

F O R A N

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025 and 2024

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This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations for Foran Mining Corporation (the "Company" or "Foran") should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2024, together with the MD&A for the year ended December 31, 2024, and the unaudited condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2025, and the related notes thereto, which have been prepared using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). For further information on the Company, reference should be made to its public filings on SEDAR+ at www.sedarplus.ca or the Company's website at www.foranmining.com.

This MD&A is prepared by management and was approved by the Company's board of directors (the "Board of Directors") on November 7, 2025. Our discussion covers the three months ("Q3 2025") and nine months ended September 30, 2025, and where noted, the subsequent period up to the date of issuance of this MD&A. All amounts are stated in Canadian dollars unless otherwise indicated.

In this MD&A, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "Foran" or the "Company", refer to Foran together, where context requires, with its subsidiaries and affiliates.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined under applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or to the future performance of the Company and reflect management's expectations and assumptions as of the date hereof or as of the date of such forward-looking statement.

All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Forward looking statements in this MD&A include, but are not limited to, statements regarding our objectives and our strategies to achieve such objectives; our beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, including in respect of exploration objectives and expectations; as well as specific statements in respect of the Company's objective of discovering mineral reserves and develop an operating mine; the McIlvenna Bay Deposit becoming the center of a new mining camp; the Company's ability to undertake development and construction of the McIlvenna Bay Project, including through construction, exploration, resource definition and environmental and engineering studies; our business activities, including the acquisition, exploration and development of mineral properties; our ability to become a critical minerals producer; our ability to create a blueprint for responsible mining that is upheld as leading practice; our objective of creating value for stakeholders; our intention to strive to work with and support local communities, provide safe employment, and advance diversity and equality; the 2025 Technical Report;

our updated capital cost estimate for Phase 1 to completion of \$1,082 million, our ability to track in line with same and other details in respect thereto; the Company's confidence in our construction schedule, construction outperformance across multiple workstreams; our target of achieving commercial production by mid-2026; our focus on safety; construction progress in respect of certain infrastructure and the rate of advance in such components; the progress of critical path construction items and major construction activities in line with schedule; the preparation of commissioning and ramp-up activities and initiation of bulk mining; concrete installation remaining on track for completion in December 2025; energization of the Power Line by March 2026; advancement of procurement work; approval of the commissioning plan for the process plant; erection of the first transmission line structures in October 2025; advancement across various construction workstreams; our ability to earn up to \$70 million in Royalty Credits, their transferability and our potential use of same to offset Company royalty obligations or monetize same through transfer and

sale to third parties; timing of anticipated SIF Funding and CMIF Funding contributions and the estimation that certain parts of such contribution amounts will be received after the Company reaches commercial production; the potential refund of approximately \$10 million of tax credits submitted by the Company as part of its 2024 corporate tax return in connection with the CT-ITC; our planned sources and uses of capital; expectations regarding the ATM Program, including the offer and sale of any Common Shares and volume, pricing and timing of such sales; use of proceeds from the ATM Program, if any, including for working capital and general corporate purposes and the possibility that actual allocation and use of proceeds may vary; the approval of the Common Shares issuable under the ATM Program for listing by TSX and other regulatory approvals; our potential exercise of the options in respect of the Hanson Lake property and the Denare West Property; the McIlvenna Bay Deposit, Bridge Zone and Tesla Zone, including in respect of expansion and increased definition opportunities; our geological interpretation of our properties; our drilling plans, expectations regarding the Amended Credit Facility; the funds advanced to the DPA, including their potential release; completion of certain surface development structures by certain timelines; our goals, plans and objectives in respect of engineering, our construction schedule, underground development, and permitting; our ability to address conditions and secure approvals needed to construct and operate the McIlvenna Bay Project; our reclamation and remediation obligations; our plans in respect of dividend payments; our expectation that no material trends, fluctuations, events or uncertainties will impact our liquidity; our intended use of net proceeds from financing activities and our facilities, and our expectation that a reallocation of funds may be necessary and that we may update our use and application of funds in future MD&As; our intended use of proceeds from the May 2025 Offering; the potential for the Company to reallocate funds and, if needed, update the use of funds in future MD&As; the expectation that exploration, development and operation of the Company's properties will require additional funding; the completion of the Transmission Line; our ability to obtain replacement financial instruments in the event that the Project Surety Bond, Project LC, SaskPower Guarantee, or LC Facility are terminated; our intention to continue to monitor and evaluate the design and effectiveness of our internal controls; our ability to discover and advance economically viable mineral deposits; and the expectation that the Company will continue to expend financial and other resources on exploration and development of the McIlvenna Bay Property.

Inherent in forward-looking statements are known and unknown risks, estimates, assumptions, uncertainties and other factors that 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 the forward-looking statements contained in this MD&A. These factors include, but are not limited to, management's belief, expectations and response to the following and, in certain cases, management's response with regard to the following: the Company's reliance on the McIlvenna Bay Property; the Company has a history of losses and may not be able to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis; the Company is exposed to risks related to mineral resources exploration and development; the Company may require additional financing and future share issuances may adversely impact share prices; failure to comply with covenants under the Amended Credit Facility or the Equipment Finance Facility may have a material adverse impact on the Company's operations and financial condition; the Company has no history of mineral production; the Company is subject to government regulation and failure to comply could have an adverse effect on the Company's operations; the Company may be involved in legal proceedings which may have a material adverse impact on the Company's operations and financial condition; interest rates risk; market and liquidity risk; the Company's operations are subject to extensive environmental, health and safety regulations; mining operations involve hazards and risks; the Company's business may be impacted by international conflict and trade disputes; the Company may not be able to acquire or maintain satisfactory mining title rights to its property interests; indigenous peoples' title claims may adversely affect the Company's ability to pursue exploration, development and mining on the Company's mineral properties; uncertainties and risks relating to the 2025 Technical Report (as defined below); current global financial conditions are volatile and may impact the Company in various manners; metal prices are subject to wide fluctuations; exercise of outstanding stock options, restricted share units ("**RSUs**") and deferred share units ("**DSUs**") may be dilutive; price volatility of publicly traded securities may affect the market price of the Company's common shares (the "**Common Shares**"); the Company has incurred substantial losses and may never be profitable; financial instrument risk; and the additional risks identified in our filings with Canadian securities regulators on SEDAR+ in Canada (available at www.sedarplus.ca). Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be

as anticipated, estimated, described or intended.

