

# **VERTICAL EXPLORATION INC.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **FOR THE THREE MOTNHS ENDED MAY 31, 2025**

#### **INTRODUCTION**

This discussion and analysis of the financial position and results of operations are prepared as at July 28, 2025 and should be read in conjunction with the unaudited condensed interim financial statements for the three months ended May 31, 2025 for Vertical Exploration Inc. (the "Company"). The unaudited condensed interim financial statements for the three months ended May 31, 2025, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the condensed interim financial statements and MD&A, is complete and reliable.

#### **FORWARD LOOKING STATEMENTS**

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimization of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See "Risks and Uncertainties") and the Company's annual information form contain information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

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#### **COMPANY OVERVIEW**

The Company was incorporated under the Business Corporations Act (British Columbia) on February 28, 2006 and is in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for mineral properties and deferred exploration costs is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their development and upon future profitable production. These financial statements of the Company have been prepared on the basis of accounting principles applicable to a going concern, which assume the realization of assets and discharge of liabilities in the normal course of business. On November 2, 2007, the Company received final receipts for a prospectus and became a reporting issuer in the Provinces of Alberta and British Columbia. The Company's shares were listed for trading on TSX Venture Exchange on November 26, 2007 and under the symbol "CVN.V". Effective January 8, 2018, the Company changed its name from Cavan Ventures Inc. to Vertical Exploration Inc. and the Company's common shares traded on the TSX Venture Exchange under the new ticker symbol "VERT".

The Company has now filed all outstanding annual audited and interim unaudited financial statements and related MD&A and certifications in British Columbia and Alberta. The financial disclosure, along with all of Vertical's continuous disclosure documents, may be found on SEDAR+ online at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **MINERAL PROPERTY**

##### **St-Onge Wollastonite Project**

**On August 2, 2017**, the Company announced the acquisition, from an arm's length vendor, of the advanced stage Onge Wollastonite Deposit located approximately 40 kilometres north of the small town of St-Ludger-de-Milot and some 90 kilometres northwest of the city of Saguenay, in St-Onge township, in the Saguenay-Lac-St-Jean region of Quebec Province.

The St-Onge Wollastonite Project consists of 26 map-designated cells covering a surface area of 1465 hectares (about 15 square kilometres). The project hosts a historical deposit of 27.54 million metric tons (Mt) averaging 37% wollastonite, as reported in 1993 by Orleans Resources Inc. The reserves are divided between probable reserves of 15.35 Mt @ 38 % wollastonite and a possible reserve of 12.19 Mt @ 37 % wollastonite (Source: MERNQ SIGEOM). Note that the ore reserve estimates and feasibility study performed by Orleans Resources Inc. was completed prior to the adoption of NI 43-101 standards and are therefore considered historical assessments.

The St-Onge Wollastonite Project is in the heart of Lac-St-Jean Anorthosite Complex Quebec, some 100 km south-west of the Ariane Phosphate Lac-à-Paul Phosphate Deposit or 67 km North west of the Magris Resources Niobium Niobec Mine. The St-Onge Wollastonite Site is already supplied by a power line, accessed by all year round paved and forest roads that are easily passable with pick-up trucks and heavy equipment. The site is at 40 km by road of all urban facilities with a skilled work force and at 140 km by road of the deep-water Port of Saguenay.

After its discovery in 1988 during a MERNQ regional mapping project, about 90 diamond drill holes collared on the deposit site area between 1991 and 1993, Orleans Resources Inc. tried to produce about 1,000 tons of wollastonite at the site during the mid-90's, but finally resumed the St-Onge wollastonite operation in 2001, dismantled the infrastructure, selling the equipment, and restoring the mine site.

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The estimates presented above are treated as historic information and have not been verified by the Company. These historical mineral resources do not refer to any category of sections 1.2 and 1.3 of the NI-43-101 Instrument such as mineral resources or mineral reserves as stated in the 2010 CIM Definition Standards on Mineral Resources and Mineral Reserves. The explanation lies in the inability by the Company to verify the data acquired by the various historical drilling campaigns. A qualified person has not done sufficient work yet to classify the historical estimates as current mineral resources or mineral reserves. The Company is not treating the historical estimate as current mineral resources or mineral reserves.

During the year ended February 28, 2018, the Company entered into an option agreement to acquire the St. Onge Wollastonite Deposit, located in the St-Onge township, in the Saguenay – Lac St. Jean region of Quebec. The Company earned a 100% interest by making cash payments of \$750,000, issuing 8,000,000 common shares (valued at \$670,000) and incurring \$2,000,000 in exploration expenditures.

The Company also granted a 2% net smelter returns royalty, of which 1% can be purchased by the Company for \$1,000,000. Additionally, a \$5 per tonne royalty on the first million tonnes of raw material shipped from the property without processing will be granted.

During the year ended February 29, 2020, the Company acquired additional claims in consideration of 1,000,000 common shares (issued and valued at \$40,000).

During the year ended February 28, 2022, the Company acquired additional claims in consideration of \$25,000 cash payment (paid) and 3,500,000 common shares (issued and valued at \$367,500).

Other wollastonite occurrences on the Property include the along-strike Rivière du Nord and Rivière du Nord-Sud sites.

The wollastonite and diopside skarn at the Lac du Bras Showing has the peculiarity to be mineralized in sphalerite veinlets returning 0.38% Zn and at the Rivière du Nord-Est Showing to be mineralized in galena where a block sample returned 1.50 % Pb (Source: Sigeom MERN).

