

## **SEARCHLIGHT INNOVATION INC.**

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

#### **FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025**

This Management Discussion and Analysis ("MD&A") provides an analysis of the business of Searchlight Innovations Inc. ("Searchlight" or the "Company") and its subsidiary as at November 25, 2025. This MD&A compares the Company's financial results for the three and nine months ended September 30, 2025 and 2024 and should be read in conjunction with the consolidated condensed interim financial statements of the Company and the related notes for the three and nine months ended September 30, 2025 and 2024 (the "Financial Statements"). The Financial Statements and the financial information contained in the related MD&A were prepared in accordance with IFRS Accounting Standards.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings. The consolidated financial statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith, and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

These forward-looking statements include but are not limited to statements concerning:

- The Company's success at completing future financings;
- The Company's ability to continue as a going concern;
- The Company's strategies and objectives;
- The Company's cost controls and other financial operating objectives;
- The availability of qualified employees for business operations;
- General business and economic conditions;
- The Company's ability to meet its financial obligations as they become due;
- The positive cash flows and financial viability of its business;
- The Company's ability to manage growth with respect to its business and new business opportunities;
- And The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company.

Readers are cautioned that the preceding list of risks, uncertainties, assumptions, and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.

### **Proposed Transaction**

On October 11, 2024, the Company, 1506404 B.C. Ltd., a wholly-owned subsidiary of Searchlight, and Riverboat Energy Corp. ("Riverboat"), a corporation incorporated under the laws of the Province of British Columbia, entered into a binding merger agreement (the "Merger Agreement"), whereby Searchlight is anticipated to acquire the business of Riverboat. The Merger Agreement outlines the terms and conditions pursuant to which the Searchlight and Riverboat are anticipated to complete a three-cornered amalgamation, whereby 1506404 BC Ltd. will amalgamate with Riverboat under the *Business Corporations Act* (British Columbia) (the "Proposed Transaction"). Upon completion of the Proposed Transaction, Riverboat will be a wholly-owned subsidiary of Searchlight (together, the "Resulting Issuer"), and it is anticipated that Searchlight will have changed its name to "Riverboat Energy Corp.", or such other name as may be agreed upon in writing by Searchlight and Riverboat (the "Name Change"). The Proposed Transaction, if completed, will constitute Searchlight's "Qualifying Transaction" (as such term is defined in Policy 2.4 – Capital Pool Companies ("Policy 2.4") of the TSX Venture Exchange (the "Exchange")). Upon completion of the Proposed Transaction, the Resulting Issuer will carry on the business of Riverboat, and intends to list as a tier 2 mining issuer on the Exchange.

During the three months ended March 31, 2025 the Company entered into a second amending agreement ("Amending Agreement") to the Merger Agreement dated effective October 11, 2024, between Searchlight, Riverboat Energy Corp. and 1506404 B.C. Ltd., a wholly-owned subsidiary of Searchlight. The Amending Agreement (a) provides for an extension of the outside date to close the proposed transaction from December 31, 2024, to June 30, 2025; (b) revises the terms of the proposed concurrent financing to be conducted in connection with the Proposed Transaction (the "Concurrent Financing"); and (c) updates certain representations and warranties of Riverboat.

Trading in the common shares of Searchlight (each, a "Searchlight Share") is currently halted in accordance with the policies of the Exchange and will remain halted until such time as all required documentation in connection with the Proposed Transaction has been filed with and accepted by the Exchange and permission to resume trading has been obtained from the Exchange.

### **Overall Performance**

Searchlight Innovations Inc. (the "Company") was incorporated on October 8, 2021 under the laws of British Columbia. The Company is Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Policy 2.4. Searchlight's business plan, once public, is to find a qualifying transaction (QT) to take a private operating company public via Reverse-Take-Over (RTO) process. The target RTO company may be from any industry, ultimately creating shareholder returns for the investors of Searchlight.

On August 8, 2022 the Company completed its initial public offering ("Offering"), raising gross proceeds of \$300,000 pursuant to the Company's prospectus dated May 12, 2022 (the "Prospectus") by issuing an aggregate of 3,000,000 common shares in the capital of the Company (the "Shares") at a price of \$0.10 per Share.

