

# AUSCAN RESOURCES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025

This discussion and analysis of financial position and results of operation is prepared as at November 19, 2025 and should be read in conjunction with the unaudited financial statements and the accompanying notes for the three months ended September 30, 2025 of Auscan Resources Inc. ("Auscan" or "the Company"). The following disclosure and associated financial statements are presented in accordance with *IFRS Accounting Standards* ("IFRS") as issued by the *International Accounting Standards Board* and *Interpretations of the IFRS Committee*. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

### Forward Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements", within the meaning of applicable Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "is expected", "intends", or "has the potential to". Forward looking statements may include statements regarding the future operating or financial performance of the Company that involve known and unknown risks and uncertainties which may not prove to be accurate. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. The forward-looking statements included in this MD&A are made as of the date of this MD&A and 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 expressly required by applicable securities legislation. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors.

All of the Company's public disclosure filings, including its most recent filing statement, material change reports, press releases and other information, may be accessed via <https://www.sedarplus.ca> and readers are urged to review these materials.

### Company Overview

The Company is a corporation continued under the laws of British Columbia. The Company is listed and its common shares trade on the NEX board of the TSX Venture Exchange ("TSXV") under the symbol "ACR.H". The Company is a reporting issuer in British Columbia, Alberta and Saskatchewan. The Company's principal office is located at Suite 1305, 1090 West Georgia Street, Vancouver, BC V6E 3V7.

The Company's past principal activity was the acquisition, exploration and development of helium property interests in North America. During fiscal 2019 the Company reassessed its continued involvement in the helium energy sector and determined to exit the industry. The Company has been considering its strategic options and is continuing its search for business or acquisition opportunities. No opportunities have been identified as of the date of this MD&A.

See also "Financial Condition / Capital Resources".

### Officers and Directors

As of the date of this MD&A the Company's directors and officers are as follows:

|                      |                                                              |
|----------------------|--------------------------------------------------------------|
| Mr. Nick DeMare      | - Director, Interim CEO, Interim CFO and Corporate Secretary |
| Mr. David Henstridge | - Director                                                   |
| Mr. Harvey Lim       | - Director                                                   |

## Selected Financial Data

The following selected financial information is derived from the unaudited condensed interim financial statements of the Company.

|                                           | Fiscal 2026           | Fiscal 2025           |                       |                       |                       | Fiscal 2024           |                       |                       |
|-------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                           | Sep. 30<br>2025<br>\$ | Jun. 30<br>2025<br>\$ | Mar. 31<br>2025<br>\$ | Dec. 31<br>2024<br>\$ | Sep. 30<br>2024<br>\$ | Jun. 30<br>2024<br>\$ | Mar. 31<br>2024<br>\$ | Dec. 31<br>2023<br>\$ |
| <b>Operations:</b>                        |                       |                       |                       |                       |                       |                       |                       |                       |
| Revenues                                  | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   |
| Expenses                                  | (92,734)              | (28,872)              | (35,142)              | (38,112)              | (26,726)              | (28,665)              | (30,215)              | (37,896)              |
| Other items                               | 200                   | (415)                 | (410)                 | (248)                 | (260)                 | 49,829                | (90)                  | (295)                 |
| Net (loss) income                         | (92,534)              | (29,287)              | (35,552)              | (38,360)              | (26,986)              | 21,164                | (30,305)              | (38,191)              |
| Basic and diluted (loss) income per share | (0.03)                | (0.01)                | (0.02)                | (0.02)                | (0.00)                | 0.01                  | (0.01)                | (0.02)                |
| Dividends per share                       | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   |
| <b>Balance Sheet:</b>                     |                       |                       |                       |                       |                       |                       |                       |                       |
| Working capital (deficit)                 | (39,419)              | (232,780)             | (212,243)             | (195,171)             | (156,811)             | (129,825)             | (150,989)             | (203,884)             |
| Total assets                              | 53,294                | 30,548                | 23,165                | 24,808                | 29,761                | 32,175                | 39,558                | 22,391                |
| Total long-term liabilities               | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   | Nil                   |

## Results of Operations

### *Three Months Ended September 30, 2025 Compared to Three Months Ended June 30, 2025*

During the three months ended September 30, 2025 (“Q1/2026”) the Company reported a net loss of \$92,534 compared to a net loss of \$29,287 during the three months ended June 30, 2025 (“Q4/2025”), an increase in loss of \$63,247. The fluctuation is primarily due to a \$63,862 increase in general and administrative costs, from \$28,872 in Q4/2025 to \$92,734 in Q1/2026, mainly due to the recognition of \$49,780 share-based compensation on the granting of share options in Q1/2026.