The forward-looking statements contained in this MD&A reflect the Company's current views with respect to future events and are based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include: the accuracy of mineral reserve and resource estimates and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rocks confirming to sampled results and metallurgical performance; tonnage of ore to be mined and processed; ore grades and recoveries; assumptions and discount rates being appropriately applied to the technical studies; success of the Company's projects, including the McIlvenna Bay Project; prices for zinc, copper, gold and silver remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital decommissioning and reclamation estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); availability of equipment; sustained labour stability with no labour-related disruptions; that infrastructure anticipated to be developed, operated or made available by third parties will be developed, operated or made available as currently anticipated; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

Readers are cautioned not to place undue reliance on forward-looking statements and should note that the assumptions and risk factors discussed in this MD&A are not exhaustive. Actual results and developments are likely to differ and may differ materially from those expressed or implied by the forward-looking statements contained in this MD&A. All forward-looking statements herein are qualified by this cautionary statement. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law. Additional information about these assumptions, risks and uncertainties is contained in our filings with securities regulators.

NATURE OF BUSINESS

The Company was initially incorporated under the laws of British Columbia on June 21, 1989, under the *Company Act* (British Columbia) and changed its name to Foran Mining Corporation on September 8, 1989. On November 13, 2007, the Company continued into Saskatchewan under *The Business Corporations Act* (Saskatchewan) and on July 4, 2014, the Company continued back to British Columbia under the *Business Corporations Act* (British Columbia). The Company is a reporting issuer in each province and territory of Canada. The Company's Common Shares are traded on the Toronto Stock Exchange ("TSX") under the symbol "FOM" and on the OTCQX Best Market under the ticker symbol "FMCXF".

The Company's principal business activity is the acquisition, exploration and development of mineral properties with the objective of discovering mineral reserves and the development of an operating mine. The Company's flagship property is its 100% owned McIlvenna Bay property ("**McIlvenna Bay Property**") in Saskatchewan, Canada, located approximately 65 kilometres ("**km**") west of Flin Flon, Manitoba. The McIlvenna Bay Property hosts the McIlvenna Bay Deposit, a copper ("**Cu**") - zinc ("**Zn**") - gold ("**Au**") - silver ("**Ag**") rich volcanic-hosted massive sulphide ("**VHMS**") deposit ("**McIlvenna Bay Deposit**") intended to be the center of a new mining camp in a prolific district that has already been producing for 100 years.

The McIlvenna Bay Property also hosts the Tesla Zone, which lies adjacent to and approximately 300 metres ("**m**") north of the McIlvenna Bay Deposit (the "**Tesla Zone**").

As of Q3 2025, Foran was a near-term critical minerals producer as it advances construction of its flagship project, the McIlvenna Bay Project (the "**McIlvenna Bay Project**"). The Company holds its interest in the McIlvenna Bay Project through its wholly-owned subsidiary, McIlvenna Bay Operating Ltd. ("**MBO**").

Foran's objective is to develop the McIlvenna Bay Project as part of a broader mission to create a blueprint for responsible mining that is upheld as a leading practice. Foran strives to create value for stakeholders, which includes striving to work with local communities, provide safe employment and advance diversity and equality.

To date, the Company has not generated any revenues.

Further information regarding the business of Foran, its operations and its mineral properties can be found in the Company's most recent annual information form filed on SEDAR+ under the Company's profile at www.sedarplus.ca.

RECENT DEVELOPMENTS

Non-Brokered Private Placement

On July 11, 2025, the Company announced that following receipt of all requisite shareholder approvals at the special meeting of shareholders held on July 10, 2025, and that it had completed the second tranche of the non-brokered private placement (the "**May 2025 Offering**") announced on May 13, 2025 and priced on May 14, 2025, for aggregate proceeds of \$54 million (the "**Second Tranche Offering**"). The Second Tranche Offering involved the issuance of a total of 18,163,758 Common Shares at an issue price of \$3.00 per Common Share. Gross proceeds of the May 2025 Offering, including proceeds of the Second Tranche Offering, were \$350 million. See "Liquidity and Capital Resources – Private Placement Financings."

Corporate Development

On August 18, 2025, the Company announced the appointment of John Munro to its Board of Directors. Mr. Munro brings more than 30 years of global metals and mining experience, including senior executive and board roles across multiple jurisdictions and commodities such as copper, gold, uranium and platinum group metals. Mr. Munro most recently served as an executive, and for a period as CEO, at Cupric Canyon Capital, which discovered, financed and developed the Khoemacau copper-silver project in Botswana.

Project Development

The revised Phase 1 capital budget, as announced on May 13, 2025, is presented below and is based on capital expenditures from June 1, 2024, through commercial production. Phase 1 project capital costs have been estimated to completion, net of costs incurred up to and including May 31, 2024, with a resulting \$1,082 million cost set out in the table below.

Items (Expressed in millions of Canadian dollars)	Revised Capital Budget	Prior Capital Budget
Process Plant	251	200
Underground Development, Equipment and Infrastructure	185	156
Project Indirect	246	204
Infrastructure	179	152
Owners Costs	111	118
Facilities & Surface Equipment	33	28
Contingency	48	46
Net Pre-Commercial Production Credits	29	(18)
Total	\$1,082	\$886

From June 1, 2024 to September 30, 2025, the Company incurred \$677.1 million of costs toward its revised Phase 1 capital budget, resulting in a remaining cost to completion of \$404.9 million.

On October 22, 2025, the Company announced the following construction update for the three months ended September 30, 2025. Key achievements during Q3 2025 included the following:

- Safety continues to be a core focus for the Company, with improvements in both year-to-date lost time incident frequency rate (“**LTIFR**”) at site and total recordable incident frequency rate (“**TRIFR**”) of 0.8 and 2.7, respectively. The total contractor and employee workforce was approximately 800 people on site at the end of Q3 2025.
- Project construction reached approximately 64% at the end of Q3 2025, reflecting record quarterly progress of 22% and consistent outperformance across multiple workstreams.
- Commercial production remains on track for mid-2026, with major construction activities advancing well and critical path items progressing in line with schedule.
- The project continues to track in line with the revised capital estimate disclosed in the Company’s May 13, 2025 press release.
- Record quarterly underground development of 1,679m in Q3 2025, compared to 1,232m in the second quarter of 2025, comprised of 1,554m of lateral development and 125m of decline advancement.
- In September 2025, longhole drilling was commissioned in the first production stope, marking a key milestone in preparation of commissioning and ramp-up activities and initiation of bulk mining.
- Key surface construction milestones from Q3 2025 include completion of flotation tank mechanical components installation, thickener tank installation, main substation progress, and completion of dry stack tailings storage facility water containment pond and Phase 1 liner installation. Advancement continued across critical mechanical, piping, electrical and instrumentation workstreams.
- Added approximately 64,000 tonnes to the surface ore stockpile in Q3 2025, markedly higher than the 52,000 tonnes stockpiled throughout the second quarter of 2025, bringing the total to approximately 125,000 tonnes at the end of Q3 2025.

