BECKETT'S™

NON-ALCOHOLIC

COCKTAILS + SPIRITS

BECKETT'S INC.

Management's Discussion and Analysis

For the Three and Six Months ended June 30, 2026

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BECKETT'S INC.
Management's Discussion and Analysis of Financial Condition and Results of Operations
For the Three and Six Months ended June 30, 2026

This Management's Discussion and Analysis ("**MD&A**") constitutes management's assessment of the financial condition and results of operations of Beckett's Inc. ("**Beckett's**" or the "**Company**") for the three and six months ended June 30, 2026. It is supplemental to and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026 and 2025 and the Company's audited consolidated financial statements for the year ended December 31, 2025. (the "**Q2 2026 Financial Statements**"). The Q2 2026 Financial Statements and the financial information contained in this MD&A have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments considered necessary for a fair presentation have been included. In preparing this MD&A, management has taken into account information available up to the date of this MD&A. Unless otherwise indicated, all figures presented in this MD&A are expressed in Canadian Dollars ("$" or "C$"). Unless the context otherwise requires, references in this MD&A to the "**Company**", "**Beckett's**" or "**we**" refers to Beckett's and its subsidiaries.

This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Beckett's future results as there are inherent difficulties in predicting future results. This MD&A includes, but is not limited to, forward-looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. Additional information relevant to Beckett's activities, including Beckett's press releases can be found on SEDAR+ at www.sedarplus.ca.

This MD&A has been prepared with reference to the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators ("**CSA**") and Staff Notice 51-352 (Revised) – *Issuers with US Marijuana Related Activities* ("**Staff Notice**").

1. DESCRIPTION OF BUSINESS

Beckett's Inc. was incorporated under the laws of the Province of Ontario on October 26, 2007.

The Company's common shares are listed on the Canadian Securities Exchange under the symbol "BKTS". The Company's common shares are also quoted on the OTC Pink market (Limited Information tier) in the United States under the symbol "BKTSF". Quotation on the OTC Markets provides U.S. investors with access to trade the Company's common shares; however, the OTC Markets is not a stock exchange and trading may be subject to lower liquidity and less stringent listing requirements than national securities exchanges.

The Company's registered office is located at 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9, Canada.

The Company develops, markets and distributes a portfolio of liquor-inspired, non-alcoholic beverages, including ready-to-drink cocktails and spirits alternatives, under the Beckett's brand.

The Company previously participated in the U.S. cannabis beverage sector, including the production of cannabis-infused beverages through licensed facilities and contract manufacturers. The Company exited its cannabis manufacturing operations with the closure of its Long Beach, California facility on August 31, 2023 and discontinued all cannabis-infused product sales by September 30, 2023.

In 2024, the Company introduced hemp-derived THC-infused beverages in certain U.S. jurisdictions. These products were discontinued as of December 31, 2025.

The Company no longer produces or sells cannabis-infused or hemp-derived infused beverages and is exclusively focused on the non-alcoholic, non-infused beverage category.

The Company's core intellectual property is a set of proprietary formulations for non-alcoholic cocktails and spirits. Each beverage is positioned with proprietary trademarks and trade-dress as a recognizable alternative to the traditional alcohol versions, with flavour profiles and packaging designed to reference and replicate the traditional alcoholic drink experience.

The Beckett's Tonics® and Beckett's '27® lines of non-cannabis-non-alcoholic spirits and cocktails were relaunched following reformulation at Total Wine & More's 284 retail locations across **29 US** states, with ongoing re-orders and production driven by consumer demand at retail. The Beckett's brand is also authorized to be sold at select HEB locations in Texas and continues to expand with new distributor and retail partners into new territories and markets.

In Q1 2026 the Company began selling its beverages to BevMo! locations across California.

The Company will consider low-capital-intensive opportunities to expand territories for its brands, through strategic licensing, export, and profitable manufacture and distribution where possible for the Beckett's product formulations, including relaunching its revised non-alcoholic formulations through select Canadian distribution.

2. BUSINESS OVERVIEW

Q2 2026 Financing Activities

On May 1, 2026, the Company announced that it secured a non-brokered private placement of 5-year 8% secured convertible debentures of the Company for aggregate gross proceeds of US$500,000.

On May 11, 2026, the Company announced that it has closed its previously announced non-brokered private placement of 5-year 8% secured convertible debentures of the Company for aggregate gross proceeds of US$500,000. No finder's fees, commissions or other compensation were paid in connection with the financing.

