

NEXCEL METALS CORP.

(AN EXPLORATION STAGE COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Six Months Ended August 31, 2025

Dated: October 28, 2025

1. DESCRIPTION OF BUSINESS

Nexcel Metals Corp. ("Nexcel" or the "Company") was incorporated under the Business Corporations Act of the province of British Columbia on April 30, 2024. The Company is in the exploration stage, currently focusing on exploration and development of mineral resource properties in Canada

2. INTRODUCTION

This Management's Discussion and Analysis ("MD&A") provides management's interpretation of the Company's results and financial condition for the three and six months ended August 31, 2025, and includes events up to the date of this MD&A. This MD&A was prepared as of October 28, 2025, and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three and six months ended August 31, 2025 and the related notes, together with the audited financial statements, including accompanying notes, for the period ended February 28, 2025.

The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise stated, all dollar amounts presented in the financial statements and this MD&A are expressed in Canadian dollars.

The Company's fiscal year end is February 28. References to a fiscal year refer to the calendar year in which such fiscal year ends. The quarter-ends are the three-month periods ending on the last day of May, August, November, and February.

The following terms have meanings as shown below:

"Q1 2026" means the three months ended May 31, 2025

"Q2 2026" means the three months ended August 31, 2025

"Q3 2026" means the three months ended November 30, 2025

"Q4 2026" means the three months ended February 28, 2026

"FY2025" means fiscal year ended February 28, 2025.

"FY2026" means fiscal year ended February 28, 2026.

The disclosure of technical and scientific information regarding the mineral properties described in this MD&A has been reviewed and approved by Francis Newton, P.Geo, a consultant to the Company, who is a qualified person for the Company as defined by National Instrument 43-101 ("NI 43-101").

3. CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations,

strategy, proposed acquisitions, plans, objectives, goals and targets, including but not limited to the Company's mineral properties and operations, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied, or forecasted in such forward-looking statements.

Factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; uncertain ability to raise additional funds when required; reliance on a small number of key employees or consultants; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits; and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions; and investor appetite for early stage exploration companies. Refer to the "Risks and Uncertainties" section for additional risk factors that may cause actual results to differ materially from forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its anticipated results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required under applicable securities law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required under applicable securities law. The financial statements present the business of the Company, representing the activities, assets and liabilities of the Company that relate to or have been assigned to the Company.

4. OVERALL PERFORMANCE

The Company is in the exploration stage and has not generated any revenue from its operations to date. For the three months ended August 31, 2025, the Company reported a net and comprehensive loss of \$102,738, compared to \$30,585 in the three months ended August 31, 2024. The loss primarily reflects higher professional fees, regulatory and filing fees, and administrative expenses, as the Company incurred costs associated with becoming a publicly

listed entity and establishing its corporate presence.

5. OPERATIONAL HIGHLIGHTS

Key activities that have taken place during, and subsequent to, the six months ended August 31, 2025 include the following:

- On June 2, 2025, the Company's common shares have commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "NEXX." This milestone marks a significant step forward in the Company's growth trajectory and will enhance visibility, liquidity, and access to capital markets.
- Concurrent with the CSE listing, the Company's Special Warrants as described in Note 6(c) of the Company's condensed interim financial statements for the three and six months ended August 31, 2025 were deemed to have been exercised, resulting in the issuance of 1,835,400 common shares and 1,835,400 common share purchase warrants. Each warrant is exercisable at a price of \$0.20 per share for a period of three years from the listing date.
- On June 9, 2025, the Company made a cash payment of \$20,000 and issued 50,000 common shares as part of the option payments under the agreement described in Section 6.1.
- On July 18, 2025, the Company completed a non-brokered private placement of 220,000 flow-through units ("FT Units") at a price of \$0.50 per FT Unit for gross proceeds of \$110,000. Each FT Unit comprises one common share qualifying as a "flow-through share" under the Income Tax Act (Canada) and one common share purchase warrant ("FT Warrant"). Each FT Warrant entitles the holder to purchase one additional common share at an exercise price of \$0.75 for a period of 24 months from the date of issuance. The Company paid finders' fees and costs of \$7,800 in cash and issued 15,400 finder's warrants to purchase an aggregate 15,400 common shares at a price of \$0.50 per share for a period of two years from closing.
- On July 25, 2025, the Company announced the commencement of its 2025 Summer prospecting program at the Lac Ducharme Project in Quebec. In August 2025, this 2025 Summer exploration program was completed (See Section 6.1).
- On August 6, 2025, the Company announced that it has entered into a letter of intent amendment and assignment agreement with Northex Capital Partners Inc. and Cadillac Ventures Inc., allowing Nexcel to purchase Cadillac's 58% interest in the Burnt Hill Project in New Brunswick, Canada (See Section 6.2).
- The common shares of the Company have commenced trading on the OTCQB market under the ticker symbol "NXXCF" as of September 18, 2025. The OTC listing makes the Common Shares available to a large group of US investors. The Company will continue to trade on the CSE under the symbol "NEXX".
- On October 8, 2025, the Company announced that it has entered into an option agreement with Cadillac Ventures Inc. (the "Optionor") and Wyloo Ring of Fire Ltd. (the "Minority Owner") pursuant to which the Company may earn up to a 58% interest in the Burnt Hill Project (the "Burnt Hill Property") located in New Brunswick, Canada. The Burnt Hill

