



COLOURED TIES CAPITAL INC.

Management's Discussion & Analysis

As at and for the three months ended December 31, 2025

(Unaudited - expressed in thousands of Canadian dollars)

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COLOURED TIES CAPITAL INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

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OVERVIEW

The following management's discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Coloured Ties Capital Inc. (the "Company") and should be read in conjunction with the condensed interim financial statements for the three months ended December 31, 2025 and the audited financial statements for the years ended September 30, 2025, and 2024 (the "Financial Statements"); including the notes thereto, copies of which are filed on the SEDAR PLUS website: www.sedarplus.com.

All dollar figures included herein and in the following discussion and analysis are quoted in thousands of Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Information provided in this MD&A, including financial information extracted from the Financial Statements, is the responsibility of management. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Accordingly, actual results may differ materially from the expected results.

DESCRIPTION OF THE COMPANY'S BUSINESS

Coloured Ties Capital Inc., incorporated in Alberta on August 22, 2008, is primarily listed and trading on the TSX Venture Exchange (the "Exchange") as an investment issuer with the trading symbol "TIE".

During the year ended September 30, 2022, the Company changed its business from mineral exploration to an investment issuer. In line with the change of business, the Company also changed its name from Growmax Resources Corp. to Coloured Ties Capital Inc.

The head office, and principal address of the Company is 1500 Royal Centre, 1055 West Georgia Street, PO box 11117, Vancouver, BC, V6G 2Z6.

OVERALL PERFORMANCE

As of December 31, 2025, the Company had an accumulated deficit of \$167,083 (September 30, 2025 - \$164,562) and working capital of \$13,791 (September 30, 2025 - \$16,312), reflecting a decrease of \$2,521 over the three months period. While the Company strategically sold investments to manage cashflow to support ongoing operations, this led to a reduction in current assets, resulting in lower working capital. The Company experienced a net loss from investments of \$2,287 for three months ended December 31, 2025, compared to \$10,184 for the three months ended December 31, 2024. The inflows as a result of the sale of investments were primarily used to meet operational and compliance needs.

Overview of events and corporate updates

During the year end September 30, 2022, the Company reported a change in its business focus away from mineral exploration and into an investment issuer classification. As at December 31, 2025, the Company's investment portfolio includes major investments in Honey Badger Silver Inc., LaFleur Minerals Inc, Superior Mining International Corp. and Hertz Energy Inc.

On March 4, 2024, the Company incorporated 9511-2090 Quebec Inc., a 100% subsidiary, for the purposes of acquiring mineral properties. The Company had paid on behalf of this subsidiary an amount of \$214 to bid on certain mineral claims. The bid was successful, however, due to some environmental concerns related to the property, the bid was terminated. On May 15, 2024, a refund of \$206 was received related to the termination of the bid. During the year ended September 30, 2025, the Company sold its ownership interest in 9511-2090 Quebec Inc. to LFLR.

On May 24, 2024, the Company settled a debt of \$1,200 with LaFleur Minerals Inc. through the transfer of 6,666,666 shares of Superior Mining International Corporation. This transaction is considered a 'related party transaction'.

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On August 21, 2025, Canadian Towers and Fiber Optics Inc. ("Canadian Towers") completed a share purchase agreement with Akanda Corp., whereby Akanda Corp. acquired all of the issued and outstanding shares of Canadian Towers. The Company's shares in Canadian Towers were converted into 82,465 Class A Special Shares and 869,611 Class B Special Shares of Akanda Corp. Each special share converts into common shares of Akanda on a 1:1 basis. The Class B shares convert to common shares on the following basis: 19.9% on February 2, 2026, 2.25% on August 3, 2026, 3.25% on February 3, 2027 and the remaining on August 3, 2027.

The Company is an investment fund

The Company is now considered a "non-redeemable investment fund" as it meets the definition of a non-redeemable investment fund contemplated under the Securities Act (British Columbia) or the National Instrument 81-106 Investment Fund Continuous Disclosure ("NI 81-106") as the Company now invests for the purpose of being actively involved in the management of many issuers in which it invests.

