("the Company")

**FORM 51-102F1**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED AUGUST 31, 2025**

## Introduction

This Management's Discussion and Analysis ("**MD&A**") of Prospect Ridge Resources Corp is the responsibility of management and covers the year ended August 31, 2025. The MD&A takes into account information available up to and including December 18, 2025 and should be read together with the audited financial statements for the year ended August 31, 2025. The Company prepares its financial statements in accordance with IFRS Accounting Standards ("IFRS").

Throughout this document the terms *we, us, our, and the Company* refer to Prospect Ridge Resources Corp. All financial information in this document is derived from the financial statements of the Company, which have been prepared in accordance with IFRS, except share and per share amounts, or unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.com.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements." Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond our ability to control, that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Please refer to "Risk Factors" below.

## Description of Business

Prospect Ridge Resources Corp. was incorporated under the laws of the Province of British Columbia. The Company is principally engaged in the acquisition and exploration of resource properties in Canada. The Company's registered and records office is located at 24549 53 Ave Langley, BC V2Z 1H6.

The Company is in the process of exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The Company's primary focus is the Knauss Creek and Holy Grail properties (the "Properties") near Terrace, BC.

**Performance Summary and Subsequent Events**

During the year ended August 31, 2025, and to the date of this MD&A, the Company:

(a) On December 12, 2025, announced a non-brokered private placement of up to $800,000 through the issue of up to 8,888,889 critical mineral flow-through units at a price of $0.09 per Unit.

(b) On December 5, 2025, closed the third and final tranche of its non-brokered private placement of $0.12 flow-through units issuing 416,667 flow-through units for gross proceeds of $50,000.00. No finder's fees were payable on this tranche.

(c) On November 13, 2025, closed the second tranche, issuing an additional 2,406,667 flow-through units for gross proceeds of $288,800. The Company paid additional cash finder's fees of $4,102 and issued 34,183 finder warrants, each exercisable at $0.18 for two years.

(d) On October 27, 2025, closed the first tranche of the financing, issuing 10,783,334 flow-through units for gross proceeds of $1,294,000. In connection with this tranche, the Company paid cash finder's fees of $85,400 and issued 711,667 finder warrants, each exercisable at $0.18 for two years.

(e) On October 22, 2025, granted 1,300,000 stock options to directors, officers, and consultants at an exercise price of $0.15 per share, expiring on October 22, 2030.

(f) On October 17, 2025, announced a non-brokered private placement of up to 25,000,000 flow-through units at a price of $0.12 per unit for gross proceeds up to $3,000,000. Each unit consists of one flow-through common share and one-half of one share purchase warrant, with each whole warrant exercisable at $0.18 for a period of two years.

(g) On September 12, 2025, issued 243,180 common shares pursuant to its agreement dated September 9, 2025 with Orogen Royalties Inc. to acquire the Camelot copper–gold porphyry project (formerly the Lemon Lake Property).

(h) Issued 142,857 Finder's shares valued at $65,714 on the third anniversary of the Holy Grail Property option agreement.

(i) On July 17, 2025, announced the Closing of the Castle and Excalibur Option Agreements and the start of the exploration programs at the Knauss Creek, Holy Grail and Excalibur projects.

(j) On July 4, 2025, entered into an option agreement to acquire up to a 100% interest in the Excalibur Property, a copper–gold porphyry target located in northwest British Columbia.

(k) On June 30, 2025, entered into an option agreement to acquire up to a 100% interest in the Castle Property, a copper–gold porphyry target located in the Toodoggone mining district of British Columbia.

(l) On May 20, 2025, entered a strategic partnership with Equity Exploration Consultants Ltd. to support fieldwork and technical services across its British Columbia projects.

(m) In March 2025, received reports from three independent geological consulting firms on exploration priorities for the upcoming 2025 field season. Please refer to 'Exploration Results' below for more details.

(n) On October 3, 2024, completed the inaugural drilling program at the Copper Ridge Zone of its Knauss Creek Property near Terrace in British Columbia.

**Global Issues**

Recent global issues, including the lingering economic effects of the COVID-19 pandemic and geopolitical conflict have adversely affected workplaces, economies, supply chains and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations at this time.