Q2 2026 Business Development Highlights

On June 29, 2026, the Company announced that Larry Weintraub resigned as Chief Executive Officer and as a director of the Company, effective immediately. The Company appointed Manish Z. Kshatriya, the Company's current Chief Financial Officer, as Interim Chief Executive Officer. Mr. Kshatriya will continue to serve as Chief Financial Officer.

On the same date, the Company announced that Mr. Weintraub entered into an advisory agreement with the Company pursuant to which he will continue to provide strategic advisory services to support the transition and ongoing business operations.

Retail Growth Strategy

<u>Beckett's Tonics® and Beckett's '27® Non-Alcoholic Spirits and Cocktails</u>

The Beckett's brand products address the rapidly growing "low-no alcohol" beverage category, as reported by industry, consumer and business publications (*Forbes, December 23, 2022 "The Low-No Alcohol Drinks Market Surpasses $11 Billion in 2022"*), allowing retailers to offer and consumers to enjoy premium tasting adult beverages without the intoxicating effects of alcohol.

The Company is in discussions for Beckett's products to be distributed through retailers across the country. The Company's initial strategic review of Beckett's aimed to accelerate the realization of value from the Beckett's Tonics® and Beckett's '27® brand assets in the US without requiring additional capital investment. Now that the Company has moved production to partner Blaze Life Holdings LLC's ("BLH") Canoga Park facility it will continue to benefit over time from lower-cost and shorter-timeframe contract packing, to building levels of replenishment inventory to fulfill new and repeated purchase orders, increased availability of sample stock for pursuing additional retail programs, single inventory of ingredients and closer control of other inputs, and consolidated 3PL and warehousing, which enabled direct-to-consumer ecommerce sales and fulfillment which commenced in Q2 2024.

Management is pursuing strategic presentations to key distributors known to Company officers and directors and to retailers. Distribution is contemplated to on-premise groups targeting the trade at hotels, bars, restaurants, and venues. The Company intends to invest capital realized from proceeds of sales in the requisite marketing program tools and media coverage of Beckett's brand, as well as supporting Beckett's sampling and brand activations at events where warranted.

Management is working with its distributor contacts to determine the optimal routes to the widest markets for Beckett's non-alcoholic beverages.

Management acted to deploy capital received from the January 2024 Private Placement and August 2024 Private Placement, to deliver on its strategy as follows:

- Procure ingredients and other inputs required to produce Beckett's non-alcoholic products
- Manage outstanding payables and negotiate terms with suppliers
- Optimize supply chain and relocate production based on review of available options

The Company launched e-commerce direct sales to consumers of Beckett's non-alcoholic drinks in June, 2024 which can be purchased by US customers through its website at www.drinkbecketts.com and online through www.amazon.com and www.walmart.com.

3. OVERALL PERFORMANCE

Selected Annual Information

The Company's selected annual financial information as at and for the three most recently completed financial years ended December 31 are summarized as follows:

	2025	2024	2023
	$	$	$
Sales	1,235,015	1,220,117	2,389,970
Operating expenses	(1,760,389)	(3,013,993)	(4,864,895)
Net loss	(1,297,190)	(3,798,959)	(4,991,000)
Loss per share – basic and diluted	(0.004)	(0.014)	(0.033)
Total assets	517,560	1,907,688	4,019,217
Total non-current liabilities	-	-	3,476,064
Total liabilities	1,192,896	1,330,529	6,586,328
Total shareholders' equity (deficiency)	(675,336)	577,159	(2,567,111)

Selected Quarterly Financial Results

The Company's selected financial information for the eight most recently completed quarters are as follows:

	Q2 2026	Q1 2026	Q4 2025	Q3 2025
	$	$	$	$
Sales	97,111	110,636	193,467	330,017
Operating expenses	(334,522)	(344,149)	(357,135)	(337,299)
Net loss	(283,251)	(274,180)	(415,773)	(164,409)
Loss per share – basic and diluted	(0.001)	(0.001)	(0.001)	(0.000)
Working capital (deficiency)	(421,910)	(857,390)	(675,336)	(268,176)

	Q2 2025	Q1 2025	Q4 2024	Q3 2024
	$	$	$	$
Sales	192,362	519,169	435,019	386,874
Operating expenses	(493,027)	(572,928)	(409,524)	(709,503)
Net loss	(408,078)	(308,930)	(184,568)	(1,432,409)
Loss per share – basic and diluted	(0.001)	(0.001)	(0.001)	(0.005)
Working capital (deficiency)	(101,044)	244,547	577,159	870,444

Three Months ended June 30, 2026

Results of Operations

During the three months ended June 30, 2026 ("**Q2 2026**"), the Company generated sales of $97,111, as compared to sales of $192,362 for the three months ended June 30, 2025 ("**Q2 2025**"). The Company's sales in Q2 2026 declined compared to Q2 2025, due to lower sales of the Company's non-alcoholic, non-infused beverages.

