

**PENBAR CAPITAL LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2025**

## **INTRODUCTION**

The following Management's Discussion and Analysis ("MD&A") is dated October 16, 2025 and should be read in conjunction with the audited financial statements of Penbar Capital Ltd. ("Penbar" or the "Company") for the year ended June 30, 2025 and 2024, including the notes thereon. Penbar prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements are presented in Canadian dollars, which is the functional currency of the Company.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Penbar common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Penbar's financial statements, MD&A and all other continuous disclosure documents are filed with Canadian securities regulators and are available for review under the Penbar Capital Ltd. profile at [www.sedarplus.com](http://www.sedarplus.com).

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

## **DESCRIPTION OF BUSINESS**

Penbar Capital Ltd. (the "Company") was incorporated on March 4, 2021 under the laws of British Columbia. The Company completed an initial public offering ("IPO") of its common shares on January 27, 2022, and on January 31, 2022, the Company began trading its shares on the TSX Venture Exchange ("TSX-V" or the "Exchange"). The Company is classified as a Capital Pool Company ("CPC"), as defined in the Exchange Policy 2.4. The activities of the Company are initially limited to the efforts to identify and evaluate the acquisition of assets and business, which would represent a "Qualifying Transaction" for regulatory purposes.

The head office and the records and registered office is located at 2250 - 1055 W Hastings St. Vancouver, British Columbia, V6E 2E9.

The Company has not commenced commercial operations and has no significant assets.

The Company's continuing operations are dependent on the continued financial support of its shareholders, and the completion of a Qualifying Transaction. Any acquisition or investment proposed by the Company will be subject to regulatory approval. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within such time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's common shares from trading.

All amounts are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

## **PROPOSED QUALIFYING TRANSACTIONS**

*Emissions EV Technologies Ltd. - Terminated*

On November 24, 2023, the Company entered into an amalgamation agreement with Emissions EV Technologies Ltd., Emission EV Operating Corp. and 1451356 B.C. Ltd. Effective October 29, 2024, the Company terminated the proposed amalgamation.

#### Eastport Ventures Inc. – Definitive Amalgamation Agreement

On March 14, 2025, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Eastport Ventures Inc. ("Eastport"), an arm's length party, pursuant to which the Company intends to acquire (the "Acquisition") all of the issued and outstanding securities of Eastport (the "Eastport Shares") by way of a three-cornered amalgamation.

Three-cornered amalgamation is to be completed under the *Business Corporations Act* (Ontario) by the Company, Eastport, and 1001160772 Ontario Ltd., a wholly-owned subsidiary of the Company, incorporated for the purpose of completing the amalgamation (the "Amalgamation"). The Amalgamation is expected to result in the issuance, to each shareholder of Eastport (each, an "Eastport Shareholder"), 0.7143 of one Post-Consolidation Common Share (as defined below) for each one Eastport Share held by such holder (the "Exchange Ratio") immediately prior to the closing of the Qualifying Transaction (the "Closing").

Prior to the completion of the Transaction, Eastport is expected to complete a non-brokered private placement financing for minimum gross proceeds of \$2,200,000. Each subscription receipt will be issued at a price of \$0.25 per subscription receipt. Each subscription receipt will convert into one (1) Eastport unit. Each Eastport unit will consist of one Eastport share and one half of one A warrant and one half of one B warrant. Each whole A warrant will entitle the holder thereof to acquire one additional Eastport share at a price of \$0.25 for a period of 12 months following the date of the listing. Each whole B warrant will entitle the holder thereof to acquire one additional Eastport share at a price of \$0.35 for a period of 24 months following the date of the listing.

As part of the Amalgamation, all convertible securities of Eastport outstanding immediately prior to the Closing are expected to be replaced with or exchanged for equivalent convertible securities of the Company entitling the holders thereof to acquire Post-Consolidation Common Shares in lieu of Eastport Shares, adjusted based on the Exchange Ratio. Eastport is a corporation incorporated pursuant to and existing under *Business Corporations Act* (Ontario). The Company does not expect that the Acquisition will be subject to shareholder approval of the Company. Eastport will hold a shareholder meeting or seek written shareholder consent in connection with the Acquisition. The Acquisition is arm's length for the purposes of the Exchange policies. No finder's fees are payable in connection with the Acquisition.

The Amalgamation will result in the reverse takeover of the Company by the Eastport Shareholders and will constitute the Company's Qualifying Transaction. Following the completion of the Qualifying Transaction, the Company, as the issuer resulting therefrom (the "Resulting Issuer"), is expected to carry on the current business of Eastport under the name "Eastport Ventures Inc." or such other name as may be determined by Eastport and approved by the shareholders of the Company and be acceptable to the applicable regulatory authorities, including the Exchange. The business of the Resulting Issuer will be primarily focused on mineral exploration and development of the properties in Botswana.

Closing is subject to a number of conditions including but not limited to satisfactory due diligence investigations, receipt of all required shareholder approvals and consents, if required, regulatory and third-party approvals and consents, including that of the Exchange and satisfaction of other customary closing conditions. The Acquisition cannot close until the required approvals are obtained. There can be no assurance that the Acquisition will be completed as proposed or at all.