**Exploration Projects**

# Camelot

The 2,646-hectare Camelot property lies approximately 65 km east of Williams Lake, B.C. within the Quesnel Terrane – home to multiple producing copper-gold and copper-molybdenum porphyry deposits, including the nearby Gibraltar and Mount Polley mines (Figure 1). Camelot is located ~34 km southeast of Imperial Metal's Mount Polley and ~13 km northeast of Vizsla Copper's Woodjam project.

The project area benefits from year-round road access and excellent regional infrastructure. Previous exploration work[ii,iii] has outlined a 1700 m x 500 m coincident chargeability-magnetic anomaly trending northeast-southwest beneath shallow till cover in an area that has not been previously drilled. The property is centered on the Lemon Lake stock, a Late Triassic to Early Jurassic multi-phase pluton hosted in volcanic units of the Quesnel Terrane. The approximately 5 km wide pluton was formed by early phases of gabbro cut by younger monzonite, breccias, and late-stage syenitic dikes. Moderate K-feldspar and biotite alteration, as well as local pyrite-chalcopyrite mineralization, are primarily associated with monzonite intrusions. Zones of sericite-pyrite (or phyllic) alteration appear to be rare, consistent with the interpreted alkalic porphyry model assumed for the system.

On December 4, 2025 the Company announced visual observations and portable XRF results from the first six holes of a ten-hole (~2,000 m planned) diamond drill program that began on October 31. Drilling targeted historical copper-in-soil anomalies coincident with chargeability highs and moderate magnetic highs, following an alkalic porphyry exploration model where coincident chargeability and magnetic anomalies could indicate pyrite-chalcopyrite mineralization in association with magnetite-bearing potassic alteration. The Company is currently waiting on assay results from the drill program.

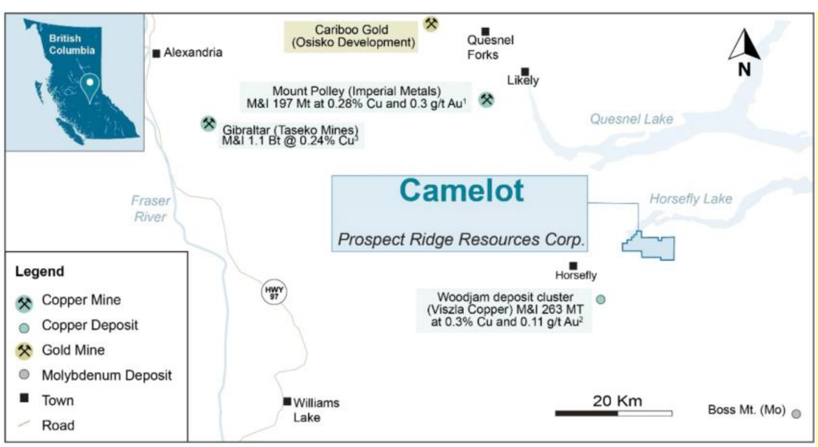


**Figure 1: Location of Camelot project**

***Sources for Figure 1:**

1. Mt. Polley: https://www.imperialmetals.com/assets/docs/mp-technical-report-may-20-2016.pdf
2. *QR: https://osiskogr.com/en/osisko-gold-royalties-announces-spin-out-of-mining-assets-and-creation-of-a-premier-north-american-gold-development-company/*
3. Woodjam: *https://www.vizslacopper.com/projects/woodjam-project/overview/*

# Castle

The Castle Property consists of 14 contiguous mineral claims covering ~29.14 km$^2$ in the prolific Toodoggone gold-copper mineral district in north-central British Columbia (Figure 2). Castle is located approximately 100 km north-west of the Kemess mine complex and ~66 km south-east of the advanced stage Kutcho Copper VMS deposit and is accessible by helicopter from the Sturdee airstrip.

The main target at Castle is an alkalic Cu-Au porphyry deposit at depth. Markers of this potential deposit include (i) a kilometre-scale Au-Cu-Pb geochemical surface anomaly in talus fines, (ii) the striking Castle and Abbey gossans and (iii) proximity to a prominent clay-K-feldspar-pyrite altered feldspar porphyritic rock..

In 2025 Equity Exploration Consultants Ltd. completed a 10-day exploration program that included mapping and sampling, a 500 line-km airborne magnetic survey over the entire property, and a seven line-km 3D IP survey covering the north and west Castle gossan slopes. The Company is awaiting results from the geophysical surveys.

The objective of this  program was to provide multiple drill targets for a minimum 2,500 metre diamond drill program contemplated for as early as the summer of 2026, pending receipt of drill permits.

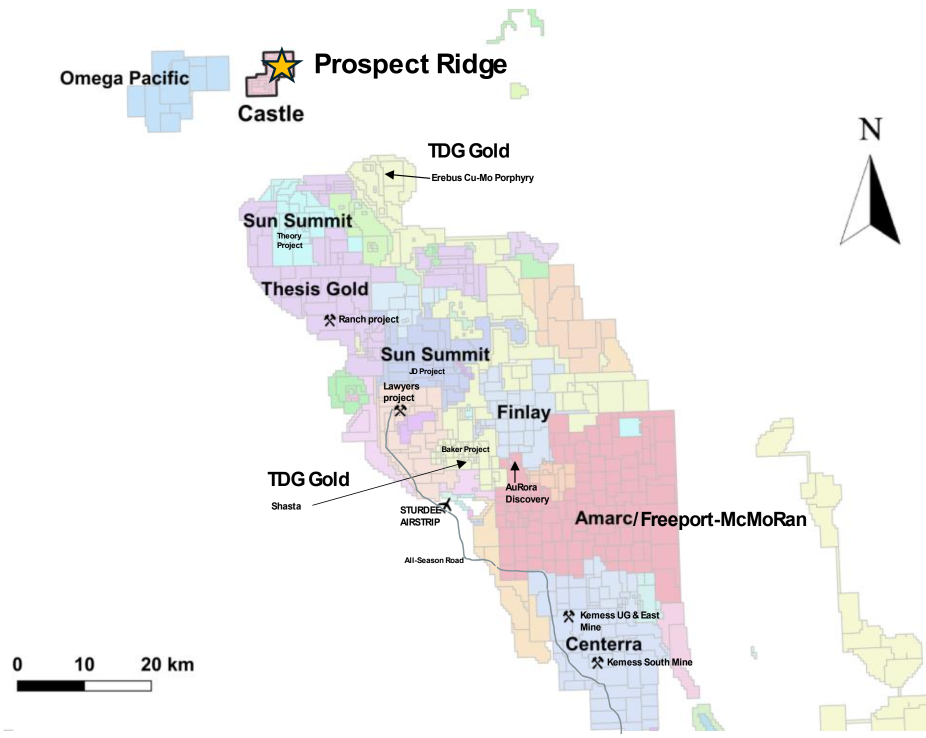


***Figure 2 – Castle Property location in relation to Thesis Gold's Ranch and Lawyers projects and Amarc's AuRora discovery, Kemess South historic mine, and Kemess UG & East mines.***

# Excalibur

The road-accessible Excalibur Property consists of 13 contiguous mineral claims covering ~27.71 km$^2$ that are located ~70 km north northeast of Smithers and ~55 km northeast of Hazelton, British Columbia (Figure 3). On the Excalibur Property, suspected Bulkley and Babine intrusions cut Cretaceous stratified rocks and include a 50 to 500 m wide by >1,600 m long, east-west trending, Babine feldspar ± hornblende ± biotite porphyry dyke that runs along the southern property boundary. The dyke is partially overprinted by a complex pattern of alteration that includes propylitic and phyllic assemblages. Several outcrops of quartz-feldspar porphyry and granodiorite to the west are believed to be apophyses of the Bulkley stock exposed south of the Excalibur Property. No significant copper gold mineralization in outcrop has been found in the main target area where there is less than ~2% outcrop.

Historic work has included mapping, soil sampling, IP, and ground magnetic surveys done by Canadian Superior in 1971-72[1]. No significant work was conducted until 2019, when a former operator[1] cut five north-south trending 2500-2700 m long lines, at a spacing of 400 to 800 m, in preparation for an IP survey that was not completed before the project was returned to the Vendors. One hundred and forty soil samples were collected at 50 to 100 m intervals along the cut lines, with one of these lines (5200E) returning a 750 metre interval with three samples exceeding 500 ppm Cu (>95$^{th}$ percentile) up to a maximum value 1170 ppm Cu, and eight samples exceeding 8.9 ppm Mo (>80$^{th}$ percentile) up to a maximum of 19 ppm Mo[1]. Another former operator completed a 259-line km airborne magnetic survey in 2021[2] and collected 207 soil samples in 2022[3]. Those results provided a more nuanced view of the magnetic target and expanded the areas of anomalous copper- and gold-in-soil within the target area.

Collectively, the historical work summarized above defines an approximately 500 x 950 metre porphyry exploration target in an area with no mapped outcrops. The target contains anomalous Mo and Cu-in-soil within an area of a moderate IP chargeability response and moderately high magnetic response on the flanks of a chargeability high. These coincident geophysical and geochemical signatures could represent a core of mineralized potassic alteration surrounded by a pyrite halo, similar to the setting of the Granisle and Bell Copper porphyry deposits of the Babine Plutonic Suite. The Property has never been drilled.

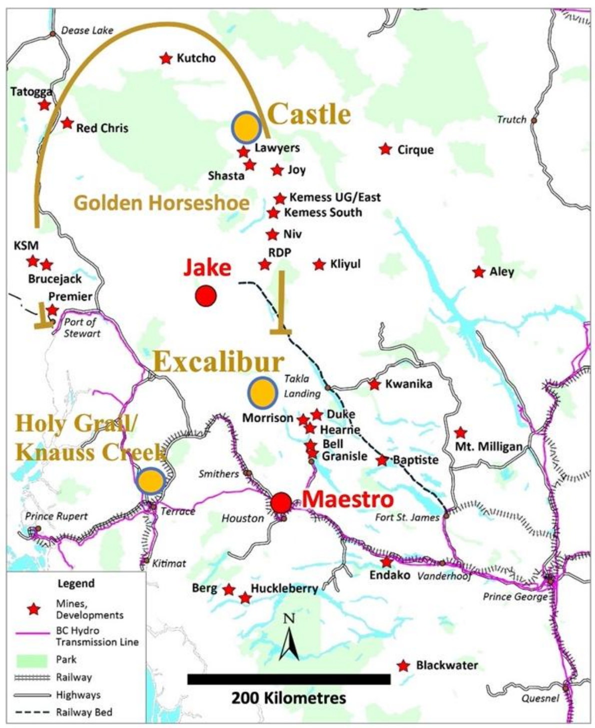


***Figure 3 – Excalibur Property location in relation to Prospect Ridge's Holy Grail/Knauss Creek and Castle projects, historic mines and the Quartz Mountain Resources Ltd. Jake and Maestro discoveries.***

In July 2025, an initial one-week program of mapping and prospecting was completed and followed by line-brushing and a 26.3-line-km IP survey at a line spacing of 200 m, in the vicinity of the high Cu±Mo soil samples collected in 2019 and 2021.

The objective of the initial work programs was to provide multiple drill targets for a minimum 2,000 metre diamond drill program contemplated for as early as the summer of 2026, pending receipt of a drill permit that was applied for on November 30, 2025.

## Knauss Creek and Holy Grail

Prospect Ridge's Knauss Creek and Holy Grail Properties lie south of the "Golden Triangle" area of northwestern British Columbia in the Omineca and Skeena Mining Divisions. They are underlain by a sequence of stratified sediments of the Bowser Lake Group and Hazelton Group volcano-sedimentary rocks and are intruded by dioritic to granodioritic batholiths.

The southern portion of the Knauss Creek Property is approximately 35 km northeast of the town of Terrace (Figure 4). It covers ~2,944 hectares in mineral claims and is fully owned by the Company subject to two separate 1.5% NSR royalties which may be bought down to 0.5% by the payment of $1 million to each royalty holder. It is easily accessible by Highway 16 and a bridge over the Skeena River that leads to a network of logging roads.

The Knauss Creek Property is being explored for polymetallic veins like those in the historical Dorreen Mine on the property, and on the numerous showings on the property with anomalous gold, silver, copper, lead, and/or zinc like the Jay Veins, Hugin, Kandy, and Copper Ridge. Placer deposits were mined in creeks adjacent, west and east, to the Property during the early part of the 20th century.

The Holy Grail Property starts ~10 km north of Terrace, forming a horseshoe, with the eastern part surrounding the Knauss Creek Property (Figure 4). The Property is easily accessible from paved highways that bound both sides of the property and conntect to a network of logging roads, and is located close to a railway line, and high tension powerlines. Some of the key areas are located below the tree line and can be worked nearly year-round. On October 30th, 2024, the Company reduced its claim holdings in the northern part of the Property from 70,100 hectares to 59,608 hectares.

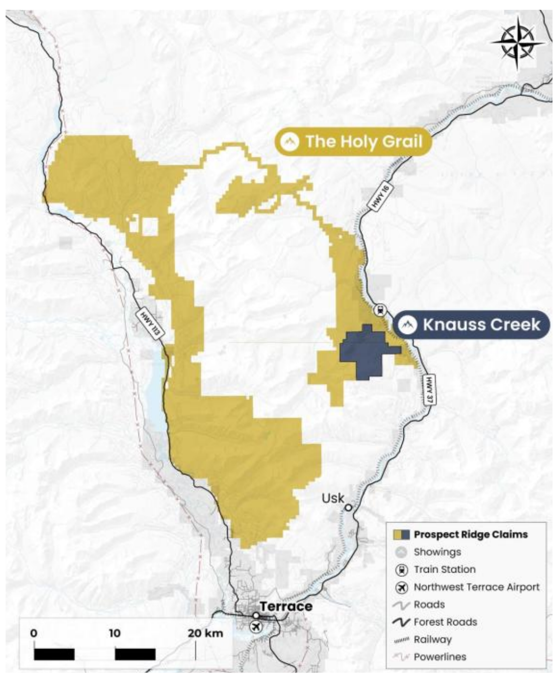


***Figure 4: Knauss Creek and Holy Grail properties.***

*Exploration Highlights*

The Holy Grail Property has historically been only locally explored and is currently being explored for its polymetallic vein potential.

On August 6th, 2024, Prospect Ridge announced the commencement of an inaugural drilling program at the Copper Ridge zone. The drill program was designed to test high-priority targets inside the Copper Ridge zone that covers an area of 1,550 metres by 850 metres as defined through extensive prospecting and surface sampling.

On November 19th, 2024, the Company released the results of the initial drilling done at Copper Ridge that included a total of 2,229 m across nine holes. The program covered a 300 by 300 m area in the western portion and 300 by 150 m in the center portion of the Copper Ridge zone identified by prospecting during the summer of 2023.

Mineralized veins were regularly intersected in all holes with additional mineralization observed locally in fractures and the host rock. Three different 20-metre corridors (core length) of gold-silver and copper-gold-silver mineralization were identified.

During the year the Company engaged the services of three geological consulting firms to review all available geological data on the Holy Grail and Knauss Creek Properties. The Company integrated their recommendations into the work program for the 2025 field season.

On July 15, 2025, crews from Equity Exploration Consultants Ltd. began a program of prospecting and mapping on 17 high priority exploration targets on the Knauss Creek and Holy Grail properties.

The 4-week program was based at the Company's fully equipped camp in Terrace and utilized the Company's fleet of trucks and all-terrain vehicles, along with helicopter support. The goal of the program was to map and identify regional structures and select potential targets for geophysical surveys. The Company is awaiting Equity's report on this exploration program.

**Sources of Technical Information**


1. Awmack, H. J. 2019. Geological and Geochemical Report on the Jacobite Project. B.C. Mines Branch Assessment Report 38665

2. Bultitude, S. and Lui, D. K. 2021. Geophysical Report on the Jacobite Project. B.C. Mines Branch Assessment Report 40035

3. Awmack, H. J. 2022. Geochemical Report on the Jacobite Project. B.C. Mines Branch Assessment Report 40867

4. Prospect Ridge Resources Press Release dated November 19, 2024


## Qualified Person Statement

All technical data, that forms the basis for the written disclosure in this MD&A, has been verified by Ron Voordouw, Ph.D, P.Geo. Director of Geoscience for Equity Exploration Consultants Ltd., an independent consultant to the Company and a qualified person as defined under the terms of National Instrument 43-101.

## Resource Property Interests – Exploration and Evaluation Expenditures

Activities of the Company for the year ended August 31, 2025, focused on the continuing exploration work on its properties as indicated in the Exploration Program and Results described above.

Exploration and evaluation expenditures for the year ended August 31, 2025, is detailed below:

| | Holy Grail | Knauss Creek | Excalibur | Castle | Total |
|---|---|---|---|---|---|
| Claims | $ 9,792 | $ 2,772 | $ - | $ - | $ 12,564 |
| Geology | 3,694 | 13,489 | 17,948 | 28,542 | 63,673 |

| | | | | | |
|---|---|---|---|---|---|
| Geophysics | - | 1,292 | - | - | 1,292 |
| Prospection/Geochemistry | 191,849 | 163,534 | 10,857 | 17,414 | 383,654 |
| Drilling | - | 541,693 | | | 541,693 |
| | $ 205,335 | $ 722,780 | $ 28,805 | $ 45,956 | $ 1,002,876 |

**Selected Annual Information**

| | Year ended August 31, 2025 | Year ended August 31, 2024 | Year ended August 31, 2023 |
|---|---|---|---|
| General and administrative expenses | $ 1,130,904 | $ 1,093,232 | $ 743,914 |
| Exploration expenses | 1,002,876 | 1,550,701 | 1,520,656 |
| Comprehensive loss for the year | 2,027,597 | 2,636,123 | 2,230,027 |
| Loss per share – basic and diluted | 0.02 | 0.05 | 0.04 |
| Total assets | 7,428,526 | 10,207,018 | 7,013,286 |
| Total long-term financial liabilities | 99,539 | 263,067 | 181,581 |

**Summary of Quarterly Results**

The following table summarizes the last 8 quarters of the Company:

| In dollars ($) | August 31, 2025 | May 31, 2025 | February 28, 2025 | November 30, 2024 |
|---|---|---|---|---|
| Total assets | 7,428,526 | 7,842,901 | 8,155,618 | 8,554,473 |
| Working capital | 2,050,955 | 2,514,636 | 2,803,276 | 3,155,228 |
| Deficit | (12,482,091) | (12,042,929) | (11,737,712) | (11,332,266) |
| Net loss | (439,162) | (305,217) | (405,446) | (877,772) |
| Net loss per share | (0.01) | (0.00) | (0.00) | (0.01) |
| **In dollars ($)** | **August 31, 2024** | **May 31, 2024** | **February 29, 2024** | **November 30, 2023** |
| Total assets | 10,207,018 | 6,533,198 | 5,999,789 | 6,383,376 |
| Working capital | 4,081,342 | 1,248,165 | 780,033 | 1,155,718 |
| Deficit | (10,454,494) | (9,058,634) | (8,672,689) | (8,215,800) |
| Net loss | (1,395,860) | (385,945) | (456,889) | (397,429) |
| Net loss per share | (0.02) | (0.01) | (0.01) | (0.01) |

**Results of Operations for the year ended August 31, 2025**

During the year ended August 31, 2025, the Company incurred a net loss of $2,027,597 as compared to $2,636,123 for the year ended August 31, 2024. Significant items making up the loss include:

- Depreciation expense of $133,945 (2024 - $155,217) as the Company disposed of vehicles during the fiscal year.
- Exploration and evaluation expenditures of $1,002,876 (2024 - $1,550,701) incurred in relation to the Company's exploration work on its properties; in the current year, the Company completed the inaugural drilling program at the Copper Ridge Zone of its Knauss Creek property.
- Investor relations expense of $321,977 (2024 - $196,454) incurred in relation to the Company's increased investor relations activities during the year.
- Management and consulting fees of $330,290 (2024 - $354,970) as the Company incurred third-party consulting fees in addition to fees paid or accrued to the Company's management.
- Professional fees of $106,913 (2024 – $77,368) related to audit, accounting fees and legal fees.

- Share-based payments of $38,793 (2024 - $137,928) related to the vesting and modification of stock options granted during the current and previous year.

## Liquidity

The Company's historical capital needs have been met by issuance of shares. As at August 31, 2025, the Company had a working capital of $2,050,955 (2024 - $4,081,342). The Company proposes to meet any additional financing requirements through equity financing. The Company's cash position as at August 31, 2025 was $672,522 (2024 - $57,741) and short-term investments were $1,643,456 (2024 - $4,172,510).

*Operating activities*: The Company does not generate cash from operating activities. Net cash used in the Company for operating activities, which includes exploration activities, for the year ended August 31, 2025, was $1,776,380 (2024 - $2,053,525), including net changes in non-cash working capital of $143,849 (2024 - $285,097).

*Investing activities*: Net cash generated by the Company for investing activities for the year ended August 31, 2025, was $2,599,844 (2024 – net cash used of $4,170,460) from proceeds received on the sale of short-term investments and acquisition of exploration and evaluation assets.

*Financing activities*: Net cash used in financing activities for the year ended August 31, 2025, was $208,683 (2024 - $4,887,699), comprised lease payments of $148,612 (2024 - $84,832), loan payments of $60,071 (2024 – $36,177) and proceeds from private placement of $nil (2024 - $2,860,520). Proceeds from private placements subsequent to year-end are $1,632,800 (first, second and third tranches of the private placement announced on October 17, 2025).

The Company does not have operations that generate positive cash flows, and it is unlikely that it will generate cash flows from operations in the foreseeable future. Cash requirements will depend primarily on the extent of future exploration programs. Subsequent phases will depend, both on cost and duration, and on results from previous phases, and it is therefore extremely difficult to predict future cash requirements.

## Related Party Transactions

Related parties and related party transactions impacting the financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and Chairman, corporate officers, including the Company's Chief Executive Officer, Chief Financial Officer, Corporate Secretary, and President.

Key management personnel payments for the year ended August 31, 2025 and 2024, included:

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Directors' fees | $ | 64,000 | $ | 54,000 |
| Consulting and management fees | | 291,957 | | 200,000 |
| Exploration related and geological consulting fees | | 133,333 | | 200,000 |
| Professional fees | | 60,000 | | 120,000 |
| Share-based payments | | 34,579 | | 70,931 |
| | $ | 583,869 | $ | 644,931 |

As at August 31, 2025, $244,444 (2024 - $127,362) was included in accounts payables and accrued liabilities for fees owed to related parties.

**Outstanding Share Data**

As at the date of this report, the Company had 97,502,678 common shares issued and outstanding.

As at the date of this report, incentive stock options were outstanding as follows:

| Number Outstanding | Number and Exercisable | | Exercise Price | Expiry Date | Remaining Life (years) |
|---|---|---|---|---|---|
| 2,000,000 | 2,000,000 | $ | 0.20 | March 1, 2028 | 2.50 |
| 600,000 | 600,000 | $ | 0.20 | March 3, 2028 | 2.51 |
| 500,000 | 500,000 | $ | 0.205 | January 5, 2029 | 3.35 |
| 50,000 | 50,000 | $ | 0.235 | July 30, 2029 | 3.92 |
| 2,100,000 | 1,050,000 | $ | 0.15 | February 25, 2030 | 4.49 |
| 1,300,000 | 1,300,000 | $ | 0.15 | October 22, 2030 | 4.84 |
| 6,550,000 | 5,500,000 | $ | 0.16 | | |

Subsequent to August 31, 2025, 1,300,000 stock options were granted to directors, officers and consultants and 420,000 stock options granted in prior years were cancelled or expired unexercised.

As at August 31, 2025, warrants were outstanding as follows:

| Number Outstanding | | Exercise Price | Expiry Date | Remaining Life (years) |
|---|---|---|---|---|
| 6,831,407 | $ | 0.25 | June 13, 2026 | 0.78 |
| 844,125 | $ | 0.25 | July 5, 2026 | 0.84 |
| 2,974,208 | $ | 0.30 | July 5, 2026 | 0.90 |
| 1,529,312 | $ | 0.25 | July 24, 2026 | 0.90 |
| 4,353,781 | $ | 0.30 | July 24, 2026 | 0.90 |
| 16,532,833 | | | | |

Subsequent to August 31, 2025, the Company issued 5,391,665 warrants as part of the first tranche of its October 27, 2025 flow-through financing and 1,203,333 warrants as part of the second tranche, which closed on November 13, 2025 and 208,333 warrants as part of the third tranche. In addition, the Company issued 745,850 finder warrants (711,667 under the first tranche and 34,183 under the second tranche), each exercisable at $0.18 for a period of two years. As a result, total warrants outstanding increased from 16,532,833 as at August 31, 2025, to 24,082,014 as at the date of this report.

**Off-Balance Sheet Arrangements**

As at August 31, 2025 and to the date of this MD&A, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

## Proposed Transactions

On December 12, 2025 the Company announced a non-brokered private placement (the "Offering") of up to $800,000 through the issue of up to 8,888,889 critical mineral flow-through units (the "Units") at a price of $0.09 per Unit.

Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

## Capital Risk Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns and/or benefits for shareholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the administration of its corporate affairs and to provide funds for the development of its business. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company has no revenue-generating operations and as such is dependent upon external financings to fund activities. In order to develop its business and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the size of the Company.

There were no changes in the Company's approach to capital management during the year ended August 31, 2025. The Company is not subject to externally imposed capital requirements.

## Financial Instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

### Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's receivables consist mainly of tax credit receivables due from the Government of Canada. As at August 31, 2025, the Company's exposure to credit risk is minimal.

### Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2025, the Company had a cash balance of $672,522 and a short-term investment balance of $1,643,456 to settle current liabilities of $384,179. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. Management intends to meet its liabilities by actively pursuing investors.

## Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

As at August 31, 2025, the Company was not subject to or exposed to significant interest rate risk.

b) Foreign currency risk

As at August 31, 2025, the Company is not exposed to foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As at August 31, 2025, the Company was not exposed to any equity or commodity price risks.

## Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make estimates about, and apply assumptions or judgment to, future events and other matters that affect the reported amounts of the Company's assets, liabilities, revenues, expenses and related disclosures. Assumptions, estimates and judgments are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the Company's financial statements are prepared.

The Company's significant accounting judgements, estimates and assumptions are disclosed in Note 3 of the financial statements for the year ended August 31, 2025.

## Risks and Uncertainties

In conducting its business, the Company, like all exploration-stage mineral exploration companies, faces a variety of risks uncertainties. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

*Exploration and Development* - Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them and employs experienced consultants to assist in its risk management and to make timely adequate decisions.

*Title Risks* - Title f mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

*Permitting Risks* - The development of mineral resources in British Columbia is subject to a comprehensive review, approval and permitting process involving various provincial and regional agencies, in addition to the various First Nations groups that have jurisdiction in the Company's area of claims. There can be no assurance given for the required approvals and permits for a mining project, even if technically and economically warranted, can be obtained in a timely or cost-effective manner.

*Fluctuating Metal Prices* - Factors beyond the control of the Company have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects and the Company's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

*Environmental Regulations Permits and Licenses* - Environmental laws and regulations could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there could be changes in legislation outside the Company's control that could also add a risk factor to a project.

*Competition* - The mineral exploration industry is intensely competitive in all its phases, and the Company competes with some companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

*Future Financings* - The Company's continued operation will be dependent in part upon its ability procure additional financing. To date, the Company has done so through a combination of: (i) equity financing; and (ii) cash payments received as property option payments from third parties. The current state of global equity markets has had a direct effect on the ability of exploration companies, including the Company, to finance project acquisition and development through the equity markets. There can be no assurance that forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

*Price Volatility of Publicly Traded Securities* - During recent months, global securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

**Information regarding forward looking statements**

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the prices of gold and other metals, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, Government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or incompletion of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of gold and other metals. While the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.

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*Director*

Jacques Brunelle
*Director*

Bradley Scharfe
*Vice President Corporate Development*
*Director*

**LISTINGS**

Canadian Securities Exchange: **PRR**
OTCQX: **PRRSF**

**CAPITALIZATION**
(as at December 18, 2025)

Shares Authorized: Unlimited Common Shares
Shares Issued: 97,502,678

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