As other commodities, the St-Onge Wollastonite Property contains the historical Lac-Aux-Grandes-Pointes zinc-lead showing characterized by semi-massive to massive sphalerite and galena mineralization in quartzites. Four (4) samples taken 1979 returned 19.2 % Zn, 1.20 % Zn, 0.10 % Zn, 1.95 % Pb, and four (4) previous grab samples taken in 1978 returned 11.4 % Zn, 0.38 % Zn, 0.24 % Zn, 0.10 Zn (Source: Sigeom MERN GM).

**On October 4, 2017**, the Company received approval from TSX Venture Exchange.

**On November 16, 2017**, the Company retained Goldminds Geoservices Inc., a Quebec-based consulting firm specialized in mining engineering, geology and economic assessments, to undertake an NI 43-101 compliant resource estimation and associated technical report for its St-Onge Wollastonite Project, Lac-Saint-Jean, Quebec. The Goldminds work program will consist with the compilation and computerization of historical information and followed by required reconciliation field work.

**On December 19, 2017**, the Company announce that it has completed a 25 tonne bulk sample on its 100% owned St-Onge Wollastonite Project. The 25 tonne sample comes from the main zone and is located inside the historic open pit limit where Historical\* combined measured and indicated Mineral Resources were of 45.2 MT at 38.19 % Wollastonite using a 30% cut off. The bulk sample was collected by Magnor Exploration Inc. of Saguenay under the supervision of Christian Tremblay, P.Geo., M.Sc. for mineral characterisation and metallurgical testing with an objective to produce commercial samples in the Company's projected global marketing strategy.

The Historical resources of the property with ancient labelling prior to NI 43-101 combined measured class I and Class II with the indicated Mineral Resources were of 45.2 MT at 38.19 % Wollastonite using a 30%

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cut off on wollastonite. The % wollastonite was derived from mineral norm constitution based on whole rock analysis.

- The reader is cautioned that the above referenced "Historical Resource" is considered historical in nature and as such is based on prior data and reports prepared by previous property owners and the company is not treating the historical estimate as current mineral resources.
- The historical mineral resources used in the Feasibility Study in 1994 were prepared by Claude Duplessis, P.Eng. The report title is: Rapport de l'Analyse de la Distribution Spatiale des Minéraux du gîte de Wollastonite du Canton St-Onge. Systemes Geostat International Inc., produced for Orleans Resources Inc.
- The estimations were prepared in conformity with the CIM classification of that time.
- The historical mineral resources were derived by estimation of blocks and geostatistics within a geological envelope of wollastonite mineralisation prepared by the Sr. geologist of the project.
- In order to bring the mineral resources to NI 43-101, a QA/QC and verification of density has to take place as well as the presentation of a reasonable prospect of economic extraction.
- A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves.

Moreover in order to prepare NI 43-101 the company is also currently working at sorting and labelling approximately 7,000 meters of mostly NQ with minor BQ size drill core from 81 recovered diamond drill holes that have been realised in 1992, 1993 and 1994 across the deposit by Orleans Resources, previous owner of the St-Onge project. The Company is anticipating an independent resampling of some drill core sections to take place in the first quarter of 2018.

**On April 24, 2018**, the Company announced its first 43-101 mineral resource estimate at its St. Onge Wollastonite project in Quebec.

Highlights:

- High-grade Wollastonite deposit at surface pit constrained resources:
  - 7,155,000 tonnes Measured @ 36.20 % Wollastonite
  - 6,926,000 tonnes Indicated @ 37.04 % Wollastonite
  - 14,081,000 tonnes M&I @ 36.61 % Wollastonite at a cut-off grade of 30%
  - 17,896,000 tonnes Inferred @ 40.25 % Wollastonite

Note that mineral resources are not mineral reserves and do not have demonstrated economic viability. However, the reported mineral resources are considered by the qualified persons to have reasonable prospects for economic extraction as per CIM 2014 definitions.

The resource calculation is accompanied by a revised interpretation for the entire area drilled at St-Onge to date. In order to prepare the mineral resource estimate, a compilation of historical diamond drill holes data was done. The historical core samples were retrieved from the original owner residency in Lac St-Jean, sorted and verified at Magnor Exploration Inc. facility at Ville de LaBaie, Saguenay. This has enabled the company to carry out core sampling, core density measurements as well as independent 981989.1 sampling. A LIDAR topography has been used and provided by Jean-Luc Corriveau Legal Surveyor. The same group who surveyed two diamond drill hole collars in the 1990's.

A resampling program totalling 195 samples plus 21 independent samples has been completed.

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The core sample was prepared with standard procedure to prepare a representative powder suitable for major element analysis with XRF. GoldMinds has used the results of the XRF major elements into mineral norm CIPW (see about for explanation). The norm elaborated by Mr. Kurt Hollocher Geology Department, Union College, Schenectady New-York, USA to convert major elements into minerals. Principal minerals are: Wollastonite, Diopside, Plagioclase, Orthoclase and Quartz.

The XRF laboratory results and conversion with this CIPW norm results have been cross checked with major elements historical results with minerals tabulated with a norm of the 1990's and demonstrate very similar results thus allowing its use with the new results assay for mineral calculation.

**On October 2, 2018**, the Company announce the successful completion of Phase Two trials involving cannabis growth with wollastonite (CaSiO<sub>3</sub>) as a growth medium additive at BC Bud Depot's ACMPR-licenced Research and Development facilities in Vancouver, BC. Samples of marijuana grown with 15% wollastonite from Vertical's St. Onge project were entered in an international growers' competition, winning first place overall for Best Flower at the August 2018 Kootenay Cannabis Cup in Cranbrook, BC

Phase 2 of the BCBD wollastonite study began Apr. 4th, 2018 with 270 plants being tested after Phase 1 showed crushed powder, at either 5% or 10% per plant/base potting mix ratio, had a dramatic effect that reduced the test group resistance to stresses such as nutrient imbalances, water, pests and diseases. BCBD decided to use crushed powder and crushed small granular in Phase 2 studies after Phase 1 results.