Investment strategy

The Company has adopted an investment policy (the "Investment Policy") which was updated on February 1, 2023, to govern its investment activities and investment strategy. A description of the Investment Policy follows:

The Company may invest in equity, debt and convertible securities, which the Company intends will be acquired and held both for long-term capital appreciation and shorter-term gains. The Company seeks companies with potential, strong management, and involvement in a market segment that complements its macro position. A key aspect of the Company's investment strategy will be seeking undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends.

The Company aims to deliver long-term capital growth by investing in early-stage or undervalued companies. It will unlock value and accelerate growth as a partner, complementing management by providing board and capital market advisory services without directly operating the businesses.

The Company's investment strategy will also include structuring and initiating deals focused on particular resources, themes, or regions as well as launching the development of businesses in select industries by providing assistance with the hiring of management teams, providing seed capital and facilitating the transition of such private companies to the public market.

Implementation

Prospective investments will be channelled through the Investment Committee.

Once a decision has been reached to invest in a particular situation, a short summary of the rationale behind the investment decision will be prepared by the Investment Committee and submitted to the Board. All investments shall be submitted to the Board for final approval. The Investment Committee will select all investments for submission to the Board and monitor the Company's investment portfolio on an ongoing basis and will be subject to the direction of the Board.

Investment evaluation process

In selecting securities for the investment portfolio of the Company, the Investment Committee will consider various factors in relation to any particular issuer, including:

- inherent value of its assets;
- proven management, clearly-defined management objectives and strong technical and professional support;
- future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;
- anticipated rate of return and the level of risk;
- financial performance; and
- exit strategies and criteria.

Conflicts of interest

The Company has no restrictions with respect to investing in companies or other entities in which a member of the Company's management or Board may already have an interest or involvement. In the event that a conflict is determined

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to exist, the Company may only proceed after receiving approval from disinterested members of the Board. The Company is also subject to the "related party" transaction policies of the TSXV, which mandates disinterested shareholder approval for certain transactions.

Monitoring and reporting

The Company's Chief Financial Officer shall be primarily responsible for the reporting process whereby the performance of each of the Company's investments is monitored. Quarterly financial and other progress reports shall be gathered from each corporate entity, and these shall form the basis for a quarterly review of the Company's investment portfolio by the Investment Committee. Any deviations from expectation will be investigated by the Investment Committee and, if deemed to be significant, reported to the Board.

A full report of the status and performance of the Company's investments is to be prepared and presented to the Board at the end of each fiscal year.

Amendment of investment policy

The Company's Investment Policy may be amended with approval from its board of directors.

See section "RISK AND UNCERTAINTIES" for information on risk factors associated with the Company's business.

See section "FORWARD-LOOKING STATEMENTS" for a discussion of the risks, uncertainties and assumptions relating to forward looking information.

RESULTS OF OPERATIONS

The Company had a net loss of \$2,521 for the three months ended December 31, 2025 (2025 – 10,721). During three months ended December 31, 2025, the Company had a loss relating to investments (comprised of unrealized fair value loss on investments, realized loss on sale of investments and loss on foreign exchange) of \$2,287 (2025 – 10,184).

The following table summarizes some of the major items comprising net income for the three months ended December 31, 2025, and 2024:

	Three Months Ended	
	December 31, 2025	December 31, 2024
	\$	\$
Income from investments:		
Income (loss) from investments	(2,287)	(10,184)
General and administrative expenses:		
General and administrative expenses	237	427
Income before other income (expenses)	(2,524)	(10,611)
Other income (expenses)	3	(110)
Net income for the period	(2,521)	(10,721)

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The following table summarizes the items comprising income from investments for the three months ended December 31, 2025, and 2024:

	Three Months Ended	
	December 31, 2025	December 31, 2024
	\$	\$
Unrealized loss on investments	(2,352)	(10,148)
Realized gain (loss) on sale of investments	65	(36)
Income before other income (expenses)	(2,287)	(10,184)

The following table summarizes the items comprising general and administrative expenses for the three months ended December 31, 2025, and 2024:

	Three Months Ended	
	December 31, 2025	December 31, 2024
	\$	\$
Management fees	74	90
Bonus	-	109
Professional and consulting fees	137	145
Office expenses	12	26
Transfer and filing fees	14	29
Broker's commission	-	19
Research and development	-	9
	237	427