Transferable Royalty Tax Credits

On September 11, 2025, the Company announced that it was approved to earn up to \$70 million in transferable royalty tax credits through the Government of Saskatchewan’s Critical Minerals Processing Investment Incentive (“**CMPII**”), administered by the Ministry of Energy and Resources. CMPII provides potentially transferable Crown royalty and freehold production tax credits (collectively, “**Royalty Credits**”) that can be used to offset the Company’s obligations under Saskatchewan’s Mineral Crown Royalty.

Under the program, eligible projects may earn Royalty Credits equivalent to 15% of specifically recognized project costs incurred up to a defined date. The McIlvenna Bay Project is eligible for up to \$70 million in Royalty Credits, which can either be applied to offset future payments due under Saskatchewan’s Mineral Crown Royalty Tax or potentially monetized through transfer and sale to third parties using the Province’s Integrated Resource Information System (IRIS). Foran expects to begin earning credits in 2027.

At-the-market Facility

On July 29, 2025, the Company announced that it had established an at-the-market equity program (the “**ATM Program**”) to offer and sell up to \$50 million of Common Shares of the Company from treasury to the public from time to time.

The ATM Program has been implemented pursuant to the terms of an equity distribution agreement dated July 29, 2025 (the “**Equity Distribution Agreement**”), among the Company and National Bank Financial Inc., BMO Capital Markets and Stifel Canada (collectively, the “**Agents**”). The ATM Program will allow Foran, through the Agents, to offer and sell Common Shares in Canada in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made through the facilities of the TSX or on any other “marketplace” (as defined in National Instrument 21-101 – *Marketplace Operation*) and/or any other method permitted by applicable law. The volume and timing of sales under the ATM Program, if any, will be determined in the Company’s sole discretion, and at the market price prevailing at the time of each sale, and as a result, sale prices may vary among purchasers during the period of the ATM Program.

The offering of Common Shares under the ATM Program is being made pursuant to a prospectus supplement dated July 29, 2025, to the final short form base shelf prospectus dated February 16, 2024, filed with the securities commissions in each of the provinces and territories of Canada. The ATM Program will be effective until the earlier of (i) the sale of all of the Common Shares issuable pursuant to the ATM Program, and (ii) March 16, 2026, unless terminated prior to such date by the Company or the Agents in accordance with the terms of the Equity Distribution Agreement.

The Company intends to use the net proceeds from the ATM Program, if any, for working capital and general corporate purposes as it progresses towards completion of construction and ramp-up to commercial production at the McIlvenna Bay Project. The actual allocation and use of proceeds may vary depending on the amount raised, the time periods during which any proceeds are raised, future developments in relation to the McIlvenna Bay Project and unforeseen events.

As at September 30, 2025, the Company has not issued Common Shares under the ATM Program.

Amended Credit Facility

On October 1, 2025, the Company filed under its company profile on SEDAR+ the First Amending Agreement (the “**First Amending Agreement**”) dated effective March 31, 2025, with McIlvenna Bay Operating Ltd., as borrower, the Company, as guarantor, Sprott Resource Lending Corp., as lead arranger, and Sprott (as defined below), as lender, which amends the Amended and Restated Credit Facility (as defined below) and incorporates certain provisions in connection with the contribution agreements entered into by the Company with the Strategic Innovation Fund and the Critical Minerals Innovation Fund, among other matters.

Exploration

Drilling

On September 4, 2025, the Company announced results from the final 15 holes drilled as part of its 2025 winter-spring drill program at the Telsa and Bridge Zones, where approximately 29,500 metres of drilling was completed across 34 holes. Drilling has defined multiple lenses of mineralization at the Tesla Zone over a 1.35km strike length, where the zone remains open down-dip and along strike for further expansion with additional drilling.

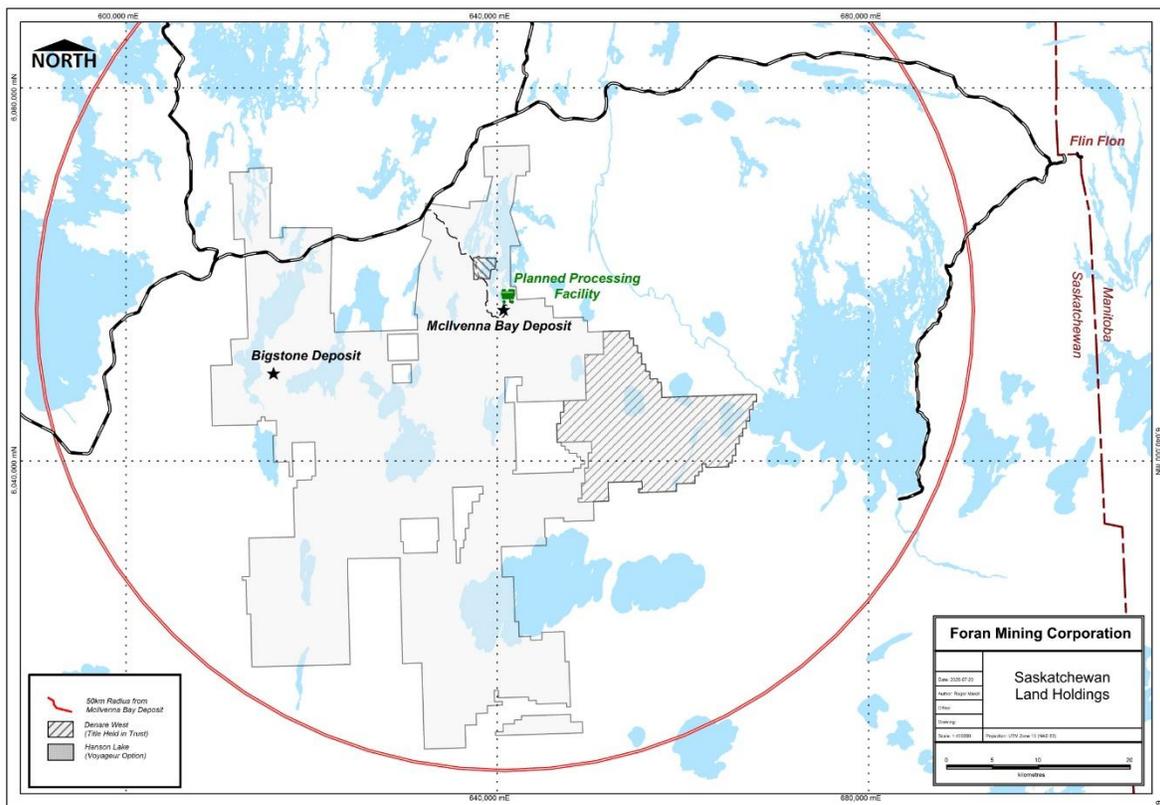
MINERAL PROPERTIES

As of the date of this MD&A, the Company holds a total of 115 mineral claims and one mineral lease, covering approximately 140,661 hectares (“**ha**”), which are part of the McIlvenna Bay Project. The mineral lease was established in September 2024 with the conversion of six pre-existing mineral claims encompassing approximately 1,638 ha to a lease which covers the McIlvenna Bay Deposit and adjacent Tesla Zone. The Company holds an option to acquire the Denare West property, whose title is held in trust by MBO and consists of 10 mineral claims covering approximately 21,066 ha. The Company also holds an option to acquire the Hanson Lake Property, consisting of a single claim located approximately 5km northwest of the McIlvenna Bay Deposit and covering approximately 4,510 ha. The properties are located

between approximately 40km and 105km west of Flin Flon, Manitoba. All tenements are within 49 km of the McIlvenna Bay Deposit.

