

37 CAPITAL INC.

Management's Discussion & Analysis Condensed Interim Financial Statements for the Six months ended June 30, 2026

The following discussion and analysis of the financial condition and financial position and results of operations of 37 Capital Inc. (the "Company" or "37 Capital") should be read in conjunction with the condensed interim unaudited financial statements for the six months ended June 30, 2026 and 2025 and the notes thereto, and the audited financial statements and notes thereto for the years ended December 31, 2025 and 2024. The condensed interim unaudited financial statements and the notes thereto for the six months ended June 30, 2026 and 2025 have not been reviewed by the Company's auditors.

The financial statements, including comparatives, have been prepared using accounting policies in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's financial statements are expressed in Canadian (CDN) Dollars which is the Company's functional currency. All amounts in this MD&A are in CDN dollars unless otherwise stated.

The following information is prepared as at August 31, 2026.

Forward-Looking Statements

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements may include, among others, statements regarding future plans, costs, projections, objectives, economic performance, or the assumptions underlying any of the foregoing. In this MD&A, words such as "may", "would", "could", "will", "likely", "seek", "project", "predict", "potential", "should", "might", "hopeful", "objective", "believe", "expect", "anticipate", "intend", "plan", "estimate", "optimistic" and similar words are used to identify forward-looking statements. Forward-looking statements are subject to a variety of significant risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, projections and estimations, there can be no assurance that these assumptions, projections or estimations are accurate. Readers, shareholders and investors are therefore cautioned not to place reliance on any forward-looking statements in this MD&A as the plans, assumptions, intentions, estimations, projections, expectations or factors upon which they are based might vary or might not occur. The forward-looking statements contained in this MD&A are made as of the date of this MD&A, and are subject to change after such date. The Company undertakes no obligation to update or revise any forward-looking statements, except in accordance with applicable securities laws.

Description of Business

The Company is a junior mineral exploration company.

The Company was incorporated on August 24, 1984 in British Columbia, Canada. The principal business of the Company is the acquisition, exploration and, if warranted, the development of natural resource prospects.

37 Capital is a reporting issuer in the Provinces of British Columbia, Alberta, Quebec and Ontario and files all public documents on www.sedarplus.ca.

In Canada, the common shares of the Company trade on the Canadian Securities Exchange (CSE) under the symbol “JJJ”. As of June 16, 2025, the Company’s common shares, which traded under the symbol ‘HHHEF,’ were dropped from the OTC Pink tier of the OTC Markets by FINRA due to inactivity.

The Company’s office is located at Suite 575, 510 Burrard Street, Vancouver, British Columbia V6C 3A8, Canada, and its registered and records office is located at Suite 3200 - 650 West Georgia Street, Vancouver, British Columbia V6B 4P7. The Company’s registrar and transfer agent is Computershare Investor Services Inc., at 510 Burrard Street, Vancouver, British Columbia, V6C 3B9. The Company’s auditors are Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, at 1500-1140 West Pender Street, Vancouver, British Columbia V6E 4G1. The facsimile number is (604) 689-2778.

Results of Operations

For the six months ended June 30, 2026:

- The Company’s operating expenses were \$155,008 as compared to \$52,039 for the corresponding period in 2025.
- The Company recorded net loss and comprehensive loss of \$155,008 as compared to a net loss and comprehensive loss of \$52,039 during the corresponding period in 2025.
- The basic and diluted loss per common share was \$0.01 as compared to a basic and diluted loss of \$0.00 during the corresponding period in 2025.
- The Company’s total assets were \$ 936,265 as compared to total assets of \$133,151 during the corresponding period in 2025 (December 31, 2025: \$790,655).
- The Company’s total liabilities were \$ 644,249 as compared to total liabilities of \$771,713 during the corresponding period in 2025 (December 31, 2025: \$630,788).
- The Company had a working capital surplus of \$48,501 as compared to a working capital deficiency of \$743,064 during the corresponding period in 2025 (December 31, 2025: working capital deficiency of \$55,366).

The Company is presently not a party to any legal proceedings whatsoever.