The following table summarizes the items comprising other income (expenses) for the three months ended December 31, 2025, and 2024:

	Three Months Ended	
	December 31, 2025	December 31, 2024
	\$	\$
Interest income	3	-
Foreign exchange gain (loss)	-	(110)
	3	(110)

Operational Results*During the three month period ended December 31, 2025*

The Company reported a net loss of \$2,521 and a net loss of 10,721 in the three months ended December 31, 2025 and 2024, respectively. This decrease in net loss was driven by the decrease in fair value loss on investments of \$2,352 during the three months ended December 31, 2025, compared to \$10,148 loss on investments in 2024. The Company also incurred realized gain on investments of \$65 resulting from the sale of investments.

General and administrative expenses decreased from \$427 to \$237, primarily due to a decrease in bonus accruals. The Company's professional and consulting fees remained consistent at \$137 compared to \$145 consisting primarily of audit, legal and accounting fees.

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SUMMARY OF QUARTERLY FINANCIAL RESULTS

The Company's operating results from the last eight quarters are summarized as follows:

	Three months ended			
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
	\$	\$	\$	\$
Net income (loss) attributable to the Owners of the Company	(2,521)	3,740	3,005	(2,026)
Basic and diluted earnings (loss) per share attributable to the Owners of the Company	(0.12)	0.19	0.17	(0.12)
Investments	15,489	16,644	12,894	9,485

	Three months ended			
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	\$	\$	\$	\$
Net income (loss) attributable to the Owners of the Company	(10,721)	10,487	(3,080)	(1,941)
Basic and diluted earnings (loss) per share attributable to the Owners of the Company	(0.68)	0.65	(0.20)	(0.13)
Investments	12,013	22,971	13,766	17,268

Over the past eight quarters, there has been significant fluctuation in the net income/loss of the Company primarily due to impairments, fluctuation in the fair value of the investments and allowances created against dues from related parties. The net income/loss of the Company ranged from a net income high of \$10,487 in the fourth quarter of the fiscal year 2024 to a loss of \$10,721 during the first quarter of the fiscal year 2025. During the first three quarters of the fiscal year 2024, there was a general declining trend in the securities markets. The Company incurred significant losses due to depreciation in the market value of its holdings, which started to improve during the fourth quarter resulting in net income for that quarter. During the last two quarters of fiscal year 2025, the Company has seen an increase in securities prices resulting a higher net income amount for the three months ended September 30, 2025 and increased investment totals.

Income (loss) from investments

Income (loss) from investments primarily consists of gain/loss relating to investments (comprised of fair value gain on investments, gain/loss on sale of investments and loss on foreign exchange).

Income (loss) from investments is impacted by fair value gain (loss) on investments and gain (loss) on sale of investments.

- Fair value gain (loss) on investments – consists of unrealized gain (loss) due to changes in the fair market value of the Company's investments, and impairments recorded during the period.
- Gain (loss) on sale of investments – consists of the realized gain (loss) on the sale of the investments. The Company uses weighted average method for computing the cost of sales.

The Company has experienced variable gains and losses over the past quarters due to significant fluctuations in the fair value of its investments. The Company experienced losses in the quarter ended December 31, 2025, the primary reason for the fair value loss was the underperforming markets.

General & administrative expenses ("G&A expenses")

G&A expenses primarily comprise of share-based compensation, professional and consulting fees, management fees, and office expenses. G&A expenses have shown a highly fluctuating trend over the last eight fiscal quarters of the Company. The primary reason for the fluctuation is professional and consulting fees, management fees, and share-based compensation with respect to the stock options and restricted stock units granted to the directors, officers and consultants of the Company. The investment transactions are based on the investment policy and the strategic opportunities present in the market, thereby, making the related broker's commission uneven over the quarters.

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Other income (expenses)

Other income (expenses) primarily consists of foreign exchange gain (loss), loss on allowance on due from related parties, loss on loan written off, interest income, and dividend income.

The majority of other income (expenses) is impacted by foreign exchange gain (loss), loss on allowance on due from related parties and loss on loan written off.

Foreign exchange gain (loss) – although the Company's presentation currency is Canadian dollars, a significant amount of the Company's cash is held in U.S. dollars. Foreign exchange gain (loss) is greatly affected by the impact of changes in exchange rates on U.S. dollar denominated financial instruments.