The McIlvenna Bay Deposit is located approximately one km south of Hanson Lake, Saskatchewan, 375km northeast of Saskatoon, Saskatchewan and 65km west-southwest of Flin Flon, Manitoba, and is linked to Flin Flon, Manitoba by 85km of highway followed by 18km of unsealed secondary road. The McIlvenna Bay Deposit was discovered in 1988 and includes two distinct styles of mineralization, which include massive to semi-massive sulphides and copper stockwork. Since 2011, the Company has been working to advance the McIlvenna Bay Deposit through continued exploration, resource definition and environmental and engineering studies.

Further details on the Company’s significant properties are as follows:



McIlvenna Bay Project

Construction Progress Summary

Description	Progress to Date (as at September 30, 2025 unless otherwise stated)
Health & Safety	<ul style="list-style-type: none"> ○ Site-wide LTIFR year-to-date of 0.8 and a TRIFR year-to-date of 2.7 after over 1,550,000 total person-hours worked.
Construction Progress & Schedule	<ul style="list-style-type: none"> ○ Overall project construction progress stood at approximately 64%. ○ Commercial production target remains in line with previous guidance, anticipated by mid-2026.

	<ul style="list-style-type: none"> ○ The project remains on budget, aligned with the revised capital estimate disclosed in the Company's May 13, 2025 press release. ○ Approximately 17,080m³ of concrete poured since project inception, with approximately 5,296m³ poured in Q3 2025. ○ Concrete installation remains on track to be completed in December 2025. ○ Approximately 1,050 tonnes of steel installed in Q3 2025. ○ Transmission line engineering and procurement were both completed during the quarter, with power line energization still on track for March 2026. ○ As of the end of September, 90% of power transmission line structures and foundation materials had been received at the SaskPower laydown area. ○ Transmission line vegetation clearing was approximately 90% complete, with surveying/staking at 75% completion and foundation and anchor installation at 26% completion. ○ Preparation began in September to start erecting the first transmission line structures in late October 2025.
<p>Procurement</p>	<ul style="list-style-type: none"> ○ At the end of Q3 2025, there were nil packages left to negotiate, and procurement work in progress was 100% with 202 packages awarded to date.
<p>Surface Construction (Plant)</p>	<ul style="list-style-type: none"> ○ Completed run-of-mine pad for the primary crusher and conveyor. ○ Concrete foundation pours at the pebble recirculation area completed, and finalized concrete base foundations to the primary crusher. ○ Pre-assembly of structural steel for the conveyor towers and internal steel for the process plant, copper cleaning and primary grinding circuits continued in September. ○ Significant advances in installation of tanks and thickeners. ○ Structural steel continued with the erection of the paste plant structure. ○ Finalized dry stack tailings storage facility Stage 1 liner installation and finalized and handed over tailings area water management pond and contact water pond to operations team after its completion. ○ Progressed with main substation infrastructure and backup diesel generators installation. ○ Significant progress made on mechanical, piping, electrical and instrumentation workstreams.
<p>Underground Development</p>	<ul style="list-style-type: none"> ○ Achieved approximately 1,679m of underground development in Q3 2025, up from approximately 1,232m in the second quarter of 2025. ○ Q3 2025 development included approximately 1,554m of lateral advance and 125m of decline development, with the ramp now extending approximately 49m below the 240m level access. ○ Development advance rates were consistent over the quarter with contractor and company development crews achieving over 19m/day in August 2025 and an average over the quarter of over 18m/day. ○ Began slashing the fresh air raise to its final diameter in advance of commissioning the main fresh air ventilation system and installing the ladderway to establish the second egress from the underground workings. ○ Completed stope package review process and commissioned and initiated production drilling in the first production stope. ○ Continued construction of the 120m level BEV charging station.

	<ul style="list-style-type: none"> Completed excavation of the 150m level truck charge station. Added approximately 64,000 tonnes to the surface ore stockpile in Q3 2025, bringing the total to approximately 125,000 tonnes at the end of Q3 2025.
Permitting	<ul style="list-style-type: none"> Remaining approvals to construct the processing plant and process water lines were received in September. Submitted the commissioning plan for the process plant.
Human Resources	<ul style="list-style-type: none"> Approximately 800 persons on site, with 167 Foran employees and 633 construction personnel.

Exploration

For the nine months ended September 30, 2025, the Company completed approximately 36,945m of a 38,500m budgeted program focused on expansion and increased definition of the Tesla and Bridge Zones, along with limited regional exploration on its mineral interests at the McIlvenna Bay Property.

OVERALL PERFORMANCE

SELECTED FINANCIAL INFORMATION

Expressed in thousands of Canadian dollars	September 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 333,422	\$ 363,634
Restricted cash	268,614	142,241
Exploration and evaluation assets	86,828	62,069
Mineral property, plant and equipment	1,009,785	564,569
Total assets	1,720,719	1,156,220
Accounts payable and accrued liabilities	114,723	66,696
Flow-through share premium liability	-	7,916
Share-based payment liabilities	9,771	7,786
Total non-current liabilities	435,974	272,363
Total liabilities	570,460	360,559

The Company's total assets as at September 30, 2025, were \$1,720.7 million compared to \$1,156.2 million as at December 31, 2024, an increase of \$564.5 million. The net increase in assets is explained below:

- Cash and cash equivalents:** The decrease from December 31, 2024, was primarily a result of the mineral property, plant and equipment, exploration and evaluation and general and administrative expenditures paid in the period, partially offset by the receipt of funds from the May 2025 Offering.
- Mineral property, plant, and equipment:** The increase from December 31, 2024, was primarily due to the construction costs incurred during the first nine months of 2025.
- Exploration and evaluation assets:** The increase from December 31, 2024, was primarily due to the costs incurred on exploration projects during the first nine months of 2025.

The Company's total liabilities as at September 30, 2025, were \$570.5 million compared to \$360.6 million as at December 31, 2024, a net increase of \$209.9 million. The net increase in liabilities is explained below:

- Accounts payable and accrued liabilities:** The increase from December 31, 2024, was primarily a result of an increase in spending on the McIlvenna Bay Project.