In connection with the Acquisition, it is anticipated that the Company will, among other things: (i) change its name to "Eastport Ventures Inc." (as outlined above); (ii) reconstitute the existing directors and officers of the Company with nominees mutually agreed upon by the parties; (iii) enter into employment, consulting or other agreements with key members of the Eastport team and management; (iv) enter into such escrow or pooling agreements as required by the Exchange or as agreed by the parties; and (v) effect a consolidation (the "Consolidation") of its outstanding common shares on the basis of not less than three pre-consolidation common

shares for every one (the "Consolidation Ratio") post-consolidation common share (each, a "Post-Consolidation Common Share").

On May 26, 2025, the Company entered into an amended and restated amalgamation agreement with Eastport, including the terms of the related financing for subscription receipts of Eastport, in connection with the Company's proposed qualifying transaction.

In connection with the proposed Transaction, Penbar will effect a consolidation of its outstanding common shares on the basis of seven pre-consolidation common shares for every one post-consolidation common share.

In accordance with the terms of the amended and restated amalgamation agreement, each holder of shares of Eastport will exchange the holder's shares for common shares in the capital of the resulting issuer on the basis of 0.2941 fully paid and non-assessable resulting issuer common shares for every one Eastport share held.

Prior to the completion of the Transaction, Eastport is expected to complete a non-brokered private placement financing for minimum gross proceeds of \$3,250,000 and up to a maximum gross proceeds of \$5,000,000. Each subscription receipt will be issued at a price of \$0.18 per subscription receipt. Each subscription receipt will convert into one (1) Eastport unit. Each Eastport unit will consist of one Eastport share and one half of one A warrant and one half of one B warrant. Each whole A warrant will entitle the holder thereof to acquire one additional Eastport share at a price of \$0.25 for a period of 12 months following the date of the listing. Each whole B warrant will entitle the holder thereof to acquire one additional Eastport share at a price of \$0.50 for a period of 24 months following the date of the listing.

On September 26, 2025, the Company received conditional approval from the TSX-V with respect to proposed Qualifying Transaction. The closing of the transaction is pending.

## OVERALL PERFORMANCE

Since its incorporation on March 4, 2021, the Company has focused on completing an IPO, filing a listing application on the Exchange, identifying and evaluating the potential acquisition of assets and business and has incurred expenses relevant to such activity during the year ended June 30, 2025 as characterized by filing fees, professional fees and regulatory fees.

Loss and comprehensive loss for the year ended June 30, 2025, was \$170,555, which is further explained in "Discussion of Operations" below.

## SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years:

	<b>2025</b>	<b>2024</b>	<b>2023</b>
	\$	\$	\$
Total Revenues	-	-	-
Net Loss	(170,555)	(67,007)	(33,150)
Comprehensive Loss	(170,555)	(67,007)	(33,150)
Loss Per Share – basic and diluted	(0.04)	(0.02)	(0.01)
Total Assets	33,469	89,197	158,306
Total Long-term Financial Liabilities	-	-	-

The overall increase in comprehensive loss and total assets is mainly related to the Company's IPO and identification and evaluation of potential acquisitions described above and in the accompanying financial statements of the Company.

## DISCUSSION OF OPERATIONS

### Annual

Key components of loss and comprehensive loss for the year ended June 30, 2025 were as follows:

- Filing fees of \$5,002 (2024: \$4,221) relating to the continuous disclosure filings on SEDAR;
- Professional fees of \$143,130 (2024: \$52,677) comprised of legal fees of \$99,770 (2024: \$40,055) relating to the Company's general corporate matters and accounting fees of \$43,360 (2024: \$12,622) relating to the filings of the Company's annual audit and corporate income tax returns;
- Regulatory fees of \$17,026 (2024: \$5,526) relating to initial fee and Exchange's annual sustaining fees;
- Shareholder costs of \$642 (2024: \$Nil) relating to annual general meetings; and
- Transfer agent fees of \$4,535 (2024: \$4,450) was paid in relation to general monthly transfer agent expenses.

### Fourth Quarter 2025

Key components of loss and comprehensive loss for the three months ended June 30, 2025 were as follows:

- Filing fees of \$969 (2024: \$195) relating to continuous disclosure filings on SEDAR;
- Professional fees of \$96,612 (2024: \$13,655) comprised of the Company's legal fees for general corporate matters and the Company's annual audit;
- Regulatory fees of \$1,500 (2024: \$Nil) relating to initial fee and Exchange's annual sustaining fees; and
- Transfer agent fees of \$985 (2024: \$900) was paid in relation to general monthly transfer agent expenses.

## SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company for the eight most recently quarters of operation. This information is derived from unaudited quarterly financial statements prepared by management. The financial data for the quarters ended from September 30, 2023 to June 30, 2025, are prepared in accordance with IFRS.