During Q2 2026, the Company had total operating expenses of $334,522 as compared to $493,027 in Q2 2025. The comparative decrease in overall operating expenses is primarily due to a decrease in general and administration, sales and marketing, share-based payments partially offset by an increase in foreign currency translation losses.

During Q2 2026, the Company incurred total general and administrative expenses of $263,851 (Q2 2025 – $340,447), which was primarily comprised of:

- Corporate costs and administration of $54,370 (Q2 2025 – $135,775).
- Consulting and management fees of $101,903 (Q2 2025 – $118,269).
- Professional fees of $56,483 (Q2 2025 – $39,269).
- Payroll and salaries of $51,095 (Q2 2025 – $46,740).
- Travel and promotion of $Nil (Q2 2025 – $394).

The comparative decrease in the overall general and administrative expenses is due to decreases in, consulting and management fees, corporate costs and administration, travel and promotion partially offset by an increase in professional fees.

Net loss for the three months ended June 30, 2026, was $283,251 as compared to a net loss of $408,078 in Q2 2025. The net loss for the three months ended June 30, 2026, decreased primarily due to lower operating expenses partially offset by lower gross profit.

Cash Flows

Net cash flows used in operating activities for Q2 2026 were $329,613, as compared to cash flows used in operating activities of $308,333 in Q2 2025. The increase in cash used in operating activities compared to Q2 2025 was primarily due to changes in non-cash working capital.

Net cash flows provided by investing activities for Q2 2026 were $Nil (Q2 2025 – $Nil).

Net cash flows provided by financing activities for Q2 2026 were $670,832 (Q2 2025 – $Nil). In Q2 2026 the Company closed a non-brokered private placement that resulted in proceeds from convertible debentures of $683,350 less convertible debentures issue costs of $12,518.

Six Months ended June 30, 2026

Results of Operations

During the six months ended June 30, 2026, the Company generated sales of $207,747, as compared to sales of $711,531 for the six months ended June 30, 2025. The Company's sales for the six months ended June 30, 2026 decreased compared to the six months ended June 30, 2025, primarily due to lower sales of the Company's non-alcoholic, non-infused beverages and the absence of sales of the Company's hemp-derived THC-infused beverages as these products were discontinued as of December 31, 2025.

During the six months ended June 30, 2026, the Company had total operating expenses of $678,671 as compared to $1,065,955 for the six months ended June 30, 2025. The comparative decrease in the overall operating expenses is primarily due to a decrease in general and administration, sales and marketing, partially offset by an increase in share based payments and foreign currency translation loss (gain).

During six months ended June 30, 2026, the Company incurred total general and administrative expenses of $469,457 (2025 – $753,402), which was primarily comprised of:

- Corporate costs and administration of $144,222 (2025 – $320,594).
- Consulting and management fees of $203,283 (2025 – $245,365).
- Professional fees of $64,656 (2025 – $96,625).
- Payroll and salaries of $57,296 (2025 – $89,205).
- Travel and promotion of $Nil (2025 – $1,613).

The comparative decrease in the overall general and administrative expenses is primarily due to decreases in corporate costs and administration, consulting and management fees, professional fees, payroll and salaries, and travel and promotion.

Net loss for the six months ended June 30, 2026, was $557,431 as compared to a net loss of $717,008 for the comparative period in 2025. The net loss for the six months ended June 30, 2026, decreased primarily due to lower general and administration expenses.

Cash Flows

Net cash flows used in operating activities for the six months ended June 30, 2026 were $398,799, as compared to cash flows used in operating activities of $570,949 for the comparative period in 2025. This decrease in cash flows used in operating activities is primarily due to lower operating expenses and changes in non-cash working capital.

Net cash flows provided by investing activities for the six months ended June 30, 2026 were $Nil (2025 – $Nil).

Net cash flows provided by financing activities for the six months ended June 30, 2026 were $670,832 (2025 – $Nil) During the six months ended June 30, 2026 the Company closed a non-brokered private placement that resulted in proceeds from convertible debentures of $683,350 less convertible debentures issue costs of $12,518.

Liquidity and Capital Resources

As at June 30, 2026, the Company had a working capital deficit of $421,910, as compared to a working capital deficit of $675,336 as at December 31, 2025. The Company continues to invest part of its capital in new production runs.