During 2024, Jackpot owned 607,377 and sold 350,000 common shares in July 2025. On August 1, 2025, the Company entered into a settlement agreement dated July 24, 2025 with Jackpot, in settlement of debt totaling \$119,700, through the issuance of 1,330,000 common shares of the Company at a deemed price of \$0.09 per share. As of the date of this MD&A, Jackpot holds 1,587,377 common shares, representing 5.19% of the issue and outstanding common shares of the Company.

At the Company’s Annual General Meeting, which was held on December 18, 2025, the Company’s shareholders passed all the resolutions presented including the re-election of Jake H. Kalpakian, Gregory T. McFarlane, Neil Spellman and the election of Mathieu McDonald as Directors of the Company; re-appointed the Company’s Auditor, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional

Accountants for the ensuing year and authorized the Directors to fix the remuneration to be paid to the Auditor; and re-approved the Company's Stock Option Plan.

The Company has entered into a consulting agreement with an arm's length party with a monthly payment of \$4,000 per month for a period of six months.

On August 10, 2026, the Company announced that it intends to raise gross proceeds of up to \$500,000 by the issuance of up to 10,000,000 flow-through units of the Company at a price of \$0.05 per unit ("Flow-Through Financing"). Each flow-through unit will consist of one flow-through common share of the Company and one non-flow-through share purchase warrant to acquire one non-flow-through common share of the Company at a price of \$0.15 for a period of three (3) years from the issuance date ("Closing Date"). The proceeds raised from the Flow Through Financing will be used for exploration work expenditures on either the Company's mineral property located in the Province of British Columbia and/or on any other properties that the Company may acquire.

In addition, on August 10, 2026, the Company announced that it intends to raise gross proceeds of up to \$200,000 by the issuance of up to 4,000,000 units of the Company at a price of \$0.05 per unit ("Non-Flow Through Financing"). Each Unit will consist of one common share in the capital of the Company and one share purchase warrant to purchase an additional common share in the capital of the Company at a price of \$0.15 per common share for a period of three (3) years from the Closing Date. The proceeds raised from the Non-Flow Through Financing will be used towards general working capital purposes. The Company has received \$30,000 in subscription proceeds, however no closing has taken place as of the date of this MD&A.

In connection with both financings, if, anytime after six months from Closing, the Company's common shares trade on the Canadian Securities Exchange ("CSE") at a price of \$0.25 per common share or above for a period of ten (10) consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice, via a news release issued within 5 business days of the last day of such ten (10) consecutive trading day calculation period, of its exercise of such right and thereafter the warrants will, without further notice or act by the Company, automatically expire and be of no further force and effect at 4:00 p.m. (Vancouver time) on the date that is 30 calendar days after the date of said news release. All securities that may be issued in connection with the above financings will be subject to a hold period in accordance with applicable regulatory and securities laws. There may be finder's fees payable in respect to the financings and certain insiders may participate in both financings.

On August 19, 2026, in connection with the Option with Quimbaya Gold Corp ("Quimbaya") below, the Company is undertaking a non-brokered private placement of up to 5,000,000 units at a price of CDN\$0.10 per unit to raise gross proceeds of up to CDN\$500,000. Each unit consists of one common share and one common share purchase warrant, with every two warrants exercisable to purchase one additional common share at a price of CDN\$0.15 per share for three years from the date of issuance.

Mineral Properties

1. Extra High Claims

The Extra High property is located in south-central British Columbia, approximately 60 kilometres north of the City of Kamloops, British Columbia, Canada and 22 km east of the town of Barriere. It lies on the southwest side of Samatsum Mountain, located north of Skwaam Bay on Adams Lake. It is centred at 51°08'03" N latitude and 119°49'16" W longitude. It consists of five contiguous BC MTO mineral titles in the Kamloops Mining Division and covers an area of 649 hectares.

During 2023 the Company hired the services of Discovery Consultants of Vernon, British Columbia ("Discovery") to plan, conduct, and complete the Company's exploration work program on the Extra High Property (the "Company's 2023 Exploration Work Program"). The Company's 2023 Exploration Work Program consisted of 2 Phases. The Company incurred \$20,000 of exploration related expenditures for Phase 1, and the Company incurred \$30,501 of exploration related expenditures for Phase 2, for a total amount of \$50,501.