	June 30, 2025 \$	March 31, 2025 \$	December 31, 2024 \$	September 30, 2024 \$	June 30, 2024 \$	March 31, 2024 \$	December 31, 2023 \$	September 30, 2023 \$
Total Assets	33,469	62,448	71,583	76,361	89,197	101,076	130,499	150,505
Working Capital	(84,561)	16,272	66,105	71,706	85,994	100,761	129,869	147,565
Revenue	-	-	-	-	-	-	-	-
Net Loss	(100,833)	(49,833)	(5,601)	(14,288)	(14,767)	(29,108)	(17,696)	(5,436)
Loss per Share	(0.03)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)

Overall, filing fees, professional fees, regulatory fees and share-based payments were the major components that caused variances in net loss from quarter to quarter. During the quarter ended June 30, 2025, the major expenses of the Company were regulatory fees of \$1,500, transfer agent fees of \$985 and filing fees of \$969.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company utilizes existing cash and the issuance of common shares to provide liquidity to the Company. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue the plans of identifying and completing a Qualifying Transaction, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's capital management approach is also disclosed in Note 8 of the financial statements for the year ended June 30, 2025.

During the year ended June 30, 2025, the Company's cash decreased by \$57,475 primarily due to the Company's regular course of business.

## **OFF-BALANCE SHEET ARRANGEMENTS**

There are no off-balance sheet arrangements.

## **RISK FACTORS**

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline, and prospective investors may lose part or all of their investment.

### ***No Operating History***

The Company was incorporated on March 4, 2021, has not commenced commercial operations and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. The Company has only limited funds with which to identify and evaluate potential acquisitions of a material asset or a business (Qualifying Transaction, or Proposed Transaction) and there can be no assurance that the Company will be able to do so. Even if a Proposed Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

### ***No Assurance of Market for Shares***

There can be no assurance that an active and liquid market for the Company's common shares will develop and a shareholder may find it difficult to resell its common shares.

### ***Halt of Trading***

Upon public announcement of a potential Proposed Transaction, trading in the common shares of the Company will be halted and will remain halted until Completion of the Proposed Transaction, or sooner pursuant to Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Proposed Transaction.

### ***Exchange May Not Approve a Qualifying Transaction***

Completion of a Proposed Transaction is subject to a number of conditions including acceptance by the

Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Proposed Transaction; the Exchange may not approve a Proposed Transaction:

- (a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the Exchange upon Completion of the Proposed Transaction;
- (b) if, following Completion of the Qualifying Transaction, the Company will be a finance company, or a mutual fund as defined under applicable securities laws;
- (c) the consideration proposed to be paid by the Company in connection with the Proposed Transaction is not acceptable to the Exchange; or
- (d) for any other reason at the sole discretion of the Exchange.

### ***Approval by the Majority of the Minority***

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Proposed Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

### ***Dilution***

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change, and shareholders may suffer dilution of their investment.

### ***Directors and Officers***

The Directors and Officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the Directors and Officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

### ***Reliance on Management***

The Company is relying solely on the past business success of its Directors and Officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its Directors and Officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

### ***Foreign Acquisition***

In the event that the Company identifies a foreign business as a Proposed Transaction, shareholders may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's financial statements in conformity with IFRS requires management to

make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The Company's significant estimates and judgments are disclosed in Note 4 – Summary of Significant Accounting Policies to the June 30, 2025, financial statements.

## **FINANCIAL INSTRUMENTS**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### **Fair Value Measurements**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value 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 that are not based on observable market data.

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair value of cash is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets. Accounts payable and accrued liabilities is measured at amortized cost.

### **Financial risk management**

- **Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

- **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as described in Note 8 of the financial statements for the year ended June 30, 2025.

The Company monitors its ability to meet its short-term administrative expenditures by raising additional funds through share issuance when required. The Company does not have investments in any asset backed deposits.

- **Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. The Company does not currently hold and does not expect to hold interest-bearing financial instruments other than cash, assets or liabilities denominated in a

foreign currency, and marketable securities or other financial instruments subject to fluctuations in equity prices, it currently does not have and is not expected to have exposure to these market risks.

- **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

- **Currency Risk**

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company is not exposed to significant currency risk. The Company has not entered into any foreign currency contracts to mitigate this risk.

## **NEW ACCOUNTING STANDARD ADOPTED**

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 July 1, 2021. The Company has determined that there were no new accounting standards, interpretations or amendments to existing accounting standards that had any effect on the Company's financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## **RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of June 30, 2025, \$1,575 (June 30, 2024 - \$Nil) was due to related parties.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

During the year ended June 30, 2025 and 2024 there were no amounts paid to key management personnel.

## **OUTSTANDING SHARE DATA**

### **Common shares**

The following table sets forth the Company's outstanding share data as of the date of this MD&A:

Total common shares	4,000,000
Total outstanding stock options	400,000
Total diluted common shares	4,400,000

## **CONTROLS AND PROCEDURES**

Disclosure controls and procedures (“DC&P”) are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. TSX Venture listed companies are not required to provide representations in filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI- 52-109. In particular, the CEO and CFO certifying Officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s financial reporting framework. The issuer’s certifying Officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosures of financial information. Investors should be aware that inherent limitations on the ability of certifying Officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.