Property is currently owned 58% by the Optionor and 42% by the Minority Owner (See section 6.2).

The Company is continuing to evaluate its mineral property interests, which have not yet been determined to be economically viable, while also assessing new mineral investment opportunities. The ability to continue exploration and advance resource projects depends on the Company's success in raising additional capital. Given current market conditions, access to financing may be limited, and equity financing could result in the dilution of existing shareholders.

6. EXPLORATION AND EVALUATION PROJECTS

6.1 LAC DUCHARME PROJECT

On August 1, 2024, Nexcel entered into an option agreement to acquire the right to earn up to a 100% interest in a property comprising of 23 claims located within the Manicougan Regional Municipality County in the province of Quebec, Canada. The Lac Ducharme Property is hereafter referred to as the "Lac Ducharme Project," and the property as the "Lac Ducharme Property."

To earn the option, Nexcel must fulfil the following conditions:

- **Cash payments:** Nexcel must pay a total of \$50,000 in cash to the optionor over a three-year period, with installments due upon signing, at the time of a public listing event, and one year after the listing event. As at the date of this MD&A, \$30,000 have been paid in accordance with the payment schedule.
- **Share issuance:** Nexcel must also issue an aggregate of 850,000 shares to the optionor over a three-year period, with installments due at the time of a public listing event, one, two, and three years after the listing event. As at the date of this MD&A, 50,000 shares have been issued.
- **Expenditures:** Nexcel must incur a total of \$1,000,000 in expenditures related to the Lac Ducharme Property over a three-year period, with installments due on or before December 31, 2024; within twelve, twenty-four, and thirty-six months after a public listing event. As at the date of this MD&A, the first and second installments have been fulfilled.

Upon exercising the option, Nexcel will be obligated to pay an optionor royalty to the optionor, calculated as 2% of net smelter returns from the Lac Ducharme Property. Nexcel has the right to purchase one-half of the optionor royalty from the optionor at any time after exercising the option with a payment of \$1,000,000.

On June 9, 2025, the Company announced its Summer 2025 exploration plan for the Lac Ducharme Project. A four-person field crew will conduct a detailed exploration campaign using man-portable Shaw backpack drills to investigate sub-cropping zones for the presence and extent of rare earth element ("REE") mineralization.

This program builds on promising results from previous work and targets zones identified through a combination of a 50.2-line-km ground magnetic survey, a 2022 radiometric survey, and prospecting in 2021 and 2024. Priority targets include the Lucia and 13-TC showings, as well as the recently defined EFU Showing.

On July 25, 2025, the Company announced the commencement of its 2025 Summer prospecting program at the Lac Ducharme REE project. The field crew has mobilized on site and will conduct an intensive exploration campaign using man-portable drills and saws to investigate sub-cropping zones for the presence and extent of REE mineralization. In addition, the field crew will be defining new targets, utilizing scintillometer as REE mineralization at the Lac Ducharme Property is concurrent with radioactive thorium.

This 2025 Summer exploration program was completed in August of this year. The exploration team completed a total of 18 backpack drill holes, with total production of 16.61m, and 30 channels were cut over 43.15 m. A new prospective zone, the Toro Zone, was identified and sampled. A total of 107 samples were sent for geochemical analysis. Also, several hundred radiometric measurements were made over 5 km of traverses. Data from the radiometric survey will be integrated with historic datasets and used to define advanced targets for future exploration.

Project Background

Nexcel completed a successful backpack drilling campaign in August 2024. Notably, thorium values ranged from 2.01 to 277 ppm, with one standout value of 793 ppm Th (hole 25). Elevated REE values were also identified in holes 23 and 24, drilled near a pegmatite west of 13-TC5072B, constituting a new discovery.

Scintillometer data were collected across 1,522 stations using a RS-120 handheld device, focusing on key showings and the 2024 discovery area, with readings taken every 10–15 metres. Samples were sent to ALS Laboratories (Montreal) and analyzed using the "ME-MS71L" Super-Trace method for REEs and refractory minerals. While no field-level QAQC was undertaken, results provide a compelling basis for continued exploration.