First part of Phase 2-A was broken into 6 groups, using only crushed powder, 30 plants in each group with increasing amounts of wollastonite used in each group. Ratios of 2%, 5%, 10% 15% and 20% were used in the base potting mix and a control group.

BCBD base potting mix and control groups had an average PH level of 6.0, at 2% no PH changes were noticed, at 5% PH level raised to 6.1, at 10 % PH level raised to 6.3, at 15% PH level raised to 6.5, at 20% PH level raised to 6.8.

There was a noticeable difference in root mass, root health, and resistance to stresses in the 5%, 10%, and 15% groups. There was also a noticeable difference in foliage density when compared to the control group.

Phase 2-B was started July 20th, 2018 using crushed small granular, using the same base formula that was established in Phase 2-A, results for this Phase are still undetermined.

270 plants were involved in the trials, split into 30-plant groups with wollastonite added at 0%, 2%, 5%, 10%, 15% and 20% of the total growth medium.

The growth trials also documented improved root and foliage density with the addition of wollastonite. Result tables from the time of harvest indicate a sharp contrast between sparser, tinted roots of control groups (consisting of peat moss, worm castings, kelp meal and glacial rock dust) and the dense, white root matrix of plants grown with 10%, 15% and 20% wollastonite. Wollastonite used in the study was -40 mesh fine-grade powder, sourced from the Company's St. Onge Wollastonite project located in Quebec, Canada.

The Cannabis strains used in the wollastonite trials were BC Sweet God and Cali Cure, a high-CBD strain. The First Place Overall award for BC Sweet God was the 45th major award earned by BC Bud Depot over fifteen years of international competition, but the first one credited largely to a soil additive.

**On February 21, 2019**, the Company commenced a diamond drilling and sampling program on its advanced stage St-Onge-Wollastonite Deposit located approximately 90 kilometres Northwest of the city of Saguenay, in St-Onge township, in the Saguenay-Lac-St-Jean region of Quebec, Canada.

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The program will consist of 23 holes and an estimated 1850 meters of drilling in total. Assay samples will be taken from the NQ Core and split in half on site, with one half being sent to COREM's lab facilities in Quebec City and the other half being retained for future reference at Vertical's fully secured facilities in Saguenay Quebec. A strict quality assurance/quality control (QA/QC) program will be applied to all samples, including mineralized certified samples, blank samples and duplicate sample for each batch of 15 samples taken.

The drilling program will provide Vertical with important mineral data that will allow the Company to further update its NI 43-101 Technical report and aggressively move forward with its plans to begin quarry permitting process on its St-Onge-Wollastonite Deposit. Drilling results will be announced when received.

The diamond drilling program will be supervised by Jean-Paul Barrette, P.Geo from the Company's geological team.

**On March 18, 2019**, the Company completed a successful diamond drilling and sampling program on its advanced stage St-Onge-Wollastonite Deposit located approximately 90 kilometres Northwest of the city of Saguenay, in St. Onge township, in the Saguenay-Lac-St-Jean region of Quebec, Canada.

The primary goal of the 2019 drilling program, which consisted of seven (7) drilling sections (see Figure 1, Sections A-G), was to establish an additional measured mineral resource of approximately 5 million tonnes of crude wollastonite. The pit constrained mineral resources at the St-Onge Wollastonite deposit, as previously reported in the Company's August 2, 2018 news release, comprises an NI 43-101 compliant resources totaling 14 million tonnes at 36.61% Wollastonite in the measured and indicated class using a cut-off grade of 30% Wollastonite (7.1 million tonnes at 36.20% in measured and 6.9 million tonnes at 37.04% in indicated), and 17.9 million tonnes at 40.25% in the inferred class (rounded numbers). The NI 43-101 Technical Report was prepared by GoldMinds Geoservices Inc. ('GMG').

#### **HIGHLIGHTS OF THE 2019 DRILLING CAMPAIGN**

- Twenty-three (23) drill holes totaling 1,784.0 metres were completed in less than two weeks of drilling (see Figure 1 & Table 1).
- Twenty (20) drill holes intersected high-grade wollastonite zones, confirming excellent continuity and correlation with the thickly mineralized zones intersected by previously reported historical drill holes.
- Sixteen (16) drill holes intersected high-grade wollastonite zones right up until the end of the hole, which are all open at depth.
- A total of 1,107.5 meters of high-grade wollastonite mineralized core length was intersected, representing approximately 62% of all drilled core length.

In total, nine hundred thirteen (913) drill core samples of approximately 1.5 metres in length, including samples ranging from less than one 1.0 metre in length and up to a maximum of 2.5 metres in length, were collected for laboratory assaying. Eighty-one (81) of the 913 drill core samples were quality assurance/quality control (QA/QC) samples, including mineralized certified samples, blank samples and duplicate samples.

Complete drilling results for the 23 hole program will be announced when received.

**On May 6, 2019**, the Company shipped an additional 100 Kilograms of wollastonite from its St-Onge deposit for use at BC Bud Depot's (BCBD) ACMPR-licenced Research and Development facilities in Vancouver, BC. The wollastonite will be used as a natural soil additive to enhance overall cannabis plant health and improve cultivation and production at BCBD's facilities.