As at June 30, 2026, the Company had total accessible cash of $432,990 (December 31, 2025 – $150,795) available for working capital and other operational purposes and to settle current liabilities of $1,173,684 (December 31, 2025 - $1,192,896).

The Company continually monitors its capital resources to assess the liquidity necessary to fund operations and future strategy. For the six months ended June 30, 2026, the Company incurred a net loss of $557,431 (2025 – $717,008) and negative cash flows from operations of $398,799 (2025 – $570,949), as of that date, the Company had an accumulated deficit in the amount of $71,025,842 (December 31, 2025 – $70,468,411).
The Company has historically financed its working capital requirements primarily through equity and debt financing. The Company's ability to continue as a going concern depends on its capacity to generate revenue from the sale of its beverages, achieve profitable operations, and secure additional financing as needed to meet its obligations. While the Company has been successful in raising financing in the past, there is no assurance that it will be able to successfully obtain additional financing as needed. These factors cast significant doubt on the ability to continue as a going concern.

All of the Company's current financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms.

4. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executives and non-executive directors, officers and any employees. Compensation provided to key management personnel for the six months ended June 30, 2026 and 2025 were as follows:

	Three Months ended June 30,		Six Months ended June 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Short-term employee benefits, including salaries and consulting fees	**114,101**	115,500	**227,916**	231,000
Share-based compensation	**20,128**	65,963	**99,884**	65,963
	134,229	181,463	**327,800**	296,963

(a) During the three and six months ended June 30, 2026, the Company incurred consulting fees with the Interim Chief Executive Officer and Chief Financial Officer of $45,000 and $90,000, respectively, (2025 – $45,000 and $90,000). As at June 30, 2026, there was no amount (December 31, 2025 – $Nil) outstanding.

(b) During the three and six months ended June 30, 2026, the Company incurred consulting fees with the former Chief Executive Officer and former director of $56,640 and $113,017, respectively (2025 – $57,926 and $115,853). As at June 30, 2026, there was no amount (December 31, 2025 – $21,521) outstanding.

(c) During the three and six months ended June 30, 2026, the Company incurred director fees with a director who is not part of key management of $7,500 and $15,000, respectively, (2025 - $7,500 and $15,000).

Other related party transactions

(d) The following related party share-based compensation was paid:

	Three Months ended June 30,		Six Months ended June 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Officers	**20,128**	33,620	**46,714**	33,620
Directors	**-**	32,343	**53,170**	32,343
	20,128	65,963	**99,884**	65,963

5. FINANCIAL RISK MANAGEMENT

Fair Value

The carrying amount of cash, trade receivables, and trade and other payables on the Company's condensed interim consolidated statements of financial position approximate their fair value due to the relatively short-term maturity of these financial instruments.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Cash is held with Canadian and US chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments is minimal. The maximum exposure to credit risk at period-end is limited to the accounts receivable balance. No ECL has been recorded as at June 30, 2026.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow from its financing and revenue activities.

As at June 30, 2026, the Company had a cash balance of $432,990 (December 31, 2025 – $150,795) to settle current liabilities of $1,173,684 (December 31, 2025 – $1,192,896).

The undiscounted contractual maturity of all financial liabilities as at December 31, 2025 is as follows:

	Total	**Within 1 year**	**1 to 3 years**	**3 to 5 years**
	$	$	$	$
Accounts payable and accrued liabilities	1,192,896	1,192,896	-	-
Total	**1,192,896**	**1,192,896**	**-**	**-**

The undiscounted contractual maturity of all financial liabilities for the period ended June 30, 2026 is as follows:

	Total	**Within 1 year**	**1 to 3 years**	**3 to 5 years**
	$	$	$	$
Accounts payable and accrued liabilities	1,173,684	1,173,684	-	-
Convertible debentures	718,286	-	-	718,286
Total	**1,891,970**	**1,173,684**	**-**	**718,286**

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any instruments subject to interest rate risk as at June 30, 2026.

Foreign Currency Risk

The Company operates in Canada and the US and is exposed to foreign currency risk with respect to USD. The Company normally raises funds in Canadian dollars for its operations in the US. Foreign currency risk arises on cash, trade receivables and trade payables from operations in the US. The Company believes that its results of operations and cash flows would be affected by a sudden change in foreign currency exchange rates.