The foreign exchange gain (loss) has shown fluctuating trend over the last eight fiscal quarters primarily due to the high fluctuations between Canadian and US dollars.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2025, the Company had net working capital of \$13,791 (September 30, 2025 – \$16,312) including cash and cash equivalents of \$233 (September 30, 2025 - \$658). In order to support its compliance and general and administrative expenses for the current fiscal year, the Company will need funds which can be made available through sale of investments, additional financing, or accessing the margin facility. The Company valued at the warrants at \$nil using the residual value method.

Issued and outstanding shares

As of the date of this report, there were 21,886,934 common shares, 250,000 stock options, and 6,327,520 share warrants outstanding.

Transactions during the three months ended December 31 2025.

There was no share transactions during the three months ended December 31, 2025.

Transactions during the three months ended December 31, 2024.

On October 19, 2024, pursuant to the vesting of the Restricted Share Units (RSUs), the Company issued 1,290,000 common shares to its directors, officers, and consultants. Upon vesting, \$535 of contributed surplus was transferred to share capital.

Cash flow activities:

For the three months ended December 31, 2025, and 2024:

Cash balances decreased by \$425 and increased by \$28 during the three months ended December 31, 2025 and 2024, respectively. This is primarily from the sale of investments offset by the purchase of investments.

Operating activities

During the three months ended December 31, 2025, the Company used cash of \$425 compared to cash provided of \$27 in 2024 from operating activities, encompassing changes in non-cash operating items. The cash outflow for operating activities in 2025 stemmed from the purchase of investments. Conversely, cash inflow during the three months ended December 31, 2024 resulted from the sale of investments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at December 31, 2025 or as of the date of this report.

RELATED PARTY TRANSACTIONS

The amounts due to/from related parties are amounts due to the directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment. These routine transactions are valued in the Financial Statements at the exchange amount, reflecting the consideration established and agreed upon by the related parties.

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As at December 31, 2025, the Company had a balance due from related parties of \$308 (September 30, 2025 - \$411).

	As at	
	December 31, 2025	September 30, 2025
	\$	\$
Company where the CEO is a director	308	411
	308	411

As at December 31, 2025, due to related parties of \$2,192 (September 30, 2025 - \$1,332) comprises of amounts payable to key management personnel and/or companies directly or indirectly owned or controlled by key management personnel.

	As at	
	December 31, 2025	September 30, 2025
	\$	\$
Company controlled by Chief Executive Officer	935	936
Company indirectly controlled by CEO	311	305
Company with common officers	831	-
Firm where a director is a partner	46	23
Company controlled by Corporate Development Officer	27	27
Companies controlled by directors	17	17
Company where the CFO is a managing director	12	11
Company controlled by the former CFO	7	7
Party related to a director	6	6
	2,192	1,332

Remuneration to the Company's related parties was as follows:

	Three months ended	
	December 31, 2025	December 31, 2024
	\$	\$
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:		
Management fees		
CEO	63	63
Former CFO	-	16
CDO	11	11
Professional fees		
Firm where a director is a partner	34	20
Company controlled by the former CFO	-	16
Company where the CFO is a managing director	55	-
Consulting fees		
Company controlled by a director – Christopher Cooper	10	10
Related party to a director	6	6
Bonus		
CEO	-	72
CFO	-	23
CDO	-	7
Directors	-	7
Total	179	251

During the year ended September 30, 2023, the Company entered into a loan agreement with Canuck Lithium Corp. ("CLC") to advance \$265 to assist CLC in its mineral exploration projects. The amount bears interest at a rate of 4% and

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is due to be payable on December 31, 2023. On December 31, 2023, the Company entered into an amended agreement with Canuck to extend the due date of the promissory note from December 31, 2023, to December 31, 2024. As at December 31, 2025, the Company has accrued \$27 (2025 - \$25) as interest receivable on the promissory note. On December 31, 2024, the Company further amended the agreement to extend the due date of the promissory note to December 31, 2025.