- Flow-through share premium liability: The decrease from December 31, 2024, was due to the qualifying exploration expenditures.
- Share-based payment liabilities: The increase from December 31, 2024, was due to the issuance of RSUs and DSUs to certain executives and consultants in accordance with the Company's long-term incentive plan, partially offset by a decline in the Company's Common Share price.
- Non-current liabilities: The increase from December 31, 2024, was primarily due to the US\$92.5 million drawn and interest accrued on the Amended Credit Facility.

RESULTS OF OPERATIONS

Expressed in thousands of Canadian dollars	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Revenue	-	-	-	-
Net (income) loss	\$ 11,411	\$ 506	\$ 1,054	\$ 346
Net loss per share (basic and diluted)	\$ 0.02	\$ 0.00	\$ 0.00	\$ 0.00
Consulting	\$ 1,014	\$ 2,326	\$ 1,923	\$ 3,000
Directors' fees	94	62	219	174
Investor relations	538	415	915	777
Office and administration	482	433	1,472	1,322
Professional fees	291	462	1,130	866
Salaries and benefits	1,388	1,389	4,455	3,410
Share-based payment expense (recovery)	3,778	1,494	5,253	4,166
Total general and administration	\$ 7,585	\$ 6,581	\$ 15,367	\$ 13,715
Other (income) expense	\$ 3,712	\$ (6,075)	\$ (18,462)	\$ (13,369)
Total other (income) expense	\$ 3,712	\$ (6,075)	\$ (18,462)	\$ (13,369)

Three months ended September 30, 2025 compared to 2024:

Details of the expenses and other items are as follows:

- Consulting: The decrease in consulting was primarily related to corporate advisor costs incurred in the third quarter of 2024.
- Share-based payment expense: The increase in share-based payment expense was primarily due to the Company's increased Common Share price appreciation over Q3 2025 compared to the third quarter of 2024.
- Other (income) expense: The decrease in other income was primarily due to a foreign exchange loss recognized on the translation of the US dollar-denominated Amended Credit Facility compared to a foreign exchange gain recognized on the Amended Credit Facility in the third quarter of 2024.

Nine months ended September 30, 2025 compared to 2024:

Details of the expenses and other items are as follows:

- Consulting: The decrease in consulting was primarily related to corporate advisor costs incurred in the nine months ended September 2024.
- Professional fees: The increase in professional fees was primarily related to legal fees.

- **Salaries and benefits:** The increase in salaries and benefits was primarily related to hiring officers and corporate employees as the Company's operations expanded.
- **Share-based payment expense:** The increase in share-based payment expense was primarily due to an increase in share-based compensation granted to executives as the Company's operations expanded.
- **Other (income) expense:** The increase in other income was primarily due to an increase in the gain recognized on the foreign exchange translation of the US dollar-denominated Amended Credit Facility. In addition, interest related to the Credit Facilities, which was included in other income for the nine months ended September 30, 2024, was capitalized for the nine months ended September 30, 2025.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited financial data for the last eight quarters, which have been derived from the Company's financial records.

The Company has significantly increased its activity throughout 2023, 2024, and into the third quarter of 2025, and is in the midst of advancing construction at its McIlvenna Bay Project. The first and second quarters of 2025 include a foreign exchange gain as a result of the revaluation of the US\$ denominated Amended Credit Facility, compared to the third quarter of 2025 and fourth quarter of 2024, which recognized a loss.

(Expressed in thousands of Canadian dollars, except for share information)	Q3, 2025	Q2, 2025	Q1, 2025	Q4, 2024
Revenue	Nil	Nil	Nil	Nil
General and administration expenses	7,585	3,356	4,426	3,271
Other (income) and expenses	3,712	(12,603)	(9,571)	8,963
Net (income) loss for the period	11,297	(9,644)	(713)	18,528
Net (income) loss per share (basic and diluted)	0.02	(0.02)	(0.00)	0.04
Weighted average shares outstanding (basic and diluted)	537,370,317	458,723,196	420,966,916	420,578,569

(Expressed in thousands of Canadian dollars, except for share information)	Q3, 2024	Q2, 2024	Q1, 2024	Q4, 2023
Revenue	Nil	Nil	Nil	Nil
General and administration expenses	6,581	2,773	4,361	7,657
Other (income) and expenses	(6,075)	(3,410)	(3,884)	(1,753)
Net (income) loss for the period	506	(637)	477	5,904
Net (income) loss per share (basic and diluted)	0.00	(0.00)	0.00	0.02
Weighted average shares outstanding (basic and diluted)	376,765,017	333,371,445	332,653,925	294,940,856

CASH FLOWS

Three months ended September 30, 2025 compared to 2024:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, decreased by \$63.3 million during the three months ended September 30, 2025, to \$333.4 million, from \$396.8 million as at June 30, 2025. The decrease was primarily a result of \$126.4 million of cash used in investing activities, partially offset by \$63.2 million of cash provided by financing activities.

The \$0.2 million of cash used in operating activities consisted of a net loss of \$11.4 million and a \$0.7 million change in working capital, partially offset by interest received of \$5.7 million and \$6.3 million of items not involving cash.

The \$126.4 million of cash used in investing activities consisted primarily of mineral property, plant, and equipment expenditures related to the construction of the McIlvenna Bay Project and exploration and evaluation expenditures.

The \$63.2 million of cash provided by financing activities consisted primarily of \$54.5 million net cash received from the Second Tranche Offering of the May 2025 Offering.

Nine months ended September 30, 2025 compared to 2024:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, decreased by \$29.8 million during the nine months ended September 30, 2025, to \$333.4 million, from \$363.6 million as at December 31, 2024. The decrease was primarily a result of \$526.7 million of cash used in investing activities, partially offset by \$498.0 million of cash provided by financing activities.

The \$1.2 million of cash used in operating activities consisted of \$12.5 million of items not involving cash, a net loss of \$1.1 million and a \$1.0 million change in working capital, partially offset by interest received of \$13.3 million.

The \$526.7 million of cash used in investing activities consisted primarily of mineral property, plant, and equipment expenditures related to the construction of the McIlvenna Bay Project and exploration and evaluation expenditures.

The \$498.0 million of cash provided by financing activities consisted primarily of \$350.0 million net cash received from the May 2025 Offering and a US\$92.5 million Amended Credit Facility draw.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure there is sufficient working capital to fund near-term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity. The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. Other than as described in the risk factors discussed in this MD&A and the Company's MD&A for the year ended December 31, 2024, the Company does not expect that any material trends, fluctuations, events or uncertainties will impact its liquidity.

Operational activities have been funded to date through debt financing and the issuance of share capital by way of private placements, stock options, and warrant exercises. As at September 30, 2025, the Company had current assets in excess of current liabilities of \$206.6 million (December 31, 2024: \$283.2 million).