**On May 14, 2019**, the Company received positive results from its Phase 1 Research and Development program that was conducted by AGRINOVA using wollastonite from the Company's St-Onge deposit. All

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of the research and testing in the Phase 1 program was managed and monitored by AGRINOVA, a highly-regarded Center for Research and Innovation in Agriculture in Quebec, in an effort to optimize the potential agricultural uses of wollastonite and help improve production methods for farmers and agricultural companies located in Quebec.

The Phase 1 program conducted by AGRINOVA over the past year focused on research and testing in two key component areas, including characterizing and confirming that Vertical's wollastonite can meet regulatory requirements for agricultural applications in Quebec and investigating potential markets for the St-Onge wollastonite resource. The third key component of the Phase 1 program, which involves developing applied research programming in order to allow Vertical's wollastonite to be upgraded according to regulatory requirements and markets, will be the subject of a further study to be undertaken by AGRINOVA in the upcoming months.

The first component results provided by AGRINOVA clearly indicate that Vertical's St-Onge wollastonite could be BNQ (Bureau de normalisation du Quebec) certified or registered under the Fertilizers Act in Quebec, and potentially be used in the manufacture of slow-mineralizing fertilizer. The safety profile of Vertical's wollastonite was successfully demonstrated by a germination and elongation test with barley. AGRINOVA went on to report that the St-Onge wollastonite has a neutralizing power and efficiency which compares it favorably with current lime products, and that it has appreciable levels of major and minor elements (Silicon, Calcium, Magnesium and Manganese) that are essential for plant nutrition and growth. Another benefit of Vertical's wollastonite that was identified by AGRINOVA is its high bio-availability of silicon that leads to both enhanced plant growth and resistance to abiotic and biotic stress in a range of agricultural crops, as studies have shown there is a significant need for this element that is not being filled by commercial fertilizers.

Results for the second market study component that was undertaken by AGRINOVA, indicate that wollastonite has a significant potential to be used for maple production (maple syrup production), organic agriculture, sod production, large-scale crops (cereals, corn and soybeans) and boreal forestry (spruce budworm control and post-fire regeneration). Based on these uses, the potential agricultural demand for wollastonite in the initial target market of Quebec could be in the order of 6,400 tonnes for the Saguenay-Lac-Saint-Jean region, and approximately 274,000 tonnes for the province of Quebec as a whole. AGRINOVA also estimates that there could be additional demand of approximately 59,000 tonnes from the Maritime Provinces of Canada, based on the increased potential for wollastonite to be used for regional blueberry and potato crops.

**On August 15, 2019**, the Company acquired the five new claims in order to consolidate the current St-Onge Wollastonite Project model. A field sampling program is now underway on selected areas of the property, and the Company is currently assessing newly discovered graphite occurrences on its ground. Cumulative terms of the acquisition, in order to acquire a 100% interest, call for the Company to issue an additional 1,000,000 common shares (issued and valued \$40,000) of the Company to the original arm's length vendor of the St-Onge property. This transaction is subject to the approval of the TSX Venture Exchange.

With the addition of the five newly acquired claims, the St-Onge Wollastonite Project now consists of 31 map-designated cells covering a surface area of 1747 hectares (approximately 17.5 square kilometres). In 2018, Vertical filed a Technical Report on SEDAR+ in compliance with National Instrument 43-101 (NI 43-101) on the Company's St-Onge Wollastonite Project's mineral resources. The high-grade St-Onge Wollastonite deposit has pit-constrained mineral resources of : (i) 7,155,000 tonnes Measured @ 36.20 % Wollastonite & 6,926,000 tonnes Indicated @ 37.04 % Wollastonite for a total of 14,081,000 tonnes Measured & Indicated @ 36.61 % Wollastonite at a cut-off grade of 30%; plus (ii) 17,896,000 tonnes Inferred @ 40.25 % Wollastonite. Note that mineral resources are not mineral reserves and do not have demonstrated economic viability. However, the reported mineral resources are considered by the qualified persons to have reasonable prospects for economic extraction as per the CIM 2014 definitions.

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**On November 21, 2019**, the Company entered into a definitive distribution agreement to partner on the sale of Vertical's wollastonite from its world-class St-Onge Deposit in order to supply the fast growing cannabis and hemp industries.

Vertical and AREV Brands have agreed to enter into this distribution agreement, whereby Vertical will supply wollastonite materials produced from its St-Onge mineral property located in Quebec to AREV Brands for distribution and/or resale to both small scale "craft" cannabis or hemp growing operations and large scale cannabis or hemp growing operations licensed by Health Canada.

**On September 17, 2021**, the Company reported that, through its operations partner Magnor Exploration Inc. (Magnor), the Company has now received full quarry permitting approval from the Government of Quebec for its St-Onge Wollastonite project located in the Lac-Saint-Jean region of Quebec.

Magnor has worked tirelessly with its team and consultants over the past 18 months to secure the Company's official quarry permits from the various Ministries' in the Government of Quebec. The three permits received from the Government of Quebec through Vertical's operations partner Magnor include: i) a Certificate of Authorization (CA) under Section 22 of the Environmental Quality Act from the Quebec Ministry of Environment and Fight against Climate Change (MELCC); ii) a BEX 1809 permit (Bail Exclusif pour l'exploitation de substances minérales de surfaces) from the Quebec Ministry of Energy and Natural Resources (MERN); and iii) a permit from MERN authorizing the construction of a building on site for the storage of crushed Wollastonite. With the receipt of all quarry permits, Vertical and Magnor are now fully permitted to move forward with quarry operations and production of the St-Onge Wollastonite.

The Company and Magnor undertook public consultation on the St-Onge project as required by the Government of Quebec, and received good support overall from the surrounding communities. The Company intends to make the St-Onge project as environmentally sound as possible, including moving forward to fully power its quarry operations through electric power thereby limiting the use of any fossil fuels in production. With the permitting now in place Vertical anticipates completing the final payment installment of its option agreement with the vendor in the near future, allowing for the Company to secure 100% ownership in the St-Onge project. The vendor retains a 2% Net Smelter Royalty (of which 1% can be purchased by the Company for \$1 million), and also retains a \$5 per ton royalty for the first 1 million tons and a \$1 per ton royalty for the remaining tonnage.

**On September 21, 2021**, the Company provided an update regarding its highly encouraging initial sales and marketing efforts for the Company's premium-quality St-Onge Wollastonite.

Since receiving approval for its St-Onge quarry from the various Ministries' in the Government of Quebec in the past week, Vertical, through its distributor Wollammo Distribution Inc. (Wollammo), has already received initial test marketing orders of the Wollammo packaged product from two large Canadian home improvement and garden retail corporations. The Wollammo product, which consists of 100% St-Onge Wollastonite, is a premium grade natural Wollastonite mineral product that helps to increase plant available silicon, calcium and magnesium in soils and enhance plant stress tolerance, increase yields and improve pest management for a variety of agricultural crops. In addition, Vertical and Wollammo have also received numerous on-line sales orders from a range of home, garden and larger agricultural customers wanting to test out and use the St-Onge based Wollammo product on their fall gardens, crops and greenhouse plants.

**On October 13, 2021**, the Company fulfilled all obligations and acquired full ownership of the St-Onge Wollastonite Project.

**On November 10, 2021**, the Company reported that significant progress has been made at the St-Onge quarry site over the past two weeks, with its operations team working around the clock to extract the wollastonite ore and prepare the site for streamlined crushing and processing operations. Over 2600 tonnes of ore has now been extracted and stockpiled, ready to be fed directly to the crusher that will grind the wollastonite rock into a ready-for-market final product. All required signage has now been installed on site, and the access road has been cleared and leveled for full use. In addition, the cement pad and setup

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area for the crusher have been completed, and the overburden from the cement pad area has been carefully stored in full compliance with all government regulations. The operations team will be further securing the St-Onge site with concrete blocks and heavy gauge fences and gates in the days ahead.

### **HIGHLIGHTS OF THE 2022 EXPLORATION PROGRAM**

**On January 27, 2022**, the Company announced that it has closed on the option agreement to earn a 100% interest in four strategic wollastonite properties, including two located near the Company's 100% owned flagship St-Onge Wollastonite project in the Lac-Saint-Jean area in the Province of Quebec.

Terms of the acquisition in order to acquire a 100% interest in all four properties, require the Company to issue 3.5 million common shares and make a one-time cash payment of \$25,000 to the arm's length vendors. In addition, a \$5 per tonne royalty on the first million tonnes of raw unprocessed ore produced from the properties will be granted to the vendors, and for all additional tonnes of unprocessed material a \$1 per tonne royalty will be granted. As well, products from the properties sold other than as raw unprocessed ores, including concentrates, leachates or refined products, will be subject to a gross overriding royalty of 2% of the fair value of the products sold by the Company, subject to a minimum of \$5 per tonne for the first million tonnes of products and \$1 per tonne for any number of additional products. Finally, the vendors will retain all rights to amazonite and gemstones on the properties.

**On March 3, 2022**, the Company signed its first offtake agreement for the Company's premium-quality St-Onge Wollastonite.

The offtake sales agreement with a local Lac-Saint-Jean area farmer and entrepreneur ("the Buyer") that calls for the purchase of up to 500 tonnes of the Company's wollastonite over the next 12 months, with the Buyer also having the right to purchase and take delivery of an additional 500 tonnes under similar terms if the initial 500 tonnes are sold within the first year. The agreement also calls for the Buyer to pay the Company a security deposit of \$15,000 upon the signing of the agreement, in order for the Buyer to have control over the 500 tonnes for its direct use or resale. If the Buyer does not sell the entire 500 tonnes of the Company's wollastonite, the Company will retain the \$15,000 deposit as well as any remaining tonnage of unsold wollastonite product. In addition, the Buyer will work to advance additional research into new product applications and make its best efforts to market the Company's wollastonite to agricultural producers in the Saguenay-Lac-Saint-Jean region, without the Company being required to provide any sales exclusivity.

**On March 17, 2022**, the Company reported that it is continuing to enhance its production capability and streamline operations at its 100% owned St-Onge Wollastonite property, as it anticipates a significant rise in both demand and prices for all types of agricultural fertilizers, including wollastonite and other micronized natural mineral fertilizers, across North America and the globe.

The ongoing supply chain issues caused by the Covid-19 pandemic and climate change related events, and the emerging widespread sanctions being levied against Russia due to the conflict with Ukraine have resulted in significant worldwide shortages of a range of key fertilizers such as potash (potassium), phosphate products (phosphate) and urea (nitrogen) among others. A number of recent studies and articles, such as the "Agricultural and Resource Economics Jan/Feb 2022 Update", have reported that fertilizer prices are continuing to rise further in 2022 to all-time highs after more than doubling in the last two years. As well, a January 2022 study by Texas A&M University's Agriculture and Food Policy Center reported that as "...the nation struggles to recover from the Covid-19 pandemic, a number of supply chain issues continue to wreak havoc on agricultural input markets, both in terms of availability and cost of inputs". Furthermore, the Texas A&M study states that "fertilizer costs will be as much as 80% higher than last year for this year's (2022) planting season".