As at June 30, 2026 and December 31, 2025 the Company had the following financial assets and financial liabilities in USD:

	June 30, 2026	December 31, 2025
	$	$
Cash	**260,407**	104,257
Trade receivables	**6,360**	73,986
Trade and other payables	**(671,674)**	(704,948)
Convertible Debentures	**(505,479)**	-
Net exposure to USD	**(910,386)**	(526,705)

Had the value of the USD increased or decreased by 1%, the net loss and comprehensive loss would have increased or decreased by USD $9,104 (December 31, 2025 – USD $5,267), respectively, as a result of this exposure.

This analysis only addresses the impact on the consolidated financial instruments with respect to currency movement on the Company's financial instruments and excludes any other economic or geo-political implications of such currency fluctuation. In practice, the actual result may differ from this analysis and the difference may be material.

6. CAPITAL RISK MANAGEMENT

When managing capital, the Company's objective is to ensure it continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the beverage production.

The Board of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

As at June 30, 2026, the Company considers its capital to be share capital, reserve for share-based payments, reserve for warrants, and contributed surplus, and reduced by accumulated deficit and accumulated other comprehensive loss, totaling a shareholders' deficiency of $1,117,514 (December 31, 2025 – $675,336).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed.

The Company is not subject to externally imposed capital requirements, and there were no changes in the Company's approach to capital management for the three months ended June 30, 2026.

7. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied by the Company in its condensed interim consolidated financial statements are the same as those noted in the Company's audited consolidated financial statements for the year ended December 31, 2025.

Disclosure of Outstanding Share Data as at August 10, 2026

Security	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	363,301,470 Common Shares
Securities convertible or exercisable into voting or equity shares		Stock Options to acquire up to 28,100,000 Common Shares of the Company, and Warrants to acquire up to 213,941,905 Common Shares of the Company.

Significant Accounting Judgments and Estimates

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made to income as appropriate in the period they become known. Items for which actual results may differ materially from these estimates are described as follows:

<u>Going Concern</u>

Management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing its performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends.

Fair Value of Financial Assets and Financial Liabilities

Fair value of financial assets and financial liabilities on the condensed interim consolidated statements of financial position that cannot be derived from active markets are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Expected Credit Losses On Financial Assets

Determining an allowance for expected credit losses ("ECLs") for all debt financial assets not held at fair value through profit or loss requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Determination of Cash Generating Units

For the purpose of impairment testing, assets that cannot be tested individually are grouped at the lowest levels for which there are largely independent cash inflows. The Company determines which groups of assets (each a "Cash-Generating Unit" or a "CGU") can generate cash flows that are largely independent of other operations within the Company. Management exercises judgment in assessing where active markets exist including an analysis of the degree of autonomy each operation has in negotiating prices with customers. The Company has identified each product line as a separate CGU, based on the nature of the business and the assessment that the CGUs generate cash flows that are largely independent of the cash flows from other assets deployed in the Company.

Impairment

Long-lived assets, including property and equipment, are reviewed for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Income Taxes

Income taxes and tax exposures recognized in the condensed interim consolidated financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate the sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Share-Based Payment Transactions and Warrants
The Company measures the cost of equity-settled transactions with officers and directors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions will affect the fair value estimates.

Off-Balance Sheet Arrangements
As at June 30, 2026 and the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company.

8. RISK FACTORS

The Company faces exposure to risk factors and uncertainties relating to its business that could significantly negatively impact the Company's operations and financial results. Additional risks and uncertainties not presently known to the Company or currently deemed immaterial by the Company may also impair the Company's operations. If any such risks actually occur, shareholders of the Company could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of the Company could also be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. A discussion of the principal risk factors relating to the Company's operations and business appear in the Company's management's discussion and analysis for the year ended December 31, 2025 which may be viewed on the Company's SEDAR profile at www.sedarplus.ca. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business.

9. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to the described under the heading "Risk Factors" in this MD&A and described in public disclosure documents filed by the Company. Due to the risks, uncertainties, and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

10. DISCLOSURE OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"). In particular, management is not making any representations relating to the establishment and maintenance of: controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

11. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

Management is responsible for all information contained in this report. The Company's financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the Company's unaudited condensed interim consolidated financial statements in all material aspects.

The audit committee of the Board ("Audit Committee") has reviewed the Company's unaudited condensed interim consolidated financial statements and this MD&A with management. The Board of the Company has approved the unaudited condensed interim consolidated financial statements and this MD&A on the recommendation of the Audit Committee.

August 10, 2026

(signed) "Manish Z. Kshatriya"
Manish Z. Kshatriya
CEO and CFO