Restricted Cash

On August 13, 2024, the Company obtained a \$19.3 million letter of guarantee in support of its obligations related to Saskatchewan Power Corporation's ("**SaskPower**") construction of the Transmission Line. The letter of guarantee is secured by restricted cash of \$5.8 million and a performance security bond of \$13.5 million provided by Export Development Canada. See "*Off-Balance Sheet Arrangements*" for further details.

On August 15, 2024, the Company's surety bond to support a possible future reclamation and closure obligation in accordance with the approval to operate permit for the Company's McIlvenna Bay Project was reduced from \$14.9 million to \$5.5 million upon a review by the Saskatchewan Ministry of Environment. As a result, the amount of restricted cash required to secure the surety bond was reduced from \$4.3 million to \$0.8 million. See "*Off-Balance Sheet Arrangements*" for further details.

On October 2, 2024, in accordance with the Amended Credit Facility (defined below), gross proceeds of US\$100 million were advanced into a debt proceeds account ("**DPA**"), net of 3% transaction costs.

On June 30, 2025, in accordance with the Amended Credit Facility, gross proceeds of US\$92.5 million were advanced into the DPA.

Funds advanced to the DPA accumulate interest and proceeds from the DPA will be released to the Company upon satisfaction of certain release conditions.

Credit Facilities

Amended Credit Facility

On December 20, 2022, the Company entered into a senior secured project credit facility with MBO, as borrower, the Company, as guarantor, Sprott Resource Lending Corp., as lead arranger, and Sprott Private Resource Lending III (Collector-1), LP, ("**Sprott**") as lender (the "**Senior Credit Facility**"). The Senior Credit Facility was amended and restated in its entirety by the Amended and Restated Credit Agreement on October 1, 2024 and upsized to US\$250 million from US\$150 million, (the "**Amended and Restated Credit Facility**") and was further amended by the First Amending Agreement with effective date of March 31, 2025 (the Amended and Restated Credit Agreement, as amended by the First Amending Agreement, the "**Amended Credit Facility**"). The Amended Credit Facility has the following key terms:

- US\$250 million non-revolving facility with a maturity date of September 30, 2031 (the "**Maturity Date**").
- Interest shall accrue at a floating rate of 6.95% per annum plus the greater of the Term 3 Month Secured Overnight Financing Rate and 2.00% per annum. Interest costs may be deferred and capitalized until March 31, 2026.
- The Company shall also pay annual anniversary interest to Sprott beginning in the first quarter of 2027, equal to 2.00% of the aggregate outstanding facility balance, inclusive of all deferred interest, on the payment date. The anniversary interest is payable in cash or shares at the Company's election and is not due as of and from either a change of control of the Company or any potential refinancing of the facility.
- Principal repayments will commence on June 30, 2027, and the Company shall pay to Sprott equal repayments of the principal amount of the Amended Credit Facility, including capitalized interest and other costs, in an amount equal to 2.65% of the outstanding principal amount of the Amended Credit Facility on a quarterly basis until June 30, 2031. The remainder of the scheduled principal payments are due upon the Maturity Date.
- Sprott has the right to sweep proceeds received by the Company from any investment tax credits ("**ITC**") received up to a total of US\$100 million. Any ITC sweep repayments shall be applied as

principal payments against scheduled amortization payments, in reverse order of the Maturity Date, and shall only occur after the Company has received US\$25 million of potential ITC proceeds.

- The Company may elect to prepay the outstanding principal amount in whole, including all accrued and unpaid interest, at any time subsequent to December 31, 2026 (the “**Voluntary Prepayment Option**”). The Company would incur a premium of between 3% - 4% of the total amount prepaid in exercising the Voluntary Prepayment Option on or before December 31, 2028, and a 0% premium thereafter.
- The Company’s obligations under the Amended Credit Facility are guaranteed by the realizable value of the Company’s assets. In addition, the Company is expected to maintain compliance with specified covenants (including financial covenants). The Company was in compliance with all the covenants contained in the Amended Credit Facility as at September 30, 2025.

As at September 30, 2025, the Company has drawn US\$250 million of principal and accumulated US\$29.4 million of deferred interest under the Amended Credit Facility.

Equipment Finance Facility

On September 7, 2023, the Company announced it entered into an equipment finance arrangement (“**Equipment Finance Facility**” and, together with the Amended Credit Facility, the “**Credit Facilities**”) with Sandvik Financial Services Canada. The Equipment Finance Facility is intended to cover the initial battery electric vehicle mining fleet and essential components such as charging stations and batteries provided by Sandvik, to be used for the continued exploration, development and operation of the McIlvenna Bay Project. The Equipment Finance Facility contains the following key terms:

- Up to \$67 million in draws, which will be initiated, at the Company's election, as equipment is delivered to the project site.
- Interest shall accrue at a fixed rate of 3.20% per annum plus the 5-year Canadian overnight index swap rate at the date of the draw.
- Interest and principal repayments on drawn amounts will commence immediately over a 60-month period.

As at September 30, 2025, the Company had drawn \$48.8 million on the Equipment Finance Facility.

Federal Government Contributions

On May 13, 2025, the Company provided an update on the previously announced up to \$41 million Strategic Innovation Fund (“**SIF Funding**”) contribution by Innovation, Science and Economic Development Canada and the up to \$20 million Critical Minerals Innovation Fund (“**CMIF Funding**”) contribution by Natural Resources Canada (“**NRCan**”), estimating reduced contribution amounts it expects to receive over the construction period, with the balance expected to be received after the Company reaches commercial production.

SIF Funding

The SIF Funding contains the following key terms:

- Funding up to \$41 million or 15.6% of certain eligible costs incurred prior to December 31, 2026, whichever is lower.
- 90% of the SIF Funding will be provided in the form of an unconditional repayable contribution and 10% as a non-repayable contribution.

- The unconditional repayable contribution is not subject to interest.
- The first payment in respect of the unconditionally repayable contribution portion is due on April 30, 2032.
- Draws on the contribution agreement are made as eligible costs are incurred for investments in battery-electric underground mining equipment and remote-operations control centre, ventilation on demand, heat recovery system integration technologies, water recycling systems, and pyrite removal technologies.

As at September 30, 2025, the Company has drawn \$7.8 million on SIF Funding.

CMIF Funding

The CMIF Funding contains the following key terms:

- Funding commitment of up to \$20 million for eligible expenses incurred between June 21, 2024 and December 31, 2026.
- Up to \$5.8 million of the CMIF Funding is repayable for a period of ten years commencing on January 1, 2027. Repayments will be determined by multiplying the Company's net income by a ratio derived from NRCan's contributions relative to total eligible expenses funded under the CMIF Funding and shall be conditional upon MBO generating net income in connection with the Project. The remainder of the CMIF Funding is non-repayable.
- Repayable amounts of the contribution are not subject to interest.
- CMIF Funding will support eligible expenses related to the construction of the McIlvenna Bay Project's hydroelectric transmission line, an on-site substation and electrical vehicle charging infrastructure.

As at September 30, 2025, the Company has drawn \$2.6 million on CMIF Funding.

Investment Tax Credits

On May 13, 2025, the Company confirmed that it submitted a claim for approximately \$10 million of refundable investment tax credits under the Clean Technology Investment Tax Credit as part of its 2024 corporate tax return, for which reimbursement is currently under review.

Share capital

The Company is authorized to issue an unlimited number of Common Shares, non-voting shares and preference shares, each with no par value.

The rights, privileges, restrictions and conditions of the non-voting shares are identical to those of the Common Shares, except that the non-voting shares will not entitle the holder thereof to vote at a shareholder's meeting and that the non-voting shares may be converted, under certain conditions at the option of the holder, on a one-to-one basis into Common Shares. Once a non-voting share is converted into a Common Share, it shall have all the rights and privileges that attach to the Common Shares.

Private Placement Financings

July 2024 Offerings

In July 2024, the Company announced a series of brokered and non-brokered strategic investments for up to \$360 million (the “**July 2024 Offerings**”). The July 2024 Offerings were completed in two tranches, with the second tranche following the receipt of all requisite shareholder approvals under the rules of the TSX.

On August 8, 2024, the Company completed the first tranche of the July 2024 Offerings totaling 68,465,540 common shares for aggregate gross proceeds of \$289.1 million. The Company issued 63,963,666 common shares at a price of \$4.05 per share for gross proceeds of \$259.1 million, 2,906,977 common shares on a flow-through basis at a price of \$6.88 per flow-through share for gross proceeds of \$20.0 million and 1,594,897 common shares on a flow-through basis at a price of \$6.27 per flow-through share for gross proceeds of \$10.0 million (the “**July 2024 FT Shares**”). Share issue costs totaled \$4.0 million.

On September 17, 2024, the Company completed the second tranche of the July 2024 Offerings totaling 17,518,713 common shares at a price of \$4.05 per share for aggregate gross proceeds of \$71.0 million.

As a result of subscribers paying a premium for the July 2024 FT Shares, the Company allocated \$11.8 million of the gross proceeds of the flow-through shares to the flow-through share premium liability and the remaining \$18.2 million to share capital.

The proceeds from the July 2024 Offering have been spent mainly on construction and exploration activities.

May 2025 Offering

In May 2025, the Company announced the May 2025 Offering, consisting of the issuance of 116,666,667 Common Shares at a price of \$3.00, for gross proceeds of \$350 million. The May 2025 Offering was completed in two tranches, with the second tranche following the receipt of all requisite shareholder approvals under the rules of the TSX.

On May 28, 2025, the Company completed the first tranche of the May 2025 Offering, for aggregate proceeds of \$295.5 million (the “**First Tranche Offering**”). The First Tranche Offering involved the issuance of a total of 98,502,909 Common Shares at an issue price of \$3.00 per Common Share.

On July 11, 2025, the Company, following receipt of all requisite shareholder approvals at the special meeting of shareholders held on July 10, 2025, completed the Second Tranche Offering for aggregate proceeds of \$54.5 million. The Second Tranche Offering involved the issuance of a total of 18,163,758 Common Shares at an issue price of \$3.00 per Common Share.

The anticipated use of the \$349.6 million net proceeds of the May 2025 Offering as described below is based on the best estimates prepared by management of the Company.

Expressed in thousands of Canadian dollars	Anticipated use of net proceeds	Expenditures to September 30, 2025	Remaining as at September 30, 2025
Development	336,106	10,839	325,267
Corporate administration	13,500	5,345	8,155
Total expenditure	\$ 349,606	\$ 16,184	\$ 333,422

The Company’s McIlvenna Bay Project is evolving and not all of the development steps and associated costs are established at this time. In addition, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The Company will update the use of the funds and the particular application of these funds in the future as needed.

The Company's financial success is dependent on its ability to discover and advance economically viable mineral deposits. The exploration, development, and operation of the Company's properties are expected to require additional financing, the availability of which is subject to several factors, many of which are beyond the Company's control. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. Therefore, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. See "RISKS AND UNCERTAINTIES" for further information.

Equity-settled restricted share units

During the three and nine months ended September 30, 2025, the Company granted 106,388 RSUs, which vested immediately and were settled through the issuance of 106,388 common shares, as consideration for \$0.3 million in services received from a supplier.

At-the-Market Facility

On July 29, 2025, the Company announced that it had established an ATM Program to offer and sell up to \$50 million of Common Shares of the Company from treasury to the public from time to time as described above under "Recent Developments – At-the-market Facility". As at September 30, 2025, the Company has not issued Common Shares under the ATM Program.

TABLE OF CONTRACTUAL OBLIGATIONS

The Company enters into contracts that give rise to commitments in the normal course of business. The following table summarizes the contractual cash flows of the Company's financial liabilities, including interest, and contractual obligations shown as contractual undiscounted cash flows as at September 30, 2025:

Expressed in millions of Canadian dollars	Total	Due in less than one year	Due in one to three years	Due in four to five years	Due after five years
Accounts payable and accrued liabilities	\$ 114.7	114.7	-	-	-
Leases	\$ 8.9	8.3	0.6	-	-
Construction commitments ⁽¹⁾	\$ 106.0	106.0	-	-	-
Government contribution obligations	\$ 7.8	-	0.8	-	7.0
Credit Facilities	\$ 692.9	33.5	190.8	468.6	-

Notes:

1 Certain contractual commitments may contain cancellation clauses; however, the Company discloses its commitments based on management's intent to fulfill the contracts.

OFF-BALANCE SHEET ARRANGEMENTS

On August 13, 2024, the Company obtained a \$19.3 million letter of guarantee (the "SaskPower Guarantee") issued by Royal Bank of Canada under a revolving credit facility between MBO, as borrower, Foran, as guarantor, and Royal Bank of Canada, as lender (the "LC Facility"), in support of the Company's obligations to SaskPower in respect of the construction of a dedicated 77km long power transmission line originating from the Island Falls Hydro Generating Station and extending up to the McIlvenna Bay Project site (the "Transmission Line"). The SaskPower Guarantee is secured by a performance security bond of \$13.5 million from Export Development Canada and \$5.8 million of restricted cash as collateral. In the event that the SaskPower Guarantee or LC Facility were terminated, the Company would need to obtain alternative credit sources to secure the Company's Transmission Line obligations.

On August 15, 2024, the Company reduced its surety bond from \$14.9 million to \$5.5 million (the "Project Surety Bond") from Trisura Guarantee Insurance Company ("Trisura") in favour of the Saskatchewan Ministry of Environment to secure possible future reclamation and closure obligations in accordance with

the approval to operate permit for the Company's McIlvenna Bay Project. The Project Surety Bond is in turn secured by an irrevocable standby letter of credit (the "Project LC") in the amount of \$0.8 million issued on August 15, 2024, by the Bank of Montreal with the Company, as applicant, and Trisura, as beneficiary. In the event that the Project Surety Bond or Project LC were terminated, the Company would need to obtain alternative credit sources to, in the case of the Project Surety Bond, secure the Company's reclamation and closure obligations and, in the case of the Project LC, secure the Project Surety Bond.

As at the date of this MD&A, other than as disclosed herein, the Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company's related party transactions for the three and nine months ended September 30, 2025 and 2024 were as follows:

Expressed in thousands of Canadian dollars	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Short-term benefits ⁽¹⁾	\$ 1,651	\$ 1,388	\$ 3,684	\$ 2,743
Directors' fees ⁽²⁾	94	62	219	174
Share-based expense (recovery) ⁽³⁾	3,670	1,350	4,922	3,759
Total	\$ 5,415	\$ 2,800	\$ 8,825	\$ 6,676

Notes:

- Short-term benefits consisted of salaries and bonuses for key management personnel and fees paid to Gorilleo Advisors Limited, a company controlled by the CEO.
- Directors' fees consist of cash retainers paid to the directors.
- Share-based payment expense consists of the grant and revaluation of RSUs, DSUs and stock options issued to management personnel.

The Company's Executive Chairman & Chief Executive Officer, Daniel Myerson, subscribed for \$1 million of the May 2025 Offering, including \$0.2 million related to the Second Tranche.

PROPOSED TRANSACTIONS

Except as otherwise noted herein, the Company does not have any other material proposed transactions.

SHARE CAPITAL

As at October 31, 2025, the Company had the following securities issued and outstanding:

- 511,609,693 Common Shares
- 27,777,778 non-voting shares
- Nil preference shares
- 16,549,101 stock options exercisable for Common Shares
- 5,714,285 warrants exercisable for Common Shares
- 1,937,375 deferred shares units convertible into Common Shares
- 1,150,000 restricted shares units convertible into Common Shares

CRITICAL ACCOUNTING ESTIMATES

In preparing the accompanying condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. All estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Areas requiring estimates that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are:

Stock option expense

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Decommissioning obligations

Decommissioning obligations are measured based on the present value of estimated future costs. Such estimates require extensive estimates about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations, and remediation practices.

Further information about critical judgements and estimates in applying accounting policies in the condensed consolidated interim financial statements is described in the consolidated annual financial statements for the year ended December 31, 2024.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the design of the Company's disclosure controls and procedures. Based on the results of that evaluation, the Company's CEO and CFO have concluded that, as of September 30, 2025, the Company's disclosure controls and procedures framework provides reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. The design of any system of controls and procedures is based in part upon certain assumptions about the likelihood of future events. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Changes in Internal Control over Financial Reporting

Management, including the CEO and CFO, has evaluated the Company's internal controls over financial reporting to determine whether any changes occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. During the three and nine months ended September 30, 2025, there have been no significant changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Under the supervision and with the participation of management, including the CEO and CFO, management will continue to monitor and evaluate the design and effectiveness of its internal controls over financial reporting and disclosure controls and procedures, and may make modifications from time to time as considered necessary.

FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, which are discussed in detail in Note 12 of the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2025.

RISKS AND UNCERTAINTIES

The exploration, development and mining of natural resources are highly speculative in nature and are subject to significant risks. Besides the risks discussed in this MD&A, there are other risks and uncertainties that have affected the Company's consolidated financial statements or that may affect them in the future. The risks described in this MD&A are not the only ones facing the Company. For a comprehensive discussion of risks affecting or that could potentially affect the Company, see "*Risk Factors*" in the Company's Annual Information Form for the year ended December 31, 2024 and "Risks and Uncertainties" in the Company's MD&A for the year ended December 31, 2024, each of which is available on SEDAR+ under the Company's profile at www.sedarplus.ca.

The Company's business may be impacted by international conflict and trade disputes.

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and tariffs, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains.

As the conflicts between Russia and Ukraine and in the Middle East continue, the Company's business could be materially adversely affected by increased commodity prices and supply-chain disruptions. Oil and gas prices have been subject to significant variations in connection with the ongoing conflict, and the escalating sanctions threatened or imposed by several nations against Russia and Russian oil and gas exports, have added to global uncertainty. In the event that the Ukraine-Russia conflict or conflicts in the Middle East escalate and expand further, or if other geopolitical conflicts, tensions or events arise or escalate, such a shift could result in a global economic downturn that could adversely affect the Company's business.

In addition, the imposition of tariffs or the threat of such tariffs, including the amount and length of tariffs, by the United States of America against Canada and other jurisdictions, and the related threatened and actual tariff retaliatory responses and other potential measures by certain jurisdictions, including Canada, have resulted in heightened uncertainty regarding the costs and supply of goods and services. Retaliatory measures may cause disruption in global trade that affects prices, exchange rates, availability of tariffed goods or services and changes in consumption and production levels on tariffed goods and services. The Company may be negatively affected by these measures and the consequent disruptions in global trade in several ways, including increased costs, decreased availability of supplies, impacts on exchange rates that affects costs, and the ability to sell its products and the prices it receives for its products if and when the Company commences production.

The imposition or threat of tariffs has also resulted in heightened volatility in the stock markets and in the market price of the Company's Common Shares. Stock market volatility may negatively impact capital markets and reduce liquidity available for financings, which may have an adverse effect on the Company's ability to conduct private placements or other financing activities. In addition, volatility in the price of the Company's Common Shares may affect the Company's ability to establish advantageous pricing in connection with any financing and result in increased dilution of the Company's shareholders' interests in the Company in the event of a successful financing.

The extent and duration of the current ongoing conflicts, trade disputes and related international action, and the impact that such ongoing conflicts and trade disputes will have on the Company's financial position or operations, cannot be accurately predicted at this time. The effects of such conflicts and trade disputes may magnify the impact of the other risks identified in the annual information form and the financial statements of the Company, including those relating to commodity price volatility and global financial conditions.

QUALIFIED PERSONS

Mr. Samuele Renelli, P. Eng., Vice President, Technical Services for the Company, is the Qualified Person within the meaning of NI 43-101 for all technical information regarding McIlvenna Bay Phase 1 operations disclosures and has reviewed, verified and approved such technical information in this MD&A.

Mr. Roger March, P.Geo., Principal Geoscientist for the Company, is the Qualified Person within the meaning of NI 43-101 for all technical information disclosure other than the technical information disclosure regarding McIlvenna Bay Phase 1 operations and the resource estimate contained herein and has reviewed, verified and approved such technical information in this MD&A.