According to a July 2021 report published by Research Dive, the global fertilizer market is expected to grow exponentially over the next five to seven years and generate revenue in excess of \$323 Billion by 2028. The global industry is currently dominated by synthetic based fertilizers that incorporate nitrogen, phosphorus, potassium and other nutrients into various formulations. With the price of these chemical-based fertilizers rapidly rising due to the current supply chain issues as noted, many agricultural producers

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are now looking to transition to natural and organic fertilizer alternatives to help fill the current supply chain gaps and move towards more sustainable farming practices.

The Company believes the current supply chain and price issues affecting traditional synthetic fertilizers, along with the move by many farmers, agricultural producers and more recently municipalities to move towards more sustainable natural-based growing practices, will result in significant increased demand for its premium St-Onge wollastonite and other related natural mineral formulations. The Company's ongoing research work with highly regarded agricultural research centres, such as the Quebec based AGRINOVA Technology Access Centre, to research the wide-ranging agricultural benefits and applications of its wollastonite should help keep the Company at the forefront of the fast growing natural fertilizer industry and lead to significant partnership and revenue opportunities in the months ahead.

**On March 23, 2022**, announce the start of a Phase I exploration program on its recently acquired Quebec wollastonite properties to detect and define the presence of sedimentary zones that could potentially host wollastonite mineralization.

The two Quebec properties recently acquired by the Company are located in the region surrounding the Company's St-Onge project as follows:

- i) the La Petite Rivière Péribonka and Ménard Wollastonite claims located just north of Lac-Saint-Jean, consisting of a total of 35 mining titles (1960 hectares); and
- ii) the Le Grand Étang Block claims, consisting of 11 mining titles (616 hectares).

Both of these properties are characterized by a geological sequence of marble, undifferentiated calco-silicate rocks and quartzite. These two properties are still at an early stage of exploration; however, their stratigraphic sequence can be traced over a distance of several kilometers and may lead to new wollastonite discoveries.

The Phase I program will include a ground geophysics survey and a follow-up field campaign consisting of prospecting, mapping and rock sampling (trenching and channel sampling). A detailed review of all results and information compiled by previous vendors of the properties and the Government of Quebec is currently being undertaken by the Company in order to generate the primary target zones for the Phase I exploration program. Following the completion of the Phase I program, the Company is also planning to initiate a follow-up Phase II core drilling program this summer based on the Phase I results. Finally, a review of all results acquired during both the Phase I and II programs may also lead to a more advanced preliminary bulk sampling program later this summer and fall in order to help better define the geochemical nature of the potential wollastonite zones. The region surrounding the two properties is also well known for several nickel showings, so the Company will also be expanding its exploration interests in order to generate potential exploration targets for nickel and other base metals on its prospective properties.

**On March 24, 2022**, provided an update regarding the Company's progress in preparing for the first full year of operations at its St-Onge Wollastonite property, located in the Lac-Saint-Jean area in the Province of Quebec.

The Company is pleased to report that St-Onge site access preparations are already underway, after a winter period that saw the Saguenay Lac-Saint-Jean region experience exceptional snow accumulation. The Company has made the decision to mobilize its operations team early, in order to remove the accumulated snow from the access road that leads to both the quarry site and the stockpile of crushed premium wollastonite ore that was prepared last fall. The early snow removal will result in much faster drying of the access road and allow the Company to start-up operations as soon as possible. The local farming and agri-business community has already expressed keen interest in obtaining the premium St-Onge wollastonite samples to test on their crops and fields in April and May, and it is therefore essential that the Company provides safe and efficient site access to the local farmers and businesses alike within the next few weeks.

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The Company also anticipates that it will soon be significantly upgrading its quarry site infrastructure, which will include the purchase and set-up of a commercial scale and the construction of a weatherproof building and office in order to streamline its operations and undertake large-scale crushing and storage of the wollastonite ore on site. With these upgrades in place during the year, Vertical is confident that it will be able to meet the anticipated growing demand for its premium wollastonite in the months ahead without experiencing processing delays due to inclement weather.

Finally, the Company expects that its blasting and drilling contractor will soon be visiting the St-Onge site in order to prepare the first blast zone and extract additional tonnage of ore to meet the anticipated demand. The Company will be providing further St-Onge operations updates as the year progresses.

**On August 16, 2022**, the Company signed a non-binding Letter of Intent to enter into a major Offtake Arrangement for the Company's premium quality St-Onge Wollastonite.

The Company signed a non-binding LOI with Third Gate Capital Management LLC ("Third Gate") that calls for Third Gate to purchase the significant majority of the Company's annual production of its St-Onge Wollastonite during the first year, and potentially future years, for the term of the Offtake Arrangement. Vertical is currently permitted for an annual production level of 100,000 tonnes of wollastonite from its St-Onge property.

**On September 8, 2022**, the Company provided an update on its Phase I exploration program that is currently underway on its recently acquired Quebec wollastonite properties. The Phase I program's objective is to detect and define the presence of sedimentary zones that could potentially host wollastonite mineralization.

The Phase I field exploration work on the La Petite Rivière Péribonka and Ménard Wollastonite claims located just north of Lac-Saint-Jean began in May 2022, and the Company is very encouraged by the preliminary results encountered to date by its operations team. Several of the historic wollastonite sites listed in the Quebec government documents have been identified on the Ménard-Péribonka property during the Phase 1 program, with more than 30 wollastonite mineralized occurrences having now been found in the property's marble and calcosilicate rocks including new occurrences that have never been recorded in historical works.