The Lac Ducharme Property lies in the Allochthonous Belt of the Grenville Province and is underlain by Castoreum and Bardoux granites, separated by a regional-scale fault. Pegmatites enriched in light REEs were initially identified in 2013, including a grab sample returning 6.04% LREE (Gosselin et al., 2013). Follow-up work in 2015 confirmed and extended these showings. The Lac Ducharme Property remains underexplored and presents significant upside potential.

6.2 BURNT HILL PROJECT

Letter of Intent Amendment and Assignment Agreement

On August 1, 2025 the Company entered into a letter of intent amendment and assignment agreement with Northex Capital Partners Inc. ("Northex") and Cadillac Ventures Inc. ("Cadillac"),

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allowing Nexcel to purchase Cadillac's 58% interest in the Burnt Hill Project in New Brunswick, Canada. See Note 4 of the Company's condensed interim financial statements for the three and six months ended August 31, 2025 for further information.

Completion of the transaction contemplated in this agreement is subject to execution of a definitive agreement between the parties, Nexcel raising sufficient funds to finance related near-term cash payments for the Burnt Hill Project, and approval of the CSE. In connection with this agreement and upon closing the transaction contemplated therein, the Company will issue share-based consideration to Northex in the amount of 1,000,000 common shares. Both Northex and Cadillac are at arm's length from the Company.

Definitive Agreement

In connection with the letter of intent amendment and assignment agreement as described above, on October 3, 2025, the Company entered into an option agreement (the "Agreement") with Cadillac and Wyloo Ring of Fire Ltd. ("Wyloo") pursuant to which the Company may earn up to a 58% interest in the Burnt Hill Property located in New Brunswick, Canada. The Burnt Hill Property is currently owned 58% by Cadillac and 42% by Wyloo.

Under the terms of the Agreement, the Company may acquire Cadillac's 58% interest in the Burnt Hill Property in four stages as follows:

- First Option (to 29.6%): by paying \$170,000 in cash (10% on signing and 90% within 45 days), issuing \$330,000 in common shares of the Company within 45 business days, and making \$5,000 monthly payments until the first cash installment is made;
- Second Option (to 38.3%): by paying \$25,000 in cash and issuing \$200,000 in common shares of the Company on or before the first anniversary of the Agreement;
- Third Option (to 46.4%): by paying \$25,000 in cash and issuing \$200,000 in common shares of the Company on or before the second anniversary of the Agreement; and
- Fourth Option (to 58%): by paying \$200,000 in cash and issuing \$200,000 in common shares of the Company any time after the second anniversary of the Agreement.

As at the date of this MD&A, 10% of the First Option, or \$17,000, has been paid in accordance with the payment schedule.

All common shares issued pursuant to the Agreement will be subject to statutory hold periods in accordance with applicable securities laws and voluntary resale restrictions providing for staged release over a 36-month period. The Agreement remains subject to the approval of the CSE.

Upon the Company earning a 51% interest in the Burnt Hill Property, a joint venture will be formed between the Company, Cadillac, and Wyloo. Wyloo has consented to the Agreement and its 42% interest in the Burnt Hill Property will remain unaffected unless the Company and Wyloo agree to an acquisition of the 42% interest in the future.

Project Background

The technical report in respect of the Burnt Hill Project (the "2013 Resource Report") titled *"Deposit Modeling & NI 43-101 Resource Estimate – Burnt Hill Tungsten-Molybdenum-Tin Property, Stanley Parish, York County, New Brunswick"* with an effective date of August 1, 2013 was prepared under NI 43-101 for Cadillac. A copy of the 2013 Resource Report is available on Cadillac's SEDAR+ profile at www.sedarplus.ca. The technical disclosure relating to the Burnt Hill Project herein is qualified in its entirety by the 2013 Resource Report.

The mineral resource estimate disclosed in the 2013 Resource Report and summarized in this section has not been verified by the Company as a current mineral resource as it was prepared before the Company entered into an agreement to acquire an interest in the Burnt Hill Project. Accordingly, the Company considers such mineral resource estimate as a historical mineral resource estimate as defined in NI 43-101. The historical estimate was prepared by Southampton Associates Inc. in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards (2010) and utilized a block model approach for resource estimation. The Company considers the 2013 Resource Report to be relevant because it was prepared in accordance with NI 43-101 guidelines and it provides an indication of the potential size and grade of mineralization at the Burnt Hill Project. However, the Company cautions that the estimate is not considered reliable, as it has not been verified by a current qualified person and may not reflect current CIM Definitions Standards. A qualified person for the Company has not done sufficient work to make such historical mineral resource estimate current, and the Company is not treating such historical mineral resource estimate as current.