During the year ended September 30, 2023, the Company advanced \$1,150 to LFLR via a promissory note bearing interest at 4% per annum, due on December 31, 2024. During the fiscal year 2023, the Company accrued \$12 in interest receivable and recorded a \$1,162 allowance for doubtful accounts based on expected credit losses to write off the total balance. During the year ended September 30, 2024, subsequent to LFLR being funded, the Company reversed the allowance and further accrued interest of \$118, making the total balance to be \$1,280. On May 24, 2024, LaFleur Minerals Inc. settled \$1,200 of the total debt owed to the Company by transferring 6,666,666 shares of Superior Mining International Corporation. During the three months ended December 31, 2025, LFLR repaid \$107 of amounts owing to the Company relating to the promissory note and reimbursement of expenses incurred by the Company for LFLR and advanced an additional \$834 in cash that is repayable to LFLR on March 31, 2026, bearing interest at 5% per annum. Subsequent to December 31, 2025, the Company repaid \$150,000 to LFLR.

On January 24, 2024, the Company received a \$350 loan from CEO Kulwant Malhi, with a 10% annual interest rate. The loan and interest are payable on demand. During the year ended September 30, 2025, the Company repaid \$250 of the principal balance. As at December 31, 2025, the principal outstanding is \$100 and interest of \$58 (2025 - \$55) is accrued.

On January 30, 2024, the Company received two loans from FLE: \$161 at 4% interest and \$1,300 at 9.5% interest, both maturing on January 30, 2025. The \$161 loan was fully repaid on March 5, 2024. As at December 31, 2025, \$1,049 of the \$1,300 loan was repaid, with \$61 (2025 - \$55) accrued as interest expense.

On June 27, 2024, the Company entered into a loan agreement with Bullrun Capital Inc. ("Bullrun") a company controlled by the CEO. Pursuant to the agreement, the Company borrowed \$100 from BullRun. The loan bears an interest rate of 4.0% per annum and was due in full on June 27, 2025. As at December 31, 2025, the Company has accrued an interest of \$6 (2025 - \$5) on this loan and it is considered due on demand.

CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting estimates, the readers are directed to Note 3 of the Financial Statements for the years ended September 30, 2025 and 2024, that are available on SEDARPLUS at www.sedarplus.ca.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Financial Statements for the years ended September 30, 2025 and 2024, that are available on SEDARPLUS at www.sedarplus.com.

RISKS AND UNCERTAINTIES

The following are certain factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deem immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

An investment in the Company is speculative. An investment in the Company will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Company.

No Operating History as an Investment Issuer

The Company does not have any record of operating as an investment issuer or undertaking merchant banking operations. As such, the Company is subject to all of the business risks and uncertainties associated with any new business enterprise,

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including the risk that the Company will not achieve its financial objectives as estimated by management or at all. Furthermore, past successes of management or the Board does not guarantee future success.

Portfolio Exposure and Sensitivity to Macro-Economic Conditions

Given the nature of the Company's proposed investment activities, the results of operations and financial condition of the Company will be dependent upon the market value of the securities that will comprise the Company's investment portfolio. Market value can be reflective of the actual or anticipated operating results of companies in the portfolio and/or the general market conditions that affect a particular sector. Various factors affecting a sector could have a negative impact on the Company's portfolio of investments and thereby have an adverse effect on its business. Additionally, the Company may invest in small-cap businesses that may never mature or generate adequate returns or may require a number of years to do so. This may create an irregular pattern in the Company's investment gains and revenues (if any).

Macro factors such as fluctuations in commodity prices and global political and economic conditions could also negatively affect the Company's portfolio of investments. The Company may be adversely affected by the falling share prices of the securities of investee companies; as such, share prices may directly and negatively affect the estimated value of the Company's portfolio of investments. Moreover, company-specific risks could have an adverse effect on one or more of the investments that may comprise the portfolio at any point in time. Company-specific and industry-specific risks that may materially adversely affect the Company's investment portfolio may have a materially adverse impact on operating results.

The factors affecting current macro-economic conditions are beyond the control of the Company.

Cash Flow and Revenue

The Company's revenue and cash flow is generated primarily from financing activities, dividends and/or royalty payments on investments and proceeds from the disposition of investments. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of the Company's direct control. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in market conditions generally or to matters specific to the Company, or if the value of its investments decline, resulting in losses upon disposition.