**On September 22, 2022**, the Company announced that it has successfully completed the first direct sale of the Company's premium-quality St-Onge wollastonite to the Gorman Brothers ("Gorman") Vineyard in West Kelowna.

**On January 4, 2023**, the Company provided a summary of the 2022 Phase 1 exploration program undertaken on its recently acquired Ménard-Péribonka (Ménard) wollastonite property in Quebec. The 2022 program's objective was to detect and define the presence of marble rock zones that could potentially host wollastonite mineralization.

Vertical contracted Magnor Exploration Inc. (Magnor) to conduct and complete the work program on the Menard property between May and September 2022. The Ménard property has an approximate surface area of 2,000 hectares (ha), and is located just north of Lac Saint-Jean in Saguenay, Quebec. The original historical work undertaken on the Ménard property was carried out by Ressources Orléans (Orleans) between 1990 and 1992. At that time, Orleans also owned Vertical's St-Onge Wollastonite deposit which is located 26 km east of Ménard property.

During the 2022 Phase 1 program, extensive exploration work was carried out on numerous historical wollastonite occurrences that were primarily located in the northern part of the Ménard property. From the 648 sites that were visited on the property during the 2022 program, more than 584 samples were taken for geochemical assay for trace elements and major oxide elements. These assayed samples are from grabbing/prospecting (256 samples), channelling (158 samples, 97.72m) and portable drilling (170 samples). More than 59 samples selected for prospecting contained wollastonite, varying from 5 to 67%

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wollastonite, and these were from sites located primarily in the northern part of the property. Magnor undertook hand-made trenching to reopen the old trenches and complete the channelling work, and this work confirmed the presence of wollastonite-rich rock bands ranging from 5 to 71% wollastonite over a metre to several meters in width (< 3.3m). The mineralized bands persist laterally for several dozen metres right up to 100 meters in length. Some areas in the northern part of the property were evaluated by 46 small bore (BQ) portable drill holes totaling 77.1 metres. The BQ holes were moderately dipped to intersect foliation and mineralization near a right angle to obtain true thicknesses of intersected mineralized intervals. Twenty of these BQ holes intersected wollastonite mineralization, ranging from 5 to 44% wollastonite over hole lengths ranging from 0.30 metres to 5.08 metres. The wollastonite zones identified during the 2022 program can potentially measure up to a hundred meters in width by several hundred meters in length. However, these zones are not homogeneous, and the wollastonite-bearing marble bands are most often intercalated with barren rock bands and/or crosscut by felsic intrusive dike and plug.

Overall, the Company considers the 2022 Menard Phase 1 exploration program to be a success. This is based on the fact that most of the historic wollastonite mineralization results attained by Orléans were confirmed in the field during the 2022 program, and additionally new wollastonite mineralized sites were found both in the northern part and in other parts of the Menard property. Orléans had originally identified a mega wollastonite mineralized zone up to 300 metres wide by 2,000 metres long in the northern part of the property characterized by series of non-continuous outcrops with concentrations ranging from 5 to 40% wollastonite. The 2022 program confirmed this wollastonite mega zone by identifying 18 mineralized zones, of which 14 zones are in the northern block of the property.

**On March 28, 2023**, the Company announced that it has received approval for its Global Wollastonite to be OMRI (Organic Materials Review Institute) for its newly branded Global Wollastonite Agricultural Calcium Silicate product that is produced at the Company's St-Onge quarry in Quebec. The prestigious OMRI accreditation was received by Vertical in both Canada and the USA for the Permitted Substances Category of Mined Minerals and three classes including: i) Crop Fertilizers and Soil Amendments; ii) Crop Management Tools and Production Aids; and iii) Crop Pest, Weed, and Disease Control. The OMRI listing now creates significant new opportunities for Vertical to pursue and entertain domestic and international partnerships, joint ventures and revenue opportunities for its Global Wollastonite product.

**On June 22, 2023**, the Company announced that has formed a Research and Cooperation Alliance with Mineraux Mart Inc. (Mineraux Mart) related to the research, development and testing of a range of innovative value-added products utilizing the Company's premium-quality St-Onge wollastonite.

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**RESULTS OF OPERATIONS**

The following discussion explains the variations in the key components of the Company's operating results but, as with most junior mineral exploration companies, the results of operations are not the main factor in establishing the financial health of the Company. Of far greater significance are the exploration and evaluation assets in which the Company has, or may earn, an interest, its working capital and how many shares it has outstanding. Quarterly results can vary significantly depending on whether the Company has abandoned any properties or granted any stock options. For details on the results of work on, and other activities in connection with, the Company's exploration and evaluation assets, see "Mineral Properties".

**Results for the three months ended May 31, 2025:**

During the three months ended May 31, 2025, the Company incurred a loss of \$98,165 (2024 – \$86,255). The loss is primarily a result of:

- i) Filing fees of \$11,055 (2024 - \$6,031) increased as a result of sustaining fees paid to the exchange to maintain good standing during the current period.
- ii) Share-based payments of \$8,100 (2024 – \$Nil) increased as a result of share options granted during the current period.