The Company intends to undertake data verification and confirmatory work, including validation of the historical drill database, reviewing data, assumptions, methodologies, and the resource model to ensure they conform to CIM definition standards and NI 43-101 requirements. This will involve QA/QC review and additional drilling and/or exploration where needed, to validate historic data and support the preparation of an updated mineral resource estimate in compliance with NI 43-101.

The Burnt Hill tungsten/molybdenum property covers approximately 1,540 hectares in central New Brunswick and hosts an NI 43-101 indicated resource of 1,761,000 tonnes within an open pit and underground averaging 0.292% WO_3 (tungsten), 0.007% MoS_2 (molybdenum) and 0.008% SnO_2 (tin), along with a further 1,520,000 inferred tonnes averaging 0.263% WO_3 , 0.008% MoS_2 and 0.005% SnO_2 , as presented below. Also presented below, extracted from the 2013 Resource Report, is a statement of contained metal. In addition to the deposit area of the Burnt Hill Property, there are several other areas of identified tin, tungsten and molybdenum mineralization within the property boundary not yet at the resource stage.

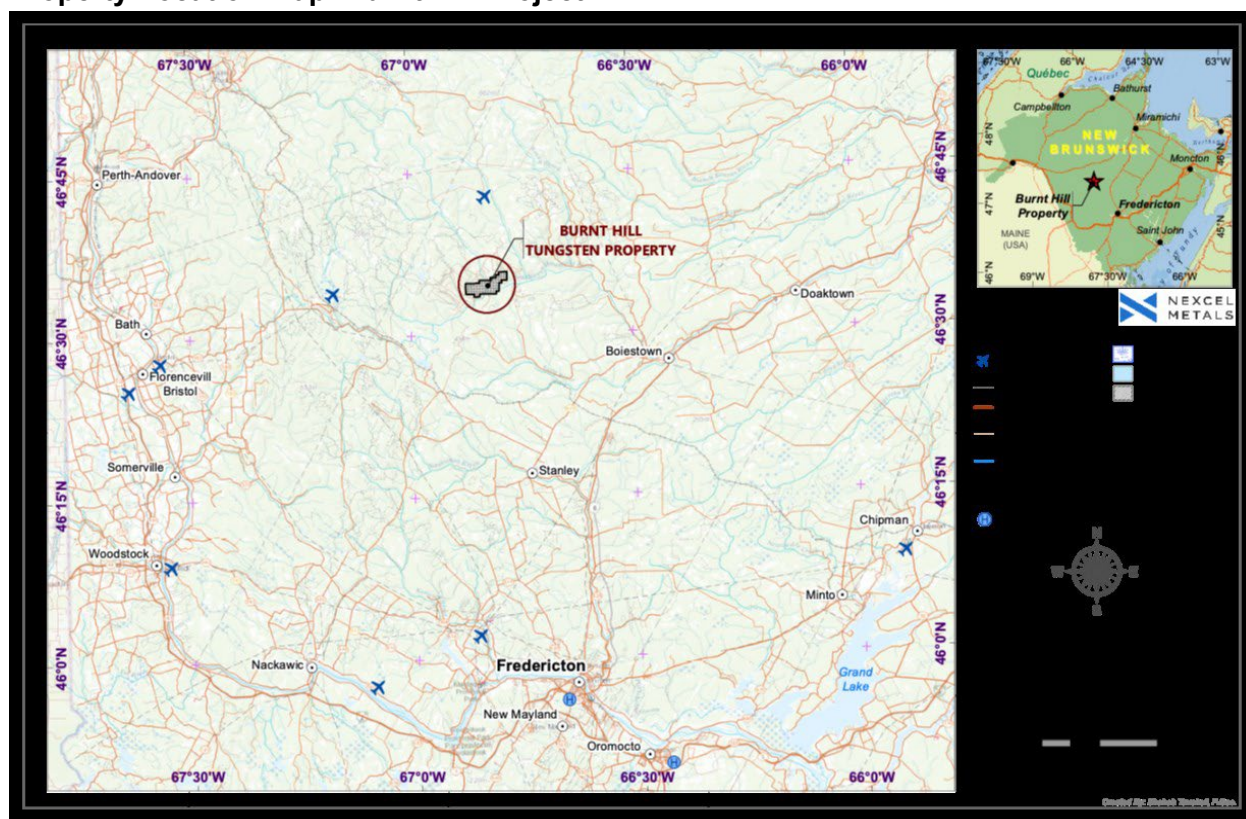
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Table 14-4: Burnt Hill Resource Estimate

