KELLY VENTURES LTD.

(the “Company” or “Kelly”)

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2025

Management’s discussion and analysis (“MD&A”) of the financial condition of the Company should be read in conjunction with the audited financial statements for the year ended December 31, 2025. The information contained within this MD&A is current to April 23, 2026. The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Forward-Looking Statements

This report contains forward-looking statements, including statements regarding the future success of our business, exploration and development strategies and future opportunities. Forward-looking statements include, but are not limited to, statements concerning estimates of expected capital expenditures, statements relating to expected future production and cash flows, statements relating to the continued advancement of the Company’s projects, and other statements which are not historical facts. When used in this document, the words such as “could”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”, “should”, and similar expressions are forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that can cause actual results to differ from these forward-looking statements include the potential that the Company’s projects will experience technological and mechanical problems, changes in political conditions, changes in the availability to obtain project financings and other risks. Forward-looking statements are based on the opinions and estimates of management at the date that the statements are made, 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 forward-looking statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

Incorporation and Overall Performance

On November 2, 2016, Kelly was incorporated under the laws of the Province of British Columbia and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange Policy 2.4. On December 21, 2018, the Company completed its initial public offering ("IPO") of a total of 2,000,000 common shares, at a price of $0.10 per share, for aggregate gross proceeds of $200,000. The TSX Venture Exchange (the "TSX-V") accepted the Company's listing application and the Company's common shares resumed trading on the TSX-V on December 27, 2018 under the trading symbol "KKL.P".

As a CPC, the principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition of or participation in a business (the "Qualifying Transaction" or "QT") subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will complete a Qualifying Transaction.

The Company's head office address is 2188 West 53rd Ave., Vancouver, BC, V6P 1L7. The registered and records office address is 10th Floor - 595 Howe Street, Vancouver, BC, V6C 2T5.

Proposed Transaction

The Company and a company to be incorporated in the British Virgin Islands ("HoldCo") and which will own all of the issued and outstanding shares of Belag S.A. ("VulEnergy"), a company incorporated in Argentina, entered into a binding letter of intent (the "Letter of Intent") dated October 22, 2025 which outlines the terms and conditions by which the Company intends to acquire all of the issued and outstanding securities of HoldCo (the "Transaction") for shares of Kelly. Following closing of the Transaction, VulEnergy is expected to be a wholly owned indirect subsidiary of the Company, who will change its name to "VulEnergy Corp." or such other name as determined by the parties (the "Resulting Issuer"). VulEnergy has purchased mining concessions in Catamarca, Argentina, which give VulEnergy the rights to complete geothermal electricity generation and potential lithium extraction.

The exchange ratio and valuation for VulEnergy have not yet been finalized and will be determined in the context of the terms of the concurrent financing. The Letter of Intent has an indicative split of the resulting issuer of Kelly 6% and 94% VulEnergy. A finder's fee capped at $60,000 will be payable to Seahawk Capital Corp., the principal of which is Saf Dhillon.

The Transaction is subject to the negotiation and entering into of a definitive agreement between the Company and VulEnergy ("Definitive Agreement") incorporating the terms described in the Letter of Intent and such other terms and conditions as are customary for transactions of a similar nature, including summary financial information for VulEnergy.

In connection with the Transaction, VulEnergy has appointed Research Capital Corporation as a capital markets advisor for a minimum $6 million concurrent private placement financing of subscription receipts of VulEnergy (the "VulEnergy Financing"). The price and terms of the securities of the VulEnergy Financing are yet to be determined. The final ratio of shares and valuation will be subject to the terms of the third-party financing parameters.

Financing Activity During the Year Ended December 31, 2025

In October 2025, the Company closed a non-brokered private placement (the "Offering"), issuing a total of 3,500,000 common shares in the capital of the Company (the "Shares") at a price of $0.06 per Share for aggregate gross proceeds of $210,000.

The net proceeds of the Offering will be used for general working capital. The securities issued in connection with the Offering were subject to a statutory hold period until February 7, 2026, in accordance with applicable Canadian securities laws and the policies of the TSX Venture Exchange.

Certain securities issued in connection with the financing are subject to escrow restrictions pursuant to a Capital Pool Company escrow agreement entered into with the Company and Computershare Investor Services Inc., in accordance with TSXV Policy 2.4 – Capital Pool Companies.

Results of Operations

Selected Annual Information

The summary of historical financial information presented below has been derived from the financial statements.