Private Issuers and Illiquid Securities

The Company may invest in securities of private issuers, illiquid securities of public issuers and publicly-traded securities that have low trading volumes. The value of these investments may be affected by factors such as investor demand, resale restrictions, general market trends and regulatory restrictions. Fluctuation in the market value of such investments may occur for a number of reasons beyond the control of the Company and there is no assurance that an adequate market will exist for investments made by the Company. Many of the investments made by the Company may be relatively illiquid and may decline in price if a significant number of such investments are offered for sale by the Company or other investors.

Volatility of Stock Price

The market price of the Common Shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Company is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Company should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Trading Price of the Common Shares Relative to Net Asset Value

The Company is neither be a mutual fund nor an investment fund and, due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of the Common Shares, at any time, may vary significantly from the Company's net asset value per Common Share. This risk is separate and distinct from the risk that the market price of the Common Shares may decrease.

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Available Opportunities and Competition for Investments

The success of the Company's operations is dependent upon, among other things: (a) the availability of appropriate investment opportunities; (b) the Company's ability to identify, select, acquire, grow and exit those investments; and (c) the Company's ability to generate funds for future investments. The Company can expect to encounter competition from other entities having similar investment objectives, including institutional investors and strategic investors. These groups may compete for the same investments as the Company, will have a longer operating history and may be better capitalized, have more personnel and have different return targets. As a result, the Company may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing, which may further limit the Company's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to invest in or that such investments can be made within a reasonable period of time. There can also be no assurance that the Company will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that the Company is unable to find and make a sufficient number of investments.

Share Prices of Investments

Investing in securities of public companies entails risks due to potential volatility in share prices. The Company's investment portfolio may not have a sustainable active trading market for the subject shares, and their trading prices may be subject to wide fluctuations based on various factors beyond the Company's control, such as quarterly variations in the companies' results of operations, changes in earnings, exploration and development results, analyst estimates, conditions in the resource industry, and overall market or economic conditions. In recent years, equity markets have experienced extreme price and volume fluctuations, which have significantly impacted market prices, often without regard to the operating performance of specific companies. Such market fluctuations could potentially have adverse effects on the market price of the Company's investments.

Concentration of Investments

Other than as described herein, there are no restrictions on the proportion of the Company's funds and no limit on the amount of funds that may be allocated to any particular investment. The Company may participate in a limited number of investments and, consequently, its financial results may be substantially adversely affected by the unfavourable performance of a single investment. Completion of one or more investments may result in a highly concentrated investment in a particular company or geographic area, resulting in the performance of the Company depending significantly on the performance of such company or geographic area.

Dependence on Management, Directors and Investment Committee

The Company will be dependent upon the efforts, skill and business contacts of key members of management and the Board for, among other things, the information and deal flow they generate during the normal course of their activities and the synergies that exist amongst their various fields of expertise and knowledge. Accordingly, the Company's success may depend upon the continued service of these individuals to the Company. The loss of the services of any of these individuals could have a material adverse effect on the Company's revenues, net income and cash flows and could harm its ability to maintain or grow assets and raise funds.

From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If the Company is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Additional Financing Requirements

The Company may have ongoing requirements for funds to support its growth and may seek to obtain additional funds for these purposes through public or private equity, or debt financing. There are no assurances that additional funding will be available at all, on acceptable terms or at an acceptable level. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on its ability to grow its investment portfolio.

No Guaranteed Return

There is no guarantee that an investment in the securities of the Company will earn any positive return in the short-term or long-term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return

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is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. The past performance of management of the Company provides no assurance of its future success.

Due Diligence

The due diligence process undertaken by the Company in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that is carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Exchange Rate Fluctuations

A proportion of the Company's investments will be made in Canadian dollars and the Company may also invest in securities denominated or quoted in U.S. dollars or other foreign currencies. Changes in the value of the foreign currencies in which the Company's investments are denominated could have a negative impact on the ultimate return on its investments and overall financial performance.

Non-Controlling Interests

The Company's investments are likely to consist only of debt instruments and equity securities of companies that it does not control. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of the investee company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of the Company's investments could decrease and its financial condition, results of operations and cash flow could suffer as a result.