The mineral claims covering the Extra High Property are valid until December 28, 2028.

As at December 31, 2025 and June 31, 2026, the Company owns a 100% undivided right, interest and title in and to the Extra High Property.

The Extra High Property is subject to a 1.5% Net Smelter Returns Royalty ("NSR") payable to a third party, 50% of which, or 0.75%, can be purchased by the Company at any time by paying \$500,000.

2. Ontario Mineral Leases (Lithium)

During the year ended December 31, 2008, the Company sold all of its Ontario Mineral Leases (Lithium). In the event that at a future date the Ontario Mineral Leases (Lithium) are placed into commercial production, then the Company is entitled to receive a 0.5% gross receipts royalty after six months from the date of commencement of commercial production from the Ontario Mineral Leases (Lithium).

Investment

During March 2026, the Company entered into an agreement with SpendRight, Inc. for the purchase of a 5% ownership in SpendRight, Inc. for US\$100,000 (paid). The Company also has the option for twelve (12) months to purchase an additional 5% ownership for an additional US\$200,000, for a total of 10% ownership in SpendRight. 37 Capital will have, for twelve (12) months, the first right of refusal for thirty (30) days on any future financing carried out by SpendRight. In addition, 37 Capital has the right to assign or transfer the Company's interest in SpendRight to any related party of 37 Capital.

Option to Purchase Mineral Property in Colombia

The Company has entered into an option and asset purchase agreement dated August 18, 2026 (the "Agreement") with Quimbaya and its wholly-owned subsidiary Golden Pacifico Exploration S.A.S. ("Golden Pacifico") by which 37 Capital was granted the exclusive option (the "Option") to acquire an undivided 100% legal and beneficial right, title and interest in and to a mineral exploration property located in Colombia (the "Property").

The Property covers an area of approximately 1,218.88 hectares, together with five related mining concession applications submitted to Colombia's National Mining Agency, and is known as the Berrio Project. Golden Pacifico, a company incorporated under the laws of Colombia, is the sole legal, beneficial and registered owner of the Property pursuant to the mining concession contract No. 6822 registered with the National Mining Agency in Colombia. The Option is exercisable for twelve months from the date of the Agreement. Quimbaya has agreed to guarantee the obligations of Golden Pacifico under the Agreement. The Property is subject to a 2% net smelter returns royalty held by Anglo Gold Ashanti.

The Agreement provides that the purchase price for the Property will be US\$3,750,000 payable by the Company to Golden Pacifico as follows:

- (1) subject to Quimbaya arranging the Minimum Subscription, a cash payment of US\$100,000 as a non-refundable deposit, payable within five business days of the date of closing of the Minimum Subscription;
- (2) subject to Quimbaya arranging the Minimum Subscription, a cash payment of US\$150,000 as a further non-refundable deposit, payable not later than six months from the date of the Agreement if the acquisition of the Property has not by then closed; and
- (3) if 37 Capital elects to exercise the Option and acquire the Property, on closing of the acquisition, it will (i) issue to Golden Pacifico 7,600,000 common shares (the "Consideration Shares") at a deemed price of CDN\$0.10 per share; and (ii) make a final cash payment equal to the balance of the Purchase Price (\$3,750,000 less (i) the cash amounts previously paid in accordance with (1) and (2) above; and (ii) the value of the Consideration Shares of US\$542,857 (CDN\$760,000)). The Option is an option only and the Agreement may be terminated by the Company at any time prior to exercise of the Option. Completion of the acquisition by the Company will be subject to a number of closing conditions, including CSE approval. If the acquisition of the Property completes, a finder's fee payable in common shares of the Company will be paid.

