

Borealis Mining Company Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDING JULY 31, 2026

The following management's discussion and analysis of the results of operations and financial condition ("MD&A") for Borealis Mining Company Limited (the "Company" or "Borealis"), is prepared as of July 31, 2026, and should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended July 31, 2026 (the "Financial Statements"). Readers are encouraged to read the Cautionary Note Regarding Forward-Looking Information included on page 2 of this MD&A. The financial information in this MD&A is derived from the Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A has been prepared effective November 6, 2026, and has been approved by the Board of Directors of the Company. All figures contained herein are expressed in United States dollars ("US$" or "$"), except for production or as otherwise stated.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

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

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

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

BUSINESS DESCRIPTION

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

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

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

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

BOREALIS PROPERTY

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

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

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

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

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

SANDMAN PROPERTY

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

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

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

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

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

BIG BALDS PROPERTY

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

OPERATIONAL HIGHLIGHTS AND BUSINESS DEVELOPMENTS

Three Months Ended July 31, 2026

During the three months ended July 31, 2026, Borealis Mining Company Limited ("Borealis" or the "Company") continued advancing operations at its wholly owned Borealis Gold Mine in Mineral County, Nevada, following the resumption of open-pit mining earlier in the fiscal year. Activities during the quarter focused on mine development, material movement, crushing and stacking, and gold recovery through the Company's existing heap leach and adsorption, desorption, and recovery ("ADR") facilities.

The Company generated revenue of approximately $3.63 million during the fourth quarter, resulting in gross profit of approximately $1.61 million and a gross margin of 44.2%. The Company reported a net loss of approximately $0.13 million for the quarter. These results reflected continued gold and silver sales, partially offset by corporate, exploration, and development expenditures.

Mining activities continued with the support of the Company's principal mining contractor, Ledcor, following the successful restart of production blasting at the East Ridge open pit in January 2026. Management continued focusing on advancing mine development and improving the coordination of mining, crushing, stacking, and leaching activities as the operation progressed through its production ramp-up.

The Company also continued evaluating opportunities to improve operational efficiencies, including mine sequencing, material handling, and processing optimization. These initiatives are intended to support increased utilization of the Company's existing infrastructure and improve the efficiency of mining and processing activities.

At the Sandman Gold Project in Humboldt County, Nevada, the Company continued advancing technical and development planning activities following completion of the updated Preliminary Economic Assessment ("PEA") earlier in the fiscal year. Management's efforts remained focused on progressing engineering, metallurgical, resource evaluation and permitting workstreams to support further advancement of the project.

As at July 31, 2026, the Company held cash and cash equivalents of approximately $16.35 million and working capital of approximately $25.19 million, providing financial flexibility to support ongoing operations and development activities across its Nevada portfolio.

Year Ended July 31, 2026

Fiscal 2026 represented a significant period of operational and financial progress for Borealis, highlighted by the resumption of open-pit mining and commencement of commercial production at the Borealis Gold Mine, substantial growth in revenue and gross profit, a strengthened balance sheet, and continued advancement of the Company's Sandman Gold Project.

The Company generated revenue of approximately $12.65 million during the fiscal year, compared to $3.78 million in fiscal 2025, representing an increase of approximately 234%. Gross profit increased to approximately $4.95 million from $0.49 million in the prior year, with gross margins improving to 39.1% from 13.0%. These results reflected increased gold and silver sales and the continued progression of mining and processing activities at Borealis.

The Company reported a net loss of approximately $4.74 million for fiscal 2026, compared to a net loss of $14.87 million in fiscal 2025. The improvement was primarily attributable to increased gross profit and the absence of the approximately $6.89 million in exploration and evaluation acquisition expense recorded in the prior year in connection with the Gold Bull Resources transaction as well as increased revenues from gold and silver production. The Company continued to incur expenditures associated with exploration, mine development, corporate operations, and the advancement of its Nevada assets.

At the beginning of the fiscal year, operations at the Borealis Mine were primarily focused on crushing, stacking, and leaching historical oxide stockpiles while preparations continued for the resumption of open-pit mining. On January 28, 2026, the Company completed its first production blast at the East Ridge open pit, marking the successful restart of active mining operations. This milestone followed extensive engineering, mine planning, contractor mobilization, and site preparation activities.

Following the restart, the Company advanced mining and material movement across the East Ridge and Borealis pit areas, supported by its principal mining contractor, Ledcor. Mining activities were undertaken alongside continued operation of the Company's permitted heap leach pads and ADR facility, allowing Borealis to utilize its existing processing infrastructure while advancing the production ramp-up.

During fiscal 2026, the Borealis Mine commenced commercial production, representing an important transition in the Company's operating activities. Management continued focusing on coordinating mining and processing activities, improving operational efficiencies, and establishing the foundation for sustained gold production.