Potential Conflicts of Interest

Certain of the directors and officers of the Company are or may, from time to time, be involved in other financial investments and professional activities that may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, advisors or agents of other public and private companies, including companies involved in similar businesses to the Company or companies in which the Company may invest, management of investment funds, purchases and sales of securities and investment and management counselling for other clients. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's results of operations and financial condition.

Potential Transaction and Legal Risks

The Company intends to manage transaction risks through allocating and monitoring its capital investments in circumstances where the risk to its capital is minimal, carefully screening transactions, and engaging qualified personnel to manage transactions, as necessary. Nevertheless, transaction risks may arise from the Company's investment activities. These risks include market and credit risks associated with its operations. An unsuccessful investment may result in the total loss of such an investment and may have a material adverse effect on the Company's business, results of operations, financial condition, and cash flow.

The Company may also be exposed to legal risks in its business, including potential liability under securities or other laws and disputes over the terms and conditions of business arrangements. The Company also faces the possibility that counterparties in transactions will claim that it improperly failed to inform them of the risks involved or that they were not authorized or permitted to enter into such transactions with the Company and that their obligations to the Company are not enforceable. During a prolonged market downturn, the Company expects these types of claims to increase. These risks are often difficult to assess or quantify and their existence and magnitude often remains unknown for substantial periods of time. The Company may incur significant legal and other expenses in defending against litigation involved with any of

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these risks and may be required to pay substantial damages for settlements and/or adverse judgments. Substantial legal liability or significant regulatory action against the Company could have a material adverse effect on its results of operations and financial condition.

Foreign Currency Risk

The Company operates in different countries and enters into transactions in different currencies. In particular, the Company currently conducts business in U.S. dollars and Canadian dollars. The Company holds cash and investments in these various currencies and often converts its holdings into other currencies. Accordingly, the Company is exposed to foreign currency risks due to fluctuations in exchange rates.

Results to Date and Additional Requirement for Capital

The Company has a relatively short history and has incurred significant losses to date. Due to the nature of its business, there can be no assurance that the Company will be profitable in the future. The Company has not paid dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. The Company may need to raise additional capital in the future to fund the expected capital requirements on future investments. The future of the Company may therefore be dependent upon its ability to raise the required funding in the form of equity, debt, joint ventures, or a combination thereof. The Company has limited debt capacity and therefore a significant part of its future may need to be financed primarily through equity or third-party joint ventures, though some debt may be obtained. There is no assurance that additional financing will be available and, if available, on terms acceptable to the Company. Any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictions on financing and operating activities.

Substantial Capital Requirements

The Company may require substantial capital expenditures for future activities. As future capital expenditures will be financed out of possible cash generated from operations, possible borrowings and possible future equity sales, the Company's ability to make capital expenditures is dependent on, among other factors: (i) the overall state of the capital markets; (ii) interest rates; (iii) the Company's ability to obtain debt financing; and (iv) tax burden due to current and future tax laws. Further, if the Company's resources decline, it may not have access to the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's business financial condition, results of operations and prospects.

Dependence on Key Personnel

The Company has a small management team and the loss of a key individual or its inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business. The Company may be particularly vulnerable to the loss of its key employees, officers, and directors for which no insurance can or has been obtained. Difficulties may also be experienced in certain jurisdictions in employing and retaining qualified personnel who are willing to work in such jurisdictions.

Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual severe fluctuations in price will not occur.

Conflicts of Interest

Certain directors and officers are directors and/or officers of other companies and as such may, in certain circumstances, have a conflict of interest. The resolution of any such conflict will be subject to and governed by procedures prescribed by the Company's governing corporate law statute which requires a director of a corporation who is a party to, or is a director or an officer of, or has some material interest in any person who is a party to, a material contract or proposed material contract with the Company to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under such legislation.

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Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects.

Future Sales of Common Shares by the Company

The Company may issue additional Common Shares in the future, which may dilute a shareholder's holdings in the Company or negatively affect the market price of the Common Shares. The Company's articles permit the issuance of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series, and shareholders will have no pre-emptive rights in connection with such further issuances. The directors of the Company have the discretion to determine the provisions attaching to any series of the preferred shares and the price and the terms of issue of further issuances of Common Shares. Also, additional Common Shares will be issued by the Company on the exercise of stock options under the Company's stock option plan, or pursuant to other share compensation arrangements.

