisted of one common share and one-half warrant with a two-year term and an exercise price of CAD\$0.78. The financing closed on February 26, 2025 and included participation from institutional and strategic investors such as Eric Sprott and a company controlled by Robert McEwen. Proceeds are allocated toward exploration and development at the Company's Nevada projects, working capital, and general corporate purposes.

Overall, the year positioned Borealis for transition toward production while expanding its project pipeline and market visibility. Production of doré from residual leaching continued throughout the year, plant infrastructure was upgraded, mine planning advanced, and first-stage production from stockpile material commenced before year end. At the same time, exploration results strengthened geological confidence and the Company's Nevada platform expanded through the acquisition of Sandman and Big Balds. With engineering, permitting and operational readiness

significantly advanced and first leaching of freshly crushed material initiated after year end, Borealis enters the next fiscal period with a strengthened asset base and a clear pathway toward mine restart and potential production growth.

ACQUISITION OF BOREALIS MINING COMPANY, LLC

On April 17, 2023, the Company completed the acquisition of 100% of the outstanding membership interests in Borealis Mining Company, LLC (“BMC LLC”), which owns the Borealis Project. The Company determined that it obtained control over BMC LLC on the acquisition date. The transaction was classified as an asset acquisition as the assets and liabilities acquired as part of this transaction did not meet the definition of a business.

The fair value of the consideration for its interest and the net assets acquired are as follows:

	\$
Cash	100,000
Contingent consideration	5,013,307
Total consideration	5,113,307
Identifiable assets acquired and liabilities assumed:	
Cash	5,489
Restricted cash	25,630
Prepaid expenses	194,417
Property, plant, and equipment	509,234
Accounts payable and accrued liabilities	(286,801)
Decommissioning obligation	(10,357,983)
Mineral property interests acquired	15,023,321

The Company recognized the value of mineral properties acquired as project acquisition expense for the period. In conjunction with the acquisition, the Company incurred \$86,656 in legal fees that have been recorded as transaction costs in the period from November 17, 2022 (date of incorporation) to July 31, 2023. The Company estimated the useful lives of property, plant and equipment acquired to range between 1 to 2 years at the date of acquisition.

Pursuant to the transaction, the Company has committed to the following contingencies:

- i) Upon the completion of a future reverse takeover transaction (“RTO”) between the Company and an RTO target, the resulting issuer shall issue common shares to the seller of BMC LLC in the amount that is equal to the greater of:
 - a. 19.99% of the issued and outstanding common shares of the resulting issuer at the closing of the RTO; and
 - b. That number of common shares having value equal to \$5,000,000, based on the value of the resulting issuer’s common stock at the closing of the RTO.

On May 9, 2024, the Company issued 15,558,338 shares to satisfy this commitment. As at July 31, 2024, contingent consideration balance was \$Nil.

- ii) \$5,000,000 payable in cash upon publishing an NI 43-101 resource report for the sulphide portion of the BMC LLC property describing a resource of 2,800,000 or more ounces of gold equivalents.
- iii) \$2,500,000 payable in cash upon passing environmental assessment, permitting and approval for underground mining site.
- iv) \$7,500,000 payable in cash upon commercial production of sulphide ore at the BMC LLC property.

As at the date of acquisition and as at July 31, 2025, the Company has provided for the contingencies noted in (ii) to (iv) above in the amount of \$13,307 (July 31, 2024: \$13,307), reflecting management's estimate that the likelihood of these being paid is low.

- v) \$500,000 payable in cash if such an RTO transaction is not completed by October 17, 2023 ("RTO Deadline"). Subsequent to July 31, 2024, the parties amended the agreement, and the RTO Deadline was extended to April 15, 2024. During the year ended July 31, 2025, the contingency noted in (i) above was transferred by the seller to a third party, and this contingency was waived.

REVERSE ACQUISITION

On May 9, 2024, the Company completed an acquisition by way of a plan of arrangement under Division 5 of Part 9 of the Business Corporations Act (British Columbia) (the "Arrangement"). The Arrangement was carried out pursuant to an arrangement agreement dated February 6, 2024, between 1329300 B.C. Ltd. (the "Issuer"), 1000693081 Ontario Ltd., a wholly owned subsidiary of the Issuer and Borealis Mining Company Limited.