STATEMENT OF OPERATIONS DATA	Year Ended December 31, 2025		Year Ended December 31, 2024		Year Ended December 31, 2023	
Revenues	$	-	$	-	$	-
Total expenses	$	64,410	$	42,204	$	50,470
Net loss	$	(64,410)	$	(42,204)	$	(50,470)
Basic and diluted loss per share	$	(0.03)	$	(0.02)	$	(0.02)
Weighted average number of shares outstanding		2,505,698		2,191,150		2,191,150

BALANCE SHEET DATA	December 31, 2025		December 31, 2024		December 31, 2023	
Cash	$	154,017	$	17,589	$	44,967
Working capital surplus (deficit)	$	135,977	$	(9,613)	$	32,591
Total assets	$	154,017	$	17,589	$	44,967
(Deficiency) equity	$	135,977	$	(9,613)	$	32,591

Summary of Quarterly Results

The following are the results for the most recent eight quarters (periods):

	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24	31-Mar-24
Net loss & comprehensive loss	**$ (20,155)**	**$ (13,383)**	**$ (18,574)**	**$ (12,298)**	**$ (16,184)**	**$ (5,871)**	**$ (6,438)**	**$ (13,711)**
Loss per share	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (0.00)**	**$ (0.00)**	**$ (0.01)**

For the Year Ended December 31, 2025

The Company incurred a loss of $64,410 (2024 – $42,204) for the year ended December 31, 2025. The increase was mainly due to higher legal and consulting fees related to the private placement financing that closed in October 2025. Other expenses were consistent year over year. Management expects costs to increase as the expenses related to the Transaction increase.

For the Three Months Ended December 31, 2025

The Company incurred a loss of $20,155 (2024 – $16,184) for the three months ended December 31, 2025. Professional fees increased slightly to $15,502 (2024 - $13,677) due to higher legal and consulting fees related to the private placement financing that closed in October 2025. This increase was partially offset by lower accounting fees. Other expenses were fairly consistent compared to the same period of the previous year.

Liquidity and Capital Resources

At December 31, 2025, the Company had cash of $154,017 (December 31, 2024 - $17,589) and a working capital surplus of $135,977 (December 31, 2024 – deficit of $9,613).

Cash increased by $136,428 during the year ended December 31, 2025 (2024 – decrease of $27,378). Cash used in operating activities was $73,572 mainly due to the loss for the year of $64,410 (2024 - $42,204) which was partially offset by an decrease of $9,162 (2024 – increase of $14,826) in accounts payable and accrued liabilities.

Cash provided by financing activities was $210,000 (2024 - $Nil) comprised of the gross proceeds received upon closing of the Offering in October 2025.

The Company will require additional capital resources to complete a QT. There is no guarantee that the Company will be able to complete a QT, or to secure additional financings in the future at terms that are acceptable to it (or at all).

Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

During the year ended December 31, 2025:

i. Administration fees of $6,000 plus GST (2024 - $6,000 plus GST) were charged by an entity controlled by the President of the Company;
ii. Accounting fees related to the preparation of the audited and quarterly financial statements of $12,000 plus GST (2024 - $12,000 plus GST) were charged by an entity controlled by a director of the Company.

At December 31, 2025, $17,368 (December 31, 2024 - $16,318) was due to related parties of the Company. These amounts are included in accounts payable and accrued liabilities, unsecured, non-interest bearing and payable on demand.

Off Balance Sheet Arrangements

The Company has not entered into any off balance sheet arrangements, other than previously disclosed, that have, or are reasonably likely to have, an impact on the current or future results of operations or the financial condition of our Company.

Accounting Policies

Please refer to note 3 of the financial statements for details on Material Accounting Policies. The Company's financial statements include the activity of identifying and evaluating potential qualifying transactions. The Company's continuing operations, as intended, are dependent upon its ability to negotiate and complete a Qualifying Transaction.

Accounting for Stock Options

At the Annual General Meeting held on August 9, 2023, the shareholders of the Company approved the adoption of a form of 10% "rolling" stock option plan (the "Stock Option Plan" or the "Plan"), which was subsequently approved by the TSX Venture Exchange. The Plan incorporates certain requirements of the TSX-V Policy 4.4 – Security Based Compensation ("Policy 4.4"), which was amended on November 24, 2021.

As of the date of this report, there are no stock options issued or outstanding.

Outstanding Share Data – April 23, 2026

	Number
Common shares, issued and outstanding	7,691,150

4,165,000 shares are held in escrow which will be released pro-rata to the shareholders as to 25% upon the issuance of notice of final acceptance of a Qualifying Transaction by the Exchange, with the balance in three equal tranches of 25% every six months thereafter over a period of 18 months.

Additional Disclosure for Venture Issuers without Significant Revenues

Additional information relating to the Company can be found on the SEDAR+ website at www.Sedarplus.ca.

Going Concern of Operations

The Company has prepared its financial statements in accordance with IFRS with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

As of December 31, 2025, and December 31, 2024 the Company has not generated any revenues and has incurred losses of $342,021 (December 31, 2024 - $277,611) since inception. The Company's continued existence and plans for future growth depend on its ability to obtain additional capital.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, tariffs, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of the higher inflation, tariffs, and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The above material uncertainties raise significant doubt about the Company's ability to continue as a going concern. Although the Company's financial statements have been prepared on a going concern basis, the Company's continuing operations are dependent upon its ability to obtain adequate financing through debt or equity issuance.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.