Reliance on Attracting and Retaining Qualified Personnel

The Company may have difficulty attracting and retaining qualified local personnel to work on its projects due to shortages of qualified workers and intense competition for their services and it may also be difficult to attract, employ and retain qualified expatriate workers. In the event of a labour shortage, the Company could be forced to increase wages in order to attract and retain employees, which would result in higher operating costs and reduced profitability. A failure by the Company to attract and retain a sufficient number of qualified workers could have a material adverse effect on the Company's operating results, financial condition and prospects.

Third Party Credit Risk

The Company is exposed to third party credit risk through its contractual arrangements with various parties. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its cash flow.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompleteness of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

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MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

FINANCIAL AND OTHER INSTRUMENTS

Fair values

Per IFRS 7 - *Financial Instruments: Disclosures*, a three-level hierarchy that reflects the significance of inputs used in making fair value measurements is required. The three levels of fair value hierarchy are as follows:

- a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly;
and
- c) Level 3 – Inputs for assets or liabilities that are not based on observable market data.

Financial instrument risks

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described above. Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair value measurement.

	Level 1	Level 2	Level 3	Total
December 31, 2025				
Assets:				
Investments - Public	14,639	92	236	14,967
Investments - Private	-	-	80	80
Investments - Derivatives and debt securities	-	428	14	442
September 30, 2025				
Assets:				
Investments - Public	15,720	65	501	16,286
Investments - Private	-	-	80	80
Investments - Derivatives and debt securities	-	230	12	242

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

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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 obligation. The Company's exposure to credit risk is related to its cash and cash equivalents and loan receivable. The carrying value of the financial assets represents the maximum exposure to credit risk. The Company's exposure to credit risk is considered to be low-moderate, given the size and nature of the various counterparties involved and their history of performance.

As at December 31, 2025, the Company had \$191 (September 30, 2025 - \$506) held with financial institutions that have been assigned a long-term issuer default rating of AAA (Fitch Ratings), and \$42 (September 30, 2025 - \$152) held with the investment brokers in Canada.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its holdings of cash. All of the Company's financial liabilities are short-term and without fixed terms of repayment.

To date, the Company has relied on cash flows from operations, equity financing, and sale of assets to fund its operations and capital expenditures.

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 commodity and equity prices. The Company's marketable securities bear market price risk. The maximum exposure to this risk is equal to the carrying value of the investment.

Interest rate risk

Interest rate risk is the potential fluctuation in the fair value or future cash flows of a financial instrument due to market interest rate changes. When investing, the Company staggers maturity dates to minimize exposure. No derivatives manage this risk, and management believes the Company has minimal interest rate exposure. As of December 30, 2025, the Company had a payable balance of \$nil (September 30, 2025 - \$nil) in the margin facility. During the period ended December 31, 2025, the Company paid interest of \$10 (2024 - \$71)

Currency risk

The Company is exposed to financial risk related to fluctuations in foreign exchange rates. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at December 31, 2025, the Company's head office held United States dollars ("US\$") \$8 (September 30, 2025 – US\$8) of foreign currency in cash and cash equivalents and US\$293 (September 30, 2025 – US\$324) in investments. The Company estimates that a 5% weakening of the Canadian dollar vis-à-vis the US\$ at December 31, 2025, would have increased the Company's reported net loss for period ended December 31, 2025, by approximately \$15 (September 30, 2025 - \$17). A 5% strengthening of the Canadian dollar at December 31, 2025, would have had an equal but opposite effect.

Equity price risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares and investments consisting of share purchase warrants and options are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's investments are monitored by the Board with decisions on sale or exercise taken by Management. An 10% decrease in fair value of the equity and derivative investments would result in an approximate \$1,549 increase in the net loss for period ended December 31, 2025 (September 30, 2025 – increase in net loss by \$1,656).

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OTHER MATTERS

Contingent liabilities

The Company is not aware of any contingent liabilities.

PROPOSED TRANSACTIONS

There are currently no proposed transactions.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Detailed listings of general and administrative expenses and are provided in the Financial Statements of the Company.

OTHER REQUIREMENTS

Additional disclosure of the Company's material documents, information circular, material change reports, new release, and other information can be obtained on SEDARPLUS at www.sedarplus.ca.