The closing of the Arrangement resulted in the Issuer acquiring all the issued and outstanding common shares in the capital of Borealis Mining Company Limited (each, a "Target Share"). The Target Shares outstanding immediately prior to the completion of the Arrangement have been cancelled, and the former holders of the Target Shares received common shares in the capital of the Issuer (each, an "Issuer Share"), resulting in the Issuer issuing an aggregate of 76,057,838 Issuer Shares (including 15,558,338 Issuer Shares to settle the contingent consideration).

In addition, the 13,288,900 common share purchase warrants of Borealis Mining Company Limited (each, a "Target Warrant") and 1,123,136 compensation options of Borealis Mining Company Limited (each, a "Target Compensation Option") have been cancelled, and the former holders of the Target Warrants and the Target Compensation Options received economically equivalent securities of the Issuer.

The Arrangement resulted in the non-diluted Issuer Shares being held as follows: (i) 76,057,838 Issuer Shares (approximately 97.77%) held by former shareholders of Borealis Mining Company Limited; and (ii) 1,737,745 Issuer Shares (approximately 2.23%) held by existing shareholders of the Issuer. The value of the 1,737,745 shares issued to shareholders of the Issuer were valued at \$575,468, based on the estimated fair value of the shares which were estimated using the most recent financing completed by Borealis Mining Company Limited prior to the Arrangement.

In connection with the closing of the Arrangement, Borealis Mining Company Limited and 1000693081 Ontario Ltd. amalgamated pursuant to the provisions of the Business Corporations Act (Ontario), and the resulting entity has become a wholly owned subsidiary of the Issuer, which was renamed Borealis Holdings Inc. ("BHI"), and which carries on the previous business of Borealis Mining Company Limited. In addition, the Issuer has changed its name to Borealis Mining Company Limited.

This transaction was accounted for as a reverse acquisition of the Issuer by Borealis Mining Company Limited and the purchase price allocation was determined as follows:

	\$
Shares issued	575,468
Total consideration	575,468
Identifiable assets acquired and liabilities assumed:	
Accounts payable and accrued liabilities	(92,576)
Listing expense	668,044

ACQUISITION OF GOLD BULL RESOURCES (the "GB Acquisition")

On March 13, 2025, the Company completed the acquisition of 100% of Gold Bull Resources Corp. ("Gold Bull"), which owned the Sandman Project (held by Sandman Resources Inc) and Big Balds Project (held by GRU Resources Corp), from an arm's length party. The Company determined that it obtained control over Sandman Resources Inc ("Sandman") and GRU Resources Corp ("Big Balds") on the acquisition date. The GB Acquisition was classified as an asset acquisition as Gold Bull did not meet the definition of a business.

The fair value of the consideration for its interest and the allocation of the purchase price are as follows:

Shares	Note 10 (f)	\$ 6,142,337
Options	Note 10 (f)	150,546
Warrants	Note 10 (g)	894,068
Total consideration		7,186,951
Allocation of the purchase price:		
Cash and cash equivalents		29,611
Accounts receivable		4,424
Prepaid expenses		50,322
Reclamation bond		470,923
Accounts payable and accrued liabilities		(256,105)
Total purchase price		(299,175)
Exploration and evaluation expenses		6,887,776

The Company recognized the value of mineral property interests acquired as project acquisition expense for the period.

SELECTED FINANCIAL INFORMATION

	For the year ended July 31, 2025	For the year ended July 31, 2024
	\$	\$
Revenue	3,782,015	995,563
Net loss	(14,872,323)	(6,119,888)
Comprehensive loss	(14,725,964)	(6,259,285)
Net loss per share (basic and diluted)	(\$0.15)	(\$0.11)

	As at July 31, 2025	As at July 31, 2024
	\$	\$
Total Assets	9,014,096	7,374,188
Working Capital	5,160,379	4,103,274
Total non-current liabilities	10,734,682	10,694,234

Since inception, the Company has incurred losses while advancing its business plan. The comprehensive loss for the year ending July 31, 2025, was \$14,725,964 (July 31, 2024: loss of \$6,259,285).

As at July 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 year ended July 31, 2025	For the year ended July 31, 2024
	\$	\$
Exploration and evaluation costs	1,735,456	2,464,559
Operating expenses	443,231	902,362
Consulting and professional fees	3,349,057	942,299
General and administrative	2,400,740	1,083,722

Exploration and evaluation costs are provided in additional detail below:

	For the year ended July 31, 2025	For the year ended July 31, 2024
	\$	\$
Drilling	814,000	1,803,376
Personnel	451,928	589,766
Travel	17,074	52,430
Contractors / Consultants	246,941	-
Other	9,615	18,987
Claim Staking Cost	195,898	-
	1,735,456	2,464,559

The Company incurred \$1,735,456 in exploration expenses during the year ending July 31, 2025 (2024 - \$2,464,559). A decrease year over year of \$729,103. The Company's drilling program on the project was in full operation for the majority of the fiscal year ending July 31, 2024, and drilling only occurred in Q1 of year ending July 31, 2025.

Operating expenses for the year ending July 31, 2025, were \$443,231, a decrease over the comparative period of \$459,131. The Company focused on budgeting and mine models utilizing internal resources to prepare for the crushing and processing of the stockpile.

Consulting and professional fees for the year ending July 31, 2025, were \$3,349,057. This increase over the comparative periods of \$2,406,758 is primarily due to share-based awards granted during this fiscal year.

General and administrative expenses are provided in additional detail below:

	For the year ended July 31, 2025	For the year ended July 31, 2024
	\$	\$
Advertising and Marketing	1,002,856	881,770
Personnel	158,148	-
Office and General	1,098,079	114,482
Travel	144,800	93,307
Foreign Exchange	(3,143)	(5,837)
	2,400,740	1,083,722

Advertising and Marketing remained constant during the year compared to the comparative period as the Company continued to focus on promotion of the Borealis assets. A newly added category this year of personnel which captures US administrative staff hired in this fiscal year. A significant increase in office and general expenses during the year ending July 31, 2025, when compared to comparative period. This increase is primarily due to the Borealis Project ramping up on administrative staff and functionality such as contracting third party IT and environmental services, addition of mine site trucks, geological and engineering software, property taxes and mine site insurance. Additionally, during the transition of CFO's, the outgoing and incoming CFO's were both paid from September to December 2024.

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2025, the Company had cash of \$3,183,238 (July 31, 2024 - \$2,633,977) and working capital of \$5,160,379 (July 31, 2024: \$4,103,274). 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 year ended July 31, 2025 \$	For the year ended July 31, 2024 \$
Short-term compensation	446,801	375,750
Share-based compensation	1,597,362	-

During the year ending July 31, 2025, management of the Company received 3,550,000 option grants and 50,000 RSUs.

SUBSEQUENT EVENTS

Subsequent to July 31, 2025, several warrants, agent options and stock options were exercised.

- a) 13,607,968 warrants were exercised for gross proceeds of \$7,287,165 (CAD\$10,083,384)
- b) 1,820,283 agent options were exercised for gross proceeds of \$693,567 (CAD\$957,566)
- c) 196,500 stock options were exercised for gross proceeds of \$104,820 (CAD\$147,001)

RSU's vested subsequent to July 31, 2025, resulting in 120,000 units exercised and 55,000 units were forfeited due to employees leaving the Company. The 120,000 units that were exercised were issued in cash equivalent to \$81,105 (CAD\$111,600). Additionally, of the RSU's vesting in March 2026, 30,000 units have been forfeited due to employees leaving the Company.

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. Additionally, 995,200 options expired unexercised.

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	115,700,717
Warrants	29,003,726
Agent's options	2,029,849
Stock Options	5,802,000
RSUs	325,000
Fully diluted	152,861,292

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 July 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	1,098,337	-	-	-	1,098,337
Decommissioning obligations	-	11,483,681	66,231	69,544	11,619,456
July 31, 2025	1,098,337	11,483,681	66,321	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 July 31, 2025, the Company held CAD\$2,647,712 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	(173,867)
10% decrease	212,504

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 July 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 July 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	3,183,238
Total financial assets		6,048,788
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	Amortized cost	1,098,337
Total financial liabilities		1,098,337

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 July 31, 2025, or July 31, 2024.

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 July 31, 2025, and July 31, 2024, 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.