**Summary of Quarterly Results**

	<b>May 31, 2025</b>	<b>February 28, 2025</b>	<b>November 30, 2024</b>	<b>August 31, 2024</b>
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Net loss	(98,165)	(129,165)	(116,451)	(99,815)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Exploration and evaluation assets	5,482,531	5,475,633	5,278,315	5,278,315
Total assets	6,135,633	6,030,339	5,863,160	5,951,002
Long term liabilities	161,682	161,198	160,720	160,242
Total liabilities	892,644	973,285	721,041	692,432
Shareholders' equity	5,242,989	5,057,054	5,142,119	5,258,570
	<b>May 31, 2024</b>	<b>February 29, 2024</b>	<b>November 30, 2023</b>	<b>August 31, 2023</b>
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Net loss	(86,255)	(302,755)	(221,526)	(175,644)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Exploration and evaluation assets	5,278,315	5,222,129	5,264,001	5,137,658
Total assets	6,011,645	6,110,450	5,996,399	5,975,140
Long term liabilities	159,764	159,287	158,814	158,342
Total liabilities	653,260	665,810	785,554	542,769
Shareholders' equity	5,385,385	5,444,640	5,210,845	5,432,371

During the quarter ended May 31, 2025, net loss decreased to \$98,165, compared to \$129,165, for the quarter ended February 28, 2025. The decreased was due to lower share-based payments incurred during the current quarter.

During the quarter ended February 28, 2025, net loss increased to \$129,165, compared to \$116,451, for the quarter ended November 30, 2024. The increase was due to higher professional fees during the current quarter.

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During the quarter ended November 30, 2024, net loss increased to \$116,451, compared to \$99,815, for the quarter ended August 31, 2024. The increase was due to higher professional fees during the current quarter.

During the quarter ended August 30, 2024, net loss increased to \$99,815, compared to \$86,255, for the quarter ended May 31, 2024. The increase was due to higher professional fees during the current quarter.

During the quarter ended May 31, 2024, net loss decreased to \$86,255, compared to \$302,755, for the quarter ended February 29, 2024. The decreased was due to higher interest and penalties on flow-through late filings and share-based compensation granted during the current quarter.

During the quarter ended February 29, 2024, net loss increased to \$302,755, compared to \$221,526, for the quarter ended November 30, 2023. The increase was due to interest and penalties on flow-through late filings during the current quarter.

During the quarter ended November 30, 2023, net loss increased to \$221,526, compared to \$175,644, for the quarter ended August 31, 2023. The increased was due to nil share-based compensation that was partially off set by higher consulting fees during the current quarter.

During the quarter ended August 31, 2023, net loss decreased to \$175,644, compared to \$255,715, for the quarter ended May 31, 2023. The decreased was due to higher audit fees and share-based compensation granted during the current quarter.

**CAPITAL RESOURCES AND LIQUIDITY**

The Company is in the exploration stage and has no revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity or debt securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its mineral exploration programs.

The Company may encounter difficulty sourcing future financing in light of the unknown economic recovery. The current financial equity market conditions have improved since two years ago the global financial crisis and therefore making the funding market easier to raise capital through the private placements of shares. The junior resource industry is still affected by the world economic situation as it is considered speculative and high-risk in nature, making it somewhat difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with the financing ventures.

As of May 31, 2025, the Company had a working capital deficit of \$575,461, compared to a working capital deficit of \$767,104 at February 28, 2025.

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**TRANSACTIONS WITH RELATED PARTIES**

The Company's related parties and key management consist of executive officers, directors, companies owned by executive officers, companies owned by former officers, companies owned by directors, and companies owned by spouses of directors.

The Company incurred the following expenses in connection with key management, including companies owned by key management and directors.

<b>Key Management</b>	<b>For the period ended</b>	
	<b>May 31, 2025</b>	<b>May 31, 2024</b>
<b>Management fees</b>		
Paid or accrued to an officer of the Company	\$ 30,000	\$ 30,000
<b>Professional fees</b>		
Paid or accrued to an officer of the Company	\$ 700	\$ 500

Included in accounts payable and accrued liabilities at May 31, 2025 is \$450,400 (February 28, 2025 - \$418,200) owed to officers of the Company.

The amount due to related parties are unsecured, non-interest bearing and has no specific due date.

**OUTSTANDING SHARE DATA**

As at July 28, 2025, the Company had the following outstanding:

- 152,904,053 common shares
- Stock options:

<b>Expiry date</b>	<b>Number of Options</b>	<b>Exercise price</b>	<b>Number of options exercisable</b>
August 5, 2025	1,000,000	\$0.15	1,000,000
December 11, 2025	2,850,000	\$0.08	3,000,000
March 27, 2026	250,000	\$0.08	250,000
Total	4,100,1000		4,100,000

- Warrants:

<b>Expiry date</b>	<b>Number of warrants</b>	<b>Exercise price</b>	<b>Number of warrants exercisable</b>
June 13, 2026	9,460,000	\$0.10	9,460,000
June 30, 2026	14,160,000	\$0.10	14,160,000
April 30, 2027	6,000,000	\$0.10	6,000,000
April 30, 2027	480,000	\$0.10	480,000
Total	30,100,000		30,100,000

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**OFF BALANCE SHEET ARRANGEMENTS**

The Company does not have any off balance sheet arrangements.

**PROPOSED TRANSACTIONS**

There are no proposed transactions approved by the Board of Directors as of the date of this Management Discussion and Analysis.

**FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

**RISKS AND UNCERTAINTIES**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations. Each of these could have an impact on the economic viability of a mineral deposit. Management attempts to mitigate its exploration risk by maintaining a diversified portfolio and a strategy of possible joint ventures with other companies which balances risk while at the same time allowing properties to be advanced.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves. The properties that the Company has an option to earn an interest in are in the exploration stage only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few exploration properties are ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

**NEW ACCOUNTING POLICIES AND PRONOUNCEMENTS**

Please refer the May 31, 2025 condensed interim financial statements on [www.sedarplus.ca](http://www.sedarplus.ca) for new accounting policies as well as future accounting pronouncements.