Summary of Quarterly Results

For the Quarterly Periods ended		June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Total Revenues	\$	0	0	0	0
Net loss and comprehensive loss					
Net loss and comprehensive loss	\$	(61,939)	(93,069)	(204,775)	(46,913)
Loss per share		(0.00)	(0.00)	(0.02)	(0.00)

For the Quarterly Periods ended		June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Total Revenues	\$	0	0	0	0
Net loss and comprehensive loss					
Net loss and comprehensive loss	\$	(26,534)	(25,505)	(64,440)	(33,790)
Loss per share	\$	(0.00)	(0.00)	(0.00)	(0.00)

Second Quarter (June 30, 2026)

During the three months [second quarter] period ended June 30, 2026:

- The Company had a net loss and comprehensive loss of \$61,939 or \$0.00 per share as compared to a net loss and comprehensive loss of \$26,534 or \$0.00 per share during the same three month [second quarter] period ended June 30, 2025.

- The Company's Operating costs were \$61,939 as compared to operating costs of \$26,534 for the same three month [second quarter] period ended June 30, 2025.

The Company's business is not of a seasonal nature.

Risks related to our Business

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

- The Company does not anticipate to generate any revenue in the foreseeable future. In the event that the Company generates any revenues in the future, then the Company intends to retain its earnings in order to finance growth.
- There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.
- Governmental regulations, including those regulations governing the protection of the environment, taxes, labour standards, occupational health, waste disposal, mine safety and other matters, could have an adverse impact on the Company.
- Trading in the common shares of the Company may be halted or suspended or may be subject to cease trade orders at any time and for any reason, including, but not limited to, the failure by the Company to submit documents to the Regulatory Authorities within the required time periods.
- The exploration of mineral properties involves significant risks which even experience, knowledge and careful evaluation may not be able to avoid. The prices of metals have fluctuated widely, particularly in recent years as it is affected by numerous factors which are beyond the Company's control including international, economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore the economic viability of the Company's interest in its mineral exploration property cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct adverse impact on the Company's ability to raise funds for its interest in the Extra High mineral exploration property. A drop in the availability of equity financings will likely impede spending on mineral properties which can affect the Company.
- The Company has outstanding debts, has working capital deficiency, has no revenues, has incurred operating losses, and has no assurances whatsoever that sufficient funding can be available for the Company to continue its operations uninterruptedly.
- The market price of the Company's common shares has experienced considerable volatility and may continue to fluctuate in the future. Furthermore, there is a limited trading market for the Company's common shares and as such, the ability of investors to sell their shares cannot be assured.

Liquidity and Capital Resources

The Company has incurred operating losses over the past three fiscal years, has limited resources, and does not have any source of operating cash flow.

During 2026, the Company shall require additional financing to conduct its operations uninterrupted. In order to meet this requirement, the Company intends to seek equity and/or debt financing through private placements and/or public offerings and/or loans. In the past, the Company has been successful in securing equity and debt financings in order to conduct its operations uninterrupted. While the Company does not give any assurances whatsoever that in the future it will continue being successful in securing equity and/or debt financing in order to conduct its operations uninterrupted, it is the Company's intention to pursue these methods for future funding of the Company.

As at June 30, 2025,

- The Company's total assets were \$936,265 as compared to total assets of \$133,151 during the corresponding period in 2025 (December 31, 2025: \$790,655).
- The Company's total liabilities were \$644,249 as compared to total liabilities of \$771,713 during the corresponding period in 2025 (December 31, 2025: \$630,788).
- the Company had \$401,418 in cash as compared to \$24,482 in cash for the corresponding period in 2025 (December 31, 2025: \$680,940).
- the Company had GST/HST receivable in the amount of \$9,839 as compared to \$4,167 for the corresponding period in 2025 (December 31, 2025: \$5,213).

Private Placement Financings

During the six-month period ended June 30, 2026, and up to the date of this MD&A, the following share transactions occurred:

- i) On May 25, 2026, the Company closed a non-brokered private placement announced on March 17, 2026 and issued 3,000,000 units of the Company at a price of \$0.07 per unit. Each unit consists of one common share of the Company and one share purchase warrant, with each warrant exercisable to acquire one common share of the Company at a price of \$0.10 per share (the "Warrant") for a period of three (3) years. If, anytime after six months from the issuance date, in the event that the Company's shares trade on the CSE at \$0.35 per share or above for a period of 10 consecutive trading days, a forced exercise provision will come into effect for the warrants issued in connection with this financing. All securities issued are subject to a hold period in accordance with applicable securities laws.

During the year ended December 31, 2025, and up to the date of this MD&A, the following share transactions occurred:

- ii) On October 16, November 17 and November 20, 2025, the Company closed the first, second and third tranche closings of the private placement financing announced on September 26, 2025 and issued an aggregate of 1,775,000 units of the Company at a price of \$0.125 per unit for gross proceeds of \$221,875. Each unit consists of one common share of the Company and one share purchase warrant to acquire one common share of the Company at a price of \$0.15 per share for

a period of three (3) years. If, anytime after six months from the issuance date, in the event that the Company's shares trade on the CSE at \$0.35 per share or above for a period of 10 consecutive trading days, a forced exercise provision will come into effect for the warrants issued in connection with this financing. The Company paid finder's fees of \$6,344 and issued 50,750 warrants exercisable at \$0.15 for two years.

- iii) During October 2025, the Company issued 500,000 common shares at \$0.05 per share from the exercise of share purchase warrants, for total proceeds of \$25,000.
- iv) During September 2025, the Company issued 3,800,000 common shares at \$0.05 per share from the exercise of share purchase warrants, for total proceeds of \$190,000.
- v) On August 28 & September 15, 2025, the Company closed the private placement financing announced on July 30, 2025 and issued 5,000,000 units of the Company at a price of \$0.07 per unit for gross proceeds of \$350,000. Each unit consists of one common share of the Company and one share purchase warrant to acquire one common share of the Company at a price of \$0.10 per share for a period of three (3) years. If, anytime after six months from the issuance date, in the event that the Company's shares trade on the CSE at \$0.35 per share or above for a period of 10 consecutive trading days, a forced exercise provision will come into effect for the warrants issued in connection with this financing. The Company paid finder's fees of \$4,025; \$140 admin fee and issued a total of 57,500 warrants exercisable at \$0.10 for two years. All securities issued in connection with this financing include a hold period in accordance with applicable securities laws.
- vi) On August 1, 2025, the Company issued 1,330,000 common shares at \$0.09 per share to Jackpot pursuant to a debt settlement agreement to settle outstanding debt totaling \$119,700.

During the year ended December 31, 2021, the following share transactions occurred:

- i) On January 15, 2021, the Company issued 80,000 flow-through units for proceeds of \$20,000. Each flow-through unit consists of one flow-through common share of the Company and one non-flow-through share purchase warrant to acquire one non-flow-through common share of the Company at a price of \$0.50 for a period of two years. During the year-ended December 31, 2022, the Company made a formal application to Canada Revenue Agency and cancelled the Company's flow-through share application which was submitted during the year ended December 31, 2020. As at December 31, 2025 and 2024, the Company has included a provision for indemnification of the flow through shareholder for an amount of \$10,000 in accounts payable.

Convertible Debentures Financing 2015

On January 6, 2015, the Company closed a convertible debenture financing with two directors of the Company for the amount of \$250,000. The convertible debentures matured on January 6, 2016, and bear interest at the rate of 12% per annum payable on a quarterly basis. The convertible debentures are convertible into common shares of the Company at a conversion price of \$1.50 per share. The liability component of the convertible debentures was recognized initially at the fair value of a similar liability with no equity conversion option, which was calculated based on the application of a market interest rate of 25%. On the initial recognition of the convertible debentures, the amount of \$222,006 was recorded under

convertible debentures and the amount of \$27,994 has been recorded under the equity portion of convertible debenture reserve.

On October 29, 2021, the Company entered into an Addendum to the convertible debentures whereby the maturity date of the principal amount totaling \$250,000 of the convertible debentures together with the accrued interest has been extended indefinitely, until mutual consent of the Company and Lender has been reached.

As at June 30, 2026, the Company recorded interest expense of \$15,000 (December 31, 2025 - \$30,000). As of June 30, 2026, \$250,000 of the convertible debentures are outstanding plus the accrued interest of \$344,589 (December 31, 2025 - \$329,589).

Warrants

As at June 30, 2026, a total of 16,258,250 share purchase warrants exercisable at the prices ranging from \$0.05 and \$0.15 per warrant share were outstanding. As of the date of this MD&A, there are 16,258,250 share purchase warrants outstanding.

While there are no assurances whatsoever that any warrants may be exercised, however if any warrants are exercised in the future, then any funds received by the Company from the exercising of warrants shall be used for general working capital purposes.

Stock Options

As at June 30, 2026, a total of 4,365,000 were granted to directors, officers and consultants exercisable at prices ranging from \$0.10 to \$0.155 per share (December 31, 2025 – 4,365,000). As of the date of this MD&A, there are 4,365,000 options outstanding.

The weighted average remaining contractual life for options outstanding at June 30, 2026 is 1.62 years (June 30, 2025 – 1.76 years).

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, share-based payments of \$86,091 (June 30, 2025 - \$7,636) were recognized as employee benefits and \$8,935 (June 30, 2025 - \$1,292) was recognized as recovery of consulting fees for options granted to consultants.

Material Accounting Policy Information

The condensed interim financial statements for the six months ended June 30, 2026 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”).

The Material Accounting Policies are detailed in Note 4 of the Company’s condensed interim financial statements for the six months ended June 30, 2026.

Effective January 1, 2019, the Company adopted IFRS 16 which supersedes IAS 17 Leases (“IAS 17”). The Company has applied the new standard using the modified retrospective approach with no restatement of comparative periods. There were no adjustments to retained earnings as a result of adoption. The Company has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its previous assessment made under

IAS 17 and IFRIC 4 Determining whether an arrangement contains a lease. The definition of a lease under IFRS 16 was applied only to contracts entered into or modified on or after January 1, 2019.

On transition to IFRS 16, the Company did not recognize any lease assets or liabilities as its operating leases had a remaining term of less than 12 months from the date of initial application.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Trends

During the last several years commodity prices have fluctuated significantly, and should this trend continue, or should commodity prices remain at current levels, then companies such as 37 Capital will have difficulty in raising funds and/or acquiring mineral properties of merit at reasonable prices.

Related Party Transactions

The Company shares office space and certain employees with Jackpot, a company related by certain common key management personnel.

The Company has an office lease agreement with Jackpot. Under the agreement, the Company is entitled to have office space from Jackpot at a monthly rate of \$1,000 plus applicable taxes. Furthermore, Jackpot or the Company may terminate this agreement by giving each other three months' notice in writing.

The Company has an office support services agreement with Jackpot which has been extended until September 30, 2026. Under the agreement, the Company is entitled to receive office support services from Jackpot at a monthly rate of \$1,000 plus applicable taxes. Either Jackpot or the Company may terminate this agreement by giving each other three months' notice in writing.

Jackpot is related to the Company by virtue of the fact that Jackpot has certain directors and officers who are also directors and officers of the Company.

The amounts due from/to related parties are unsecured, payable on demand, which consist of the following:

	<u>June 30,</u> <u>2026</u>	<u>June 30,</u> <u>2025</u>
Due to related party (non-interest-bearing)	\$ (7,537)	\$ (123,036)
Due from related party	<u>289,030</u>	<u>-</u>
	<u>\$ 281,493</u>	<u>\$ (123,026)</u>

During the six months ended June 30, 2026, the Company issued an advance loan to a director with an interest rate of 12% per annum totaling \$289,030. Subsequent to the six months ended June 30, 2026, the related party repaid \$289,030.

During the six-month period ended June 30, the following amounts were charged by a related party.

	<u>2026</u>	<u>2025</u>
Rent charged by a company with common directors	\$ 6,000	\$ 6,000
Office expenses charged by, and other expenses paid on behalf of the Company by a company with common directors	7,179	6,368
	<u>\$ 13,179</u>	<u>\$ 12,368</u>

On January 6, 2015, the Company closed convertible debentures financing with two directors of the Company for the principal amount of \$250,000. The convertible debentures have a maturity date of twelve months from the date of closing, and bear interest at the rate of 12% per annum payable on a quarterly basis. The principal amount of \$250,000 together with the accrued interest of the convertible debentures became due and payable on January 6, 2016 (the “Due Date”). However, on the Due Date the Company was unable to repay the principal amount and the accrued interest to the two directors. On October 29, 2021, the Company entered into an Addendum to the Convertible Debentures whereby the maturity date of the principal amount of \$250,000 of the convertible debentures together with the accrued interest has been extended indefinitely, until mutual consent of the Company and Lender has been reached.

The convertible debentures and accrued interest of \$594,589 (December 31, 2025 - \$579,589) are owed to the Chief Executive Officer, and to a former director of the Company.

The Company entered into a debt settlement agreement dated July 24, 2025 with Jackpot. On August 1, 2025, the Company issued 1,330,000 common shares of the Company at a deemed price of \$0.09 per share, in settlement of debt totaling \$119,700. As of the date of this MD&A, Jackpot owns 1,587,377 common shares of the Company representing 5.19% of the Company’s issued and outstanding common shares.

On September 15, 2025, two insiders of the Company subscribed 1,500,000 units in the capital of the Company at a price of \$0.07 per unit in the private placement totaling \$105,000.

On November 17, 2025, an insider of the Company subscribed for 320,000 units in the capital of the Company at a price of \$0.125 per unit in the private placement financing totaling \$40,000.

On May 25, 2026, an insider of the Company subscribed for 3,000,000 units in the capital of the Company at a price of \$0.07 per unit in the private placement financing totaling \$210,000.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Risk management overview

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor these risks.

(b) Fair value of financial instruments

The fair values of cash, accounts payable and accrued liabilities, due to related parties, loan payable and convertible debentures approximate their carrying values due to the short-term maturity of these instruments.

IFRS establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash. The Company mitigates its exposure to credit loss associated with cash by placing its cash with a major financial institution.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due.

At June 30, 2026, the Company had cash of \$401,418 (December 31, 2025 - \$680,940) available to apply against short-term business requirements and current liabilities of \$644,249 (December 31, 2025 - \$630,788). All of the current liabilities are due within 90 days. Amounts due to related parties are due on demand. As of June 30, 2026, two convertible debentures together with the accrued interest for a total amount of \$594,589 are outstanding. Liquidity risk is assessed as high.

(e) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's net earnings or the value of financial instruments. As at June 30, 2026, the Company is not exposed to significant interest rate risk, currency risk or other price risk on its financial assets and liabilities due to the short-term maturity of its financial liabilities and the fixed interest rate on the outstanding convertible debentures.

Analysis of expenses

For a breakdown of general and administrative expenditures, please refer to the Statements of Comprehensive Loss in the Company's Condensed Interim Financial Statements for the six months ended June 30, 2026 and 2025.

Capital Stock

Authorized share capital: Unlimited number of common shares without nominal or par value

Outstanding Share Data	No. of Common Shares	No. of Preferred Shares	Exercise Price per Share	Expiry Date
Issued and Outstanding as at August 31, 2026	30,610,947	Nil		
Warrants	15,000 35,000 200,000 22,500 290,000 650,000 50,750 520,000 3,700,000 1,000,000 2,550,000 2,450,000 550,000 500,000 725,000 <u>3,000,000</u> <u>16,258,250</u>		\$0.15 \$0.10 \$0.05 \$0.10 \$0.15 \$0.15 \$0.15 \$0.15 \$0.15 \$0.05 \$0.05 \$0.10 \$0.10 \$0.15 \$0.15 \$0.15 \$0.15 	October 31, 2026 August 28., 2027 August 31, 2027 September 15, 2027 September 20, 2027 October 31, 2027 November 20, 2027 December 4, 2027 May 15, 2028 July 24, 2028 August 28, 2028 September 15, 2028 October 16, 2028 November 17, 2028 November 20, 2028 May 25, 2029
Stock Options	1,900,000 2,465,000		\$0.10 \$0.155	January 29, 2027 – December 5, 2027 October 2, 2028 - November 20, 2028
Fully Diluted as at August 31, 2026	51,234,197			

Director Approval

The contents of this MD&A and the sending thereof to the Shareholders of the Company have been approved by the Company's Board of Directors.

Outlook

Management's efforts are directed towards pursuing mineral exploration opportunities of merit for the Company, and Management is hopeful that, in due course, the Company shall be able to acquire an opportunity of merit. The Company is also exploring opportunities outside the mineral exploration sector.