PARAMETERS		INDICATED				INFERRED			
Mining	Cut-Off %	TONNES	WO3	MoS2	SnO2	TONNES	WO3	MoS2	SnO2
Method	WO3		(%)	(%)	(%)		(%)	(%)	(%)
Open Pit	0.07	527,000	0.303	0.005	0.005	82,000	0.147	0.003	0.003
Underground	0.16	1,234,000	0.287	0.008	0.009	1,438,000	0.27	0.008	0.005
Total		1,761,000	0.292	0.007	0.008	1,520,000	0.263	0.008	0.005

- The terms Inferred Resource and Indicated Resource are in compliance with the CIM Standards on Mineral Resources and Reserves.
- Inferred resources are uncertain in nature as there has been insufficient exploration to define these as Indicated or Measured Resources.
- Mineral Resources do not have a demonstrated economic viability and may be affected by economic, environmental, or other factors.
- All tonnages have been rounded to the nearest 1,000 tonnes.

Property Location Map: Burnt Hill Project



7. EXPLORATION AND EVALUATION SPENDING

During the six months ended August 31, 2025, Nexcel has incurred \$175,774 on the exploration of the Lac Ducharme property.

Lac Ducharme Property	August 31, 2025 \$	February 28, 2025 \$
Balance, beginning of period	129,527	–
Acquisition Costs		
Option payments	41,000	10,000
Exploration Expenditures		
Geological consulting and technical fees	113,218	70,228
Field supplies	14,056	42,244
Assay	7,500	5,284
Resource claims maintenance	–	1,771
Balance, end of period	305,301	129,527

In the six months ended August 31, 2025, the Company made the scheduled cash and share payments in accordance with the Lac Ducharme option agreement (See Section 6.1) and continued its exploration and evaluation of the Lac Ducharme Property.

8. OUTLOOK

Looking ahead, the Company is committed to advancing the exploration and evaluation of the Lac Ducharme Project as a priority, subject to available resources. The Company has completed the first stage of the two-stage program recommended in the NI 43-101 report, aimed at advancing the Lac Ducharme Property and systematically testing its potential. Further exploration activities will be strategically guided by the results of ongoing and completed programs, alongside a comprehensive evaluation of the potential and viability of its acquired claims.

In the six months ended August 31, 2025, the Company has completed its Summer 2025 exploration plan (See Section 6.1).

The Company aims to generate sufficient geological and assay data to define drill-ready targets for a more advanced program in 2026.

The Company remains focused on optimizing its financial and operational resources to advance its assets' potential. Decisions regarding the scope and timing of future exploration will also reflect prevailing market conditions and opportunities for potential financing to support sustainable growth. The Company will continue to evaluate and acquire future growth opportunities.

9. RESULTS OF OPERATIONS

9.1 Three Months Ended August 31, 2025

The Company remains in the exploration stage and has not generated revenue from operations to date. Its primary focus continues to be the exploration and evaluation of the Lac Ducharme Project.

During the three months ended August 31, 2025 ("Q2 2026"), the Company recorded operating expenses and a comprehensive loss of \$102,738, compared to operating expenses and comprehensive loss of \$30,585 for the three months ended August 31, 2024 ("Q2 2025").

The change in operating expenses between periods was mainly attributable to the following:

a) Professional Fees

Professional fees in Q2 2026 were \$48,366 compared to \$1,890 in Q2 2025. The increase reflects higher legal expenses associated with the Company's listing on the CSE and the letter of intent transaction with Northex and Cadilac.

b) Regulatory and Filing Fees

Regulatory and filing fees totalled \$31,297 in Q2 2026, compared to \$nil in Q2 2025. These costs arose as the Company became a publicly listed entity in Q2 2026.

c) Office and Administration Expenses

Office and administration expenses were \$17,441 in Q2 2026, compared to \$168 in Q2 2025. The increase reflects higher administrative needs following the Company's transition to a publicly listed company.

d) Management Fees

No management fees were incurred in Q2 2026 (Q2 2025 - \$18,000), as the Company's officers waived their fees for the period.

9.2 Six Months Ended August 31, 2025

During the six months ended August 31, 2025, the Company recorded operating expenses and a comprehensive loss of \$224,931, compared to operating expenses and comprehensive loss of \$31,945 for the period from incorporation on April 30, 2024 to August 31, 2024.

The change in operating expenses between periods was mainly due to the following:

a) Professional Fees

Professional fees for the six months ended August 31, 2025 were \$129,286, compared to \$2,898 for the period from incorporation on April 30, 2024 to August 31, 2024. The increase was mainly attributable to higher legal and audit costs related to the Company's listing on the CSE and the letter of intent transaction with Northex and Cadilac.