Pursuant to the agency agreement dated May 12, 2022, Research Capital Corporation (the "Agent") acted as the agent for the Offering. In connection with the Offering, the Agent received a cash commission of \$30,000, a work fee of \$15,000 (plus GST) and an option to purchase up to 300,000 Shares at a price of \$0.10 per Share until August 8, 2024. The options expired unexercised.

The Company intends to use the net proceeds of the Offering to identify and evaluate assets or businesses for acquisition with a view to completing a "Qualifying Transaction" under the policies of the Exchange. On August 4, 2022, the Exchange issued a bulletin announcing the listing of the Shares as of market open on August 8, 2022 and immediately halted trading pending completion of the Offering. The Shares resumed trading under the trading symbol "SLX.P" on or about August 10, 2022.

Upon closing of the Offering, the Company granted 510,000 stock options to its directors and officers which are exercisable until August 8, 2032 at an exercise price of \$0.10 per Share. At the date of this MD&A the Company has 5,100,000 Shares issued and outstanding 2,100,000 of which are subject to escrow restrictions.

### **Selected Financial Information and Additional Disclosure**

The following financial data for the years ended December 31, 2024, 2023, and 2022 is derived from the audited financial statements for the respective periods and should be read in conjunction with these financial statements.

	Year ended December 31, 2024 (Audited)	Year ended December 31, 2023 (Audited)	Year ended December 31, 2022 (Audited)
Total revenue	Nil	Nil	Nil
Loss from operations	\$92,337	\$58,615	\$73,958
Loss per share – basic	\$0.03	\$0.02	\$0.06
Loss per share – diluted	\$0.03	\$0.02	\$0.06
Total assets	\$33,662	\$129,084	\$205,667
Total current liabilities	\$7,325	\$10,410	\$28,378
Total non-current financial liabilities	Nil	Nil	Nil
Cash dividends declared (cents per share)	Nil	Nil	Nil

As an IPO venture issuer with no revenue from operations, the Company makes the following additional disclosure in accordance with Section 8.6 of Form 41-101F1 – *Information Required in a Prospectus*.

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Bank charges	\$150	\$182	\$255
Professional fees	\$80,336	\$46,221	\$32,563
Filing fee	\$11,851	\$11,602	\$3,400
Office and administration	Nil	\$610	Nil
Other material costs	Nil	Nil	\$37,740

## Results of Operations

Searchlight recorded a loss of \$273,020 during the period commencing from October 8, 2021 (incorporation) to September 30, 2025.

	Three months ended September 30, 2025	Three months ended June 30, 2025	Three months ended March 31, 2025	Three months ended December 31, 2024
Filing fee	\$ 2,537	\$ 2,508	\$ 2,966	\$ 5,806
Office and administration	2,106	68	108	26
Professional services	4,525	8,179	3,146	700
Payable written off	(632)	(1,883)	-	-
Loss for the period	\$ 8,536	\$ 8,872	\$ 6,220	\$ 6,532

	Three months ended September 30, 2024	Three months ended June 30, 2024	Three months ended March 31, 2024	Three months ended December 31, 2023
Office and administration	\$ 28	\$ 35	\$ 61	\$ 23
Filing fee	1,810	2,425	1,810	2,828
Professional services	48,197	11,309	20,130	(740)
Loss for the period	\$ 50,035	\$ 13,769	\$ 22,001	\$ 2,111

### Summary of the quarterly results

#### *Three months ended September 30, 2025 and 2024*

During the three months ended September 30, 2025 the major decrease in expenses compared to the three months end September 30, 2024 relates to legal fees incurred by the Company. During the current period the Company used different lawyers services and incurred \$420 compared to \$39,722 incurred during comparative period of the previous year. Other expenses recorded by the Company during the three months ended September 30, 2025 did not significantly change as compared to the similar period of the previous year. The payables written of during the current period amounted to \$632 and relate to the assistance provided by a counterparty mentioned in the Merger Agreement.

#### *Nine months ended September 30, 2025 and 2024*

During the nine months ended September 30, 2025 the Company recorded significantly less legal expenses compared to the nine months of the comparative period of the previous year as it used services provided by different lawyers. The decrease amounted to \$57,781 from \$61,814 incurred during the nine months ended September 30, 2024. During the nine months ended September 30, 2025 the Company did not experience significant changes in other expenses compared to the nine months ended September 30, 2025 except for payables forgiven by Riverboat in the amount of \$2,515.

### Liquidity and Capital Resources

On December 13, 2021, the Company completed a private placement financing and issued 2,000,000 common shares of the Company at a price of \$0.05 per share for total proceeds of \$100,000.

On January 24, 2022 the Company completed a non-brokered private placement pursuant to which the Company issued an aggregate of 100,000 at a price of \$0.05 per Common Share. No finders' fees were paid for gross proceeds of \$5,000.

On August 8, 2022 the Company completed a private placement and issued of 3,000,000 shares at a price of \$0.10 per share for gross proceeds of \$300,000. The Company paid a cash commission to the agent in the amount of \$15,000 and issued 300,000 compensation warrants exercisable into common shares at a price of \$0.10 per common share for a period of 24 months from the date of issuance. During the year ended December 31, 2024, 300,000 warrants expired. The Company has no revenue-producing operations. As at September 30, 2025, the Company had an accumulated loss of \$281,556. As at September 30, 2025, the Company had a working capital balance of \$2,709, including cash of

\$4,143. Management believes that the company possesses sufficient cash reserves to cover corporate overhead expenses and fulfill its debt obligations over the coming year. The Company's exposure to liquidity risk is currently negligible.

The Company does not have any commitments for capital expenditures.

The Company is dependent on external financing, including equity issuances and debt financing, to fund its activities. Management of the Company will determine whether to accept any offer to finance weighing such things as the financing terms, share price at the time and current market conditions, among others. Circumstances that could impair the Company's ability to raise additional funds include general economic conditions, the price of relevant commodities and the other factors set forth below under "*Risk Factors*".

On an ongoing basis, and particularly in light of current market conditions, management evaluates and adjusts its planned level of activities, including planned and administrative costs, to maintain adequate levels of working capital.

### **Off-Balance Sheet Arrangements**

Searchlight has not participated in any off-balance sheet or income statement arrangements.

### **Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of September 30, 2025, \$Nil (December 31, 2024 - \$Nil) was due to related parties.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

During the nine months ended September 30, 2025 \$Nil (2024 - \$Nil) was recorded as compensation costs for key management personnel and companies related to them.

### **Changes in Accounting Policies**

Searchlight has adopted accounting policies stated in the audited financial statements for the year ended December 31, 2024.

## **Financial Instruments**

As at September 30, 2025, Searchlight's financial instruments consisted of cash and accounts payable. The fair values of Searchlight's financial instruments approximate their carrying value, due to their short-term maturities or liquidity.

## **Risks Factors**

As at September 30, 2025, Searchlight's risk exposure and the impact on Searchlight's financial instruments are summarized below:

### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at September 30, 2025, Searchlight holds cash balances at a chartered bank. Searchlight has assessed the credit risk to be low.

### *Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Searchlight manages liquidity risk by maintaining sufficient cash balances and to ensure that there is sufficient capital to meet short-term obligations. As at September 30, 2025, Searchlight had a working capital balance of \$2,709, including cash of \$4,143.

### *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. As at September 30, 2025 Searchlight is not exposed to significant market risk.

### *Interest Rate Risk*

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Searchlight does not have any interest-bearing debt, however it does hold cash balances in an interest-bearing bank account.

### *Foreign Currency Risk*

The functional currency of Searchlight is the Canadian dollar. As of September 30, 2025, Searchlight had no financial assets and liabilities that were subject to currency translation risk.

### *Price Risk*

Searchlight is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on Searchlight's earnings due to movements in individual equity prices or general movements in the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. Future declines in commodity prices may impact the valuation of long-lived assets.

## **Outstanding share data**

As at November 25, 2025 the Company has 5,100,000 common shares outstanding and 510,000 stock options exercisable at a price of \$0.10 per share until August 8, 2032.