The expansion of mining and processing activities was reflected in the Company's inventory position, which increased to approximately $12.55 million as at July 31, 2026, compared to $1.93 million at the prior year-end. The year-end balance included approximately $4.56 million of stockpiled mineralized material and $7.98 million of work-in-progress inventory. The increase reflected the accumulation of material at various stages of the production process as the Company advanced its mining operations.

The Company's financial position strengthened considerably during the year. On January 15, 2026, Borealis completed a bought deal private placement for gross proceeds of approximately CAD$23.0 million. Additional capital was received through the exercise of outstanding warrants, stock options, and agent's options, resulting in net cash flows from financing activities of approximately $23.7 million during the fiscal year.

As at July 31, 2026, the Company held cash and cash equivalents of approximately $16.35 million, compared to $3.18 million at July 31, 2025. Working capital increased to approximately $25.19 million from $5.16 million, while shareholders' equity improved to approximately $17.18 million from a deficiency of $2.82 million at the prior year-end.

Cash used in operating activities totaled approximately $9.19 million during fiscal 2026, compared to US$6.30 million in fiscal 2025, reflecting, in part, the significant increase in inventory associated with the expansion of mining and processing activities. Management continues to focus on the conversion of inventory into gold sales and the optimization of working capital requirements as operations advance.

In parallel with the restart and ramp-up of the Borealis Mine, the Company achieved an important development milestone at its wholly owned Sandman Gold Project in Humboldt County, Nevada. During the fiscal year, Borealis completed an updated PEA evaluating the potential development of Sandman as a conventional open-pit, heap leach gold operation.

The updated PEA, utilizing a base-case gold price of $2,600 per ounce, outlined an approximately nine-year mine life with average annual gold production of approximately 38,000 ounces. The study estimated an after-tax net present value at a 6% discount rate of approximately $203 million, an after-tax internal rate of return of approximately 105%, and initial capital expenditures of approximately $36 million.

The PEA contemplated utilizing the existing Borealis ADR facility to process loaded carbon from Sandman, potentially reducing the capital requirements associated with constructing a standalone processing facility. The PEA is preliminary in nature, includes inferred mineral resources considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that its results will be realized.

Following completion of the PEA, the Company continued advancing engineering, metallurgical, permitting and resource evaluation planning, including preparation for additional drilling and technical studies intended to support further advancement of Sandman.

The Company believes that Sandman represents an important opportunity to expand its Nevada production platform by leveraging existing infrastructure, operational capabilities, and technical expertise. The advancement of Sandman remains a principal component of the Company's longer-term growth strategy alongside the continued development and optimization of the Borealis Mine.

Overall, fiscal 2026 marked a transition in Borealis' operating profile, from a company primarily focused on historical stockpile processing and mine restart preparations to one conducting active open-pit mining and commercial production while advancing a second gold project toward potential development.

Looking ahead, management remains focused on increasing and optimizing gold production at Borealis, improving mining and processing efficiencies, managing working capital requirements, and advancing Sandman through additional technical studies and permitting activities. The Company's longer-term objective remains the establishment of a sustainable, multi-asset gold production platform in Nevada through disciplined capital allocation and continued operational execution.

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

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

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

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

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

SELECTED FINANCIAL INFORMATION

	For the year ended July 31, 2026 $	For the year ended July 31,2025 $
Revenue	12,646,859	3,782,015
Net loss	(4,743,667)	(14,872,323)
Comprehensive loss	(5,008,207)	(14,725,964)
Net loss per share (basic and diluted)	($0.03)	($0.15)

	As at July 31, 2026 $	As at July 31, 2025 $
Total Assets	33,751,967	9,014,096
Working Capital	25,187,518	5,160,379
Total non-current liabilities	11,679,789	10,734,682

Since inception, the Company has incurred losses while advancing its business plan. The comprehensive loss for the year ending July 31, 2026, was $5,008,207 (July 31, 2025: loss of $14,725,964).

As at July 31, 2026, the Company had not yet achieved profitable operations, has accumulated losses since its inception, and expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. The Company has been successful in raising funds, therefore, the Company's ability to obtain additional financing is enough to assume that the Company will continue as a going concern, however there is no certainty this will occur in the future at terms acceptable to the Company.

RESULTS OF OPERATIONS

	For the year ended July 31, 2026 $	For the year ended July 31,2025 $
Exploration and evaluation costs	1,620,098	1,735,456
Operating expenses	432,658	443,231
Consulting and professional fees	3,883,505	3,349,057
General and administrative	2,214,716	2,400,740

Exploration and evaluation costs are provided in additional detail below:

	For the year ended July 31, 2026 $	For the year ended July 31,2025 $
Drilling	396,762	814,000
Personnel	372,589	451,928
Travel	111,096	17,074
Contractors / Consultants	355,645	246,941
Claim Staking Cost	368,862	195,898
Other	15,144	9,615
	1,620,098	1,735,456

The Company incurred $1,620,098 in exploration expenses during the year ending July 31, 2026 (2025 - $1,735,456). A decrease year over year of $115,358. The largest variance stemming from drilling; while the Company's exploration drilling program continued into Q1 of FY2025 and in FY2026 the Company conducted small amounts of confirmatory drilling.

Operating expenses for the year remained constant with a slight variance year over year of $10,573.

The Company incurred $3,883,505 in consulting and professional expenses during the year ending July 31, 2026 (2025 - $3,349,057). An increase year over year of $534,448 which is due to increases to the CEO and CFO salaries and board fees established early in the fiscal year.

General and administrative expenses are provided in additional detail below:

	For the year ended July 31, 2026 $	For the year ended July 31,2025 $
Personnel	235,112	158,148
Contractors / Consultants	575,936	1,002,856
Office and General	1,163,491	1,098,079
Travel	240,715	144,800
Foreign Exchange	(538)	(3,143)
	2,214,716	2,400,740

The Company incurred $2,214,716 in general and administrative expenses during the year ended July 31, 2026 (2025 - $2,400,740). The largest variance in contractors and consultants as Company streamlined third-party services such as IT, tax accountants, and former CFO firm.

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2026, the Company had cash and cash equivalents of $16,348,970 (July 31, 2025 - $3,183,238) and working capital of $25,187,518 (July 31, 2025: $5,160,379). The Company has sufficient working capital on hand to pay all commitments costs required to move the business forward in the next twelve months. The company has operating losses and negative cash flows from operations. The Company will remain reliant on capital markets and commercial production that commenced on January 28, 2026, for future funding to meet its ongoing obligations.

RELATED PARTY TRANSACTIONS

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

	For the year ended July 31, 2026 $	For the year ended July 31, 2025 $
Short-term compensation	875,919	446,801
Share based compensation	683,059	1,597,362

As at July 31, 2026 $115,475 related to unpaid directors fees were recorded in accounts payable (July 31, 2025 – $11,447). The amounts owing to related parties are unsecured, non-interest bearing and due on demand.

During the year ending July 31, 2026, management and directors of the Company received 1,400,000 option grants.

SUBSEQUENT EVENTS

Subsequent to July 31, 2026 688,889 warrants were exercised for gross proceeds of $212,395 (CAD$296,227).

EQUITY

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

Type of security	As at July 31, 2026
Common shares	147,592,247
Warrants	9,237,439
Agent's options	1,019,851
Stock Options	7,110,300
RSUs	231,000
Fully diluted	165,190,837

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Instruments

Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The classification of the financial instruments as at July 31, 2026, as well as their gross carrying values, are shown in the table below:

	Classification	Measurement ($)
Financial assets at amortized cost		
Cash and cash equivalents	Amortized cost	16,348,970
Total financial assets		**16,348,970**
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	Amortized cost	4,889,370
Total financial liabilities		**4,889,370**

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

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

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

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

There have been no transfers between fair value levels during the year ended July 31, 2026, and July 31, 2025.

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

As at July 31, 2026, and July 31, 2025, there were no financial assets or liabilities other than contingent consideration that were measured and recognized in the consolidated statements of financial position at fair value.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. Management mitigates these risks by assessing, monitoring, and approving the Company's risk management processes:

a. Credit Risk

Credit risk is the risk of a potential loss to the Company if one party of a financial instrument fails to meet its contractual obligations. The maximum credit exposures at July 31, 2026 are the carrying amount of cash and accounts receivable. To reduce credit risk, all significant cash balances are placed with major, reputable, Canadian and U.S. financial institutions and the majority of the accounts receivable balance is with a major global refinery.

b. Commodity Price Risk

The Company is exposed to fluctuations in gold and silver prices, which impact revenue generated from the sale of doré and the realizable value of inventory.

c. Liquidity Risk

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

	Less than 1 year $	2 to 3 years $	4 to 5 years $	Greater than 5 years $	Total $
Accounts payable and other payables	4,889,370	-	-	-	**4,889,370**
Decommissioning obligations	-	-	-	13,466,652	**13,466,652**
Contingent consideration	-	-	-	13,307	**13,307**
July 31, 2026	**4,889,370**	**-**	**-**	**13,479,959**	**18,369,329**

d. Currency Risk

The Company is subject to currency risk on its financial instruments which are denominated in a currency that is different from the functional currency of the entity that holds them. Exchange gains and losses would impact profit or loss. At July 31, 2026, the Company held CAD$18,234,607 in Canadian currency. A 10% change in the CADUSD foreign exchange rate would have following impact (in US$) on the balance held in CAD$:

	$ Impact
10% increase	(1,189,002)
10% decrease	1,453,225

e. Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently, the Company has no assets or liabilities with a variable interest rate. Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. As at July 31, 2026, and July 31, 2025, the Company did not have any outstanding loans and borrowings that are subject to variable interest rates.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES

See notes 3 and 4 of the Company's consolidated financial statements for the year ending July 31, 2026, for more information.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

See notes 3 and 4 of the Company's consolidated financial statements for the year ending July 31, 2026, for more information.

RISKS AND UNCERTAINTIES

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