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b) Regulatory and Filing Fees

Regulatory and filing fees totalled \$68,755 in the six months ended August 31, 2025, compared to \$352 for the period from incorporation on April 30, 2024 to August 31, 2024. The increase reflects costs incurred as the Company became a publicly listed entity during the current period.

c) Office and Administration Expenses

Office and administration expenses were \$18,065 for the six months ended August 31, 2025, compared to \$168 for the period from incorporation on April 30, 2024 to August 31, 2024. The increase reflects higher administrative needs following the Company's transition to a publicly listed company.

d) Management Fees

No management fees were incurred during the six months ended August 31, 2025 (2024 - \$18,000), as the Company's officers waived their fees for the current period.

10. SUMMARY OF QUARTERLY RESULTS

The following selected financial information is a summary of the most recently completed quarters from the date of incorporation on April 30, 2024 up to August 31, 2025:

	August 31, 2025 \$	May 31, 2025 \$
Revenue	—	—
Net and Comprehensive loss	(102,738)	(122,193)
Basic and diluted loss per share	(0.01)	(0.01)
Total assets	532,856	433,015

	February 28, 2025 \$	November 30, 2024 \$	August 31, 2024 \$	April 30 to May 31, 2024 \$
Revenue	—	—	—	—
Net and Comprehensive loss	(38,781)	(58,480)	(30,585)	(1,360)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.00)
Total assets	468,336	450,499	425,921	1,360

During the initial quarter after the Company's inception on April 30, 2024, expenses were minimal as activities were limited. Since then, expenditures have increased as the Company incurred higher professional fees, regulatory costs and filing fees in connection with its preparation for a public listing. As the Company remains in the exploration stage, it has not generated any revenues to date.

All financial information is prepared in accordance with IFRS. All dollar amounts are expressed in

Canadian dollars, which is the Company's functional currency, unless otherwise indicated.

11. LIQUIDITY

The Company is in the exploration stage and has no operating cash inflows. Since incorporation, funding has primarily come from the issuance of common shares and units.

At August 31, 2025, the Company had cash of \$147,846 and working capital of \$114,181. Operating activities consumed \$198,705 of cash during the six months ended August 31, 2025. The Company has not yet begun generating revenue and has relied primarily on financing to support its operations.

In the six months ended August 31, 2025, the Company generated \$202,200 from financing activities. This primarily consisted of gross proceeds of \$110,000 from the issuance of flow-through-units, which were fully expended on the Lac Ducharme Project exploration efforts. Cash issuance costs of \$7,800 were incurred in connection with this financing. During the same period, the Company also received \$100,000 from the exercise of warrants. In comparison, for the period from incorporation on April 30, 2024 to August 31, 2024, the Company generated \$412,172 from financing activities, comprising \$381,500 from the issuance of shares and \$35,000 from the subscription of special warrants, with associated transaction costs of \$4,328.

In the six months ended August 31, 2025, investing activities consumed \$168,274 of cash, which related to the exploration of the Lac Ducharme Project and costs incurred to advance the Burnt Hill Project under the agreement described in Section 6.2. In comparison, during the period from incorporation on April 30, 2024 to August 31, 2024, investing activities consumed \$85,000 of cash, which primarily related to the exploration of the Lac Ducharme Project.

The Company anticipates that, for the foreseeable future, it will primarily rely on the issuance of equity as its main source of capital to fund its ongoing operations and growth initiatives.

12. CAPITAL RESOURCES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its business and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external

restrictions on the management of capital.

13. OFF-BALANCE SHEET ARRANGEMENTS

As at August 31, 2025 and the date of this MD&A, the Company does not have any undisclosed off-balance sheet arrangements.

14. PROPOSED TRANSACTIONS

As at August 31, 2025 and the date of this MD&A, the Company does not have any undisclosed proposed transactions.

15. OUTSTANDING SHARE DATA

The authorized capital stock of the Company is an unlimited number of common shares without par value.

A summary of the number of the Company's issued and outstanding equity instruments is as follows:

	August 31, 2025	Date of MD&A
Common shares	13,655,400	13,665,400
Warrants	8,620,800	8,610,800
Special warrants	—	—

16. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for planning, directing, and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers its directors, Chief Executive Officer, and Chief Financial Officer to be key management personnel. For further information, see Note 7 of the Company's unaudited condensed interim financial statements for the three and six months ended August 31, 2025.

- a) For the six months ended August 31, 2025, the Company incurred \$nil (2024 - \$10,000) in management fees to a company controlled by the CEO of the Company.
- b) For the six months ended August 31, 2025, the Company incurred \$nil (2024 - \$8,000) in management fees to a company controlled by the CFO of the Company.
- c) For the six months ended August 31, 2025, the Company incurred \$nil (2024 - \$2,000) in consulting fees to a director of the Company.
- d) For the six months ended August 31, 2025, the Company incurred rent expense of \$nil (2024 - \$2,100) to a company where both the CEO and CFO of the Company serve as officers.