### *Three Months Ended September 30, 2025 Compared to Three Months Ended September 30, 2024*

During the three months ended September 30, 2025 the Company reported a net loss of \$92,534 compared to a net loss of \$26,986 during the three months ended September 30, 2024, an increase in loss of \$65,548. The increase is due to a \$66,008 increase in general administrative expenses, from \$26,726 during the three months ended September 30, 2024 compared to \$92,734 during the three months ended September 30, 2025.

During the three months ended September 30, 2025 the Company:

- (i) recognized \$49,780 (2024 - \$nil) share-based compensation on the granting of share options;
- (ii) incurred \$9,000 (2024 - \$2,400) for accounting and administration. See “Related Parties Disclosure”;
- (iii) incurred \$5,000 (2024 - \$nil) for the audit of the Company’s year-end financial statements. The increase is due to the timing of the billings for the audit; and
- (iv) incurred legal fees of \$2,453 (2024 - \$nil). During the three months ended September 30, 2025 the Company incurred services for general corporate matters.

The Company holds its cash in interest bearing accounts in major financial institutions. Interest income is generated from the deposits and fluctuates primarily with the levels of cash on deposit. During the three months ended September 30, 2025 the Company reported interest income of \$681 compared to \$371 during the three months ended September 30, 2024.

## *Financings*

During the three months ended September 30, 2025 the Company completed a non-brokered private placement and issued 1,500,000 common shares for total gross proceeds of \$238,800.

No financings were conducted during the three months ended September 30, 2024.

## Financial Condition / Capital Resources

As at September 30, 2025, the Company had a working capital deficit of \$39,419 and an accumulated deficit of \$5,111,369. Although the Company has curtailed its level of corporate and administrative activities, management anticipates that the Company will continue to rely on ongoing loan advances from its shareholders and additional equity financing to maintain essential levels of administration and corporate expenses required for a publicly traded company and provide working capital to conduct due diligence on any business or acquisition opportunities as they arise. There can be no assurance that the Company will be successful in identifying a business opportunity or securing financing. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

## Contractual Commitments

The Company has no contractual commitments.

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

## Proposed Transactions

The Company has no proposed transactions.

## Changes in Accounting Policies

There were no changes in accounting policies. A detailed summary of the Company's significant accounting policies is included in Note 3 to the June 30, 2025 audited annual financial statements.

## Related Party Disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

- (i) During the three months ended September 30, 2025 and 2024 the following amounts were incurred with respect to its officers and directors:

|                                                                       | 2025<br>\$    | 2024<br>\$    |
|-----------------------------------------------------------------------|---------------|---------------|
| Nick DeMare - Interim CEO, Interim CFO, Corporate Secretary, Director | 10,500        | 10,500        |
| David Henstridge - Director                                           | 6,000         | 6,000         |
| Harvey Lim - Director                                                 | 6,000         | 6,000         |
|                                                                       | <u>22,500</u> | <u>22,500</u> |

As at September 30, 2025 \$28,000 (June 30, 2025 - \$221,000) remained unpaid.

During the three months ended September 30, 2025 the Company also recorded \$32,680 (2024 - \$nil) share-based compensation for share options granted to key management personnel.

- (ii) During the three months ended September 30, 2025 the Company incurred \$9,000 (2024 - \$2,400) with Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel. As at September 30, 2025 \$7,500 (June 30, 2025 - \$1,000) remained unpaid.
- (iii) A loan advance was provided by a former officer of the Company. The advance bears interest at the Bank of Canada prime rate plus 6%, with the principal and accrued interest payable on demand. During the three months ended September 30, 2025 the Company recognized interest expense of \$489 (2024 - \$625) on the loan advance. During the three months ended September 30, 2025 a private company associated with a director of the Company provided a \$15,000 loan advance. This advance is non-interest bearing and is

payable on demand. As at September 30, 2025 a total of \$51,401 (June 30, 2025 - \$36,912) of principal and accrued interest remained outstanding.

- (iv) During the three months ended September 30, 2025 directors of the Company, close family members and associated corporations purchased a total of 1,250,000 units of the 15,000,000 unit private placement.

### **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares with no par value. As at November 19, 2025, there were 4,075,166 outstanding common shares, 1,025,000 warrants outstanding with exercise prices ranging from \$0.20 to \$0.32 per common share and 407,000 share options outstanding with an exercise price of \$0.28 per common share.