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As at August 31, 2025, the Company owed \$841 (February 28, 2025 - \$121) in accounts payable and accrued liabilities to the chief financial officer of the Company for expenses paid on the Company's behalf.

The CEO and CFO had management consulting agreements with the Company, each with their respective fee structures:

- Hugh Rogers, CEO - \$5,000 per month
- Christopher Ross, CFO - \$4,000 per month

Since November 1, 2024, the CEO and CFO, have waived their management and consulting fees for services rendered to the Company pursuant to their management consulting agreements. The management consulting agreements have expired as of July 1, 2025, and there is no current commitment.

A director was invoicing Nexcel at \$1,000 per month. There is no formal agreement. Since November 1, 2024, the director waived their consulting fees for services rendered to the Company. There is no current commitment.

All related transactions are in the normal course of business and are measured at the exchange amount.

17. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements under IFRS Accounting Standards requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

For further information on accounting estimates and judgements, see Note 2(c) of the Company's unaudited condensed interim financial statements for the three and six months ended August 31, 2025.

18. NEW STANDARDS NOT YET ADOPTED

A number of new standards and amendments to standards and interpretations are not yet effective for the three and six ended August 31, 2025. See Note 3 (b) of the Company's unaudited condensed interim financial statements for the three and six months ended August 31, 2025 for further information.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial assets and liabilities consist of cash, amounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the

Company is not exposed to significant interest or credit risks arising from these financial instruments. See Note 10 of the Company's unaudited condensed interim financial statements for the three and six months ended August 31, 2025 for further information.

20. RISKS AND UNCERTAINTIES

Dependence on the Properties

The Company is an exploration stage company and as such does not anticipate receiving revenue from its mineral properties (the "Properties") for some time. The Company will be solely focused on the exploration and development of the Properties, which do not have any identified current mineral resources or reserves. Unless the Company acquires additional property interests, any adverse developments affecting any of the Properties could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

Mineral exploration and development involve a high degree of risk and few minerals properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs at any of the Properties will result in the definition of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered that any of the Properties will be brought into commercial production. Failure to do so will have a material adverse impact on the Company's operations and potential future profitability. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the Company's control.

Exploration, Development, and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few mineral properties that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

The Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected

geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. In addition, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new mineral properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing precious metals and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of properties in which the Company has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which the Properties are or will be located, often in poor climate conditions.

The long-term commercial success of the Company depends on its ability to explore, develop and commercially produce minerals from the Properties and to locate and acquire additional mineral properties worthy of exploration and development for minerals. No assurance can be given that the Company will be able to locate satisfactory mineral properties or acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

Mineral Resources and Reserves

Because the Company has not defined or delineated any current mineral resources or reserves on any of the Properties, mineralization estimates for the Properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Unless otherwise indicated, mineralization figures presented in the Company's public disclosure documents available on the Company's SEDAR+ profile are based upon estimates made by the Company, personnel and independent geologists. These estimates are imprecise and depend

upon geological interpretation and statistical inferences drawn from drilling and sampling analysis which may prove to be unreliable.

There can be no assurance that these estimates will be accurate; resource or other mineralization figures will be accurate; or such mineralization could be mined or processed profitably.

Global Economic Conditions

Global financial conditions could suddenly and rapidly destabilize in response to economic shocks, as government authorities may have limited resources to respond to crises. Economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, the Company's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Company's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Public Health Crisis

The Company's business, operations and financial condition, and the market price of the Common Shares could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises. Such public health crises can result in volatility and disruptions in the supply and demand for rare earth metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices, and inflation.

The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labor and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

Military Conflict in Ukraine and the Middle East

Although the Company's operations and the Properties are located in Canada, the Company's

future operations may be affected by international conflicts including but not limited to, the war between Russia and Ukraine and the conflict between Israel, Hamas and Hezbollah in the Middle East. Any further escalation of these conflicts or other conflicts, imposition of sanctions, outbreak of war into other countries or regions or other escalation may have a material adverse effect on the Company's operations due to, among other factors, the effect on the supply chain, diversion of resources to the conflict, and an increase in the Company's costs for fuel and other supplies used to carry out its exploration activities. Metal prices continue being impacted by economic and geopolitical concern. Recent hostilities in the Middle East and Europe, and the accompanying international response, has been disruptive to the world economy, with increased volatility in commodity markets, including higher oil and gasoline prices, international trade and financial markets, all of which have a trickle-down effect on supply chains, equipment and construction. There is material uncertainty about the extent to which this conflict will continue to impact economic and financial affairs, as the numerous issues arising from the conflict are in flux and there is the potential for escalation of the conflict both within Europe, the Middle East and globally. The Company continues to monitor the situation, although there is no assurance the Company's operations will not be adversely affected by geopolitical tensions.

Maintaining Interests in Mineral Properties

The Company's continuing right to acquire and/or maintain its conditional interest in the Properties will be dependent upon compliance with applicable laws and with the terms of the option agreements relating to the Properties (the "Option Agreements"). There can be no assurance that the Company will have the funds, will be able to raise the funds or will be able to comply with the provisions of the Option Agreements which would entitle it to certain interests in the Properties and, if it fails to do so, its option to acquire an interest and/or its applicable interests in the Properties would be lost and the Option Agreements would terminate.

Option Agreements

The Option Agreements provide that the Company must make certain cash and/or share payments, incur certain expenditures and/or perform such other obligations over a period of time to exercise the options to acquire the applicable interests in the Properties. If the Company fails to make such payments as set out in the Option Agreements, the Company may lose its right to ultimately acquire the applicable interests in the Properties, wherein, failure to exercise the options will result in the Company having no beneficial interest in and to any of the Properties.

Obtaining and Renewing Licenses and Permits

In the ordinary course of business, the Company will be required to obtain and renew governmental licenses or permits for exploration, development, construction, and commencement of mining at the Properties. Obtaining or renewing the necessary governmental licenses or permits is a complex and time-consuming process involving public hearings and costly undertakings on the part of the Company. The duration and success of the Company's efforts to

obtain and renew licenses or permits are contingent upon many variables not within the Company's control, including the interpretation of applicable requirements implemented by the licensing authority. The Company may not be able to obtain or renew licenses or permits that are necessary to its operations, including, without limitation, an exploitation license, or the cost to obtain or renew licenses or permits may exceed what the Company believes they can recover from the Properties. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

No Assurances

There is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits. The Company's future growth and profitability will depend, in part, on its ability to identify and expand its mineral reserves through additional exploration of the Properties and on the costs and results of continued exploration and development programs. Mining exploration is highly speculative in nature, involves many risks and frequently is not productive. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. There can be no assurance that the Company's exploration efforts at the Properties will be successful.

Title Matters, Surface Rights and Access Rights

The Properties may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of the Properties and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the Properties or the size of the area to which such claims and interests pertain. The Company cannot guarantee that title to any of the Properties will not be challenged. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained.

Although, upon exercising any of the options pursuant to the Option Agreements, the Company will acquire the applicable rights to some or all of the minerals in the ground, it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In areas where there are local populations or landowners, it is necessary, as a practical matter, to negotiate surface access. There is a risk that local communities or affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of the Company. There can be no guarantee that the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to

carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective. If the development of a mine on any of the Properties becomes justifiable it will be necessary to acquire surface rights for mining, plant, tailings and mine waste disposal. There can be no assurance that the Company will be successful in acquiring any such rights.

Additional Funding Requirements

The exploration and development of the Properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the precious metals industries in particular), the Company's status as a new enterprise with a limited history, the location of the Properties, the price of commodities and/or the loss of key management personnel. Further, if the price of precious metals on the commodities markets decreases, then potential revenues from the Properties will likely decrease and such decreased revenues may increase the requirements for capital. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development or production at the Properties.

Dependence on Key Personnel and Qualified and Experienced Personnel

The Company's success depends on the efforts and abilities of certain senior officers and key consultants. Certain of the Company's consultants have significant experience in the mineral exploration industry, and the number of individuals with significant experience in this industry is small. While the Company does not foresee any reason why such officers and key consultants will not remain with the Company, if for any reason they do not, the Company could be adversely affected. The Company has not purchased key man life insurance for any of these individuals. The Company's success also depends on the availability of qualified and experienced consultants and employees to work in the Company's operations and its ability to attract and retain such consultants and employees.

Dilution

Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Common Shares, may be created, issued, sold, and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Common Shares from time to time pursuant to Common Share purchase warrants and the options to purchase Common Shares issued from time to time by the Board. The issuance of these Common Shares could result in dilution to holders of Common Shares.

First Nations Land Claims

Many lands in the jurisdictions in which the Properties are located and elsewhere are or could become subject to aboriginal land claim to title, which could adversely affect the Company's title to the Properties. The Company is required to obtain consent of the aboriginal title holders which may adversely affect the Company's activities. There can be no assurance that satisfactory agreements can be reached.

First Nations rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in *Tsilhqot'in Nation v. British Columbia* marked the first time in Canadian history that a court has declared First Nations title to lands outside of reserve land. The Properties may now or in the future be the subject of aboriginal or indigenous land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's current or future ownership interest in any of the Properties cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the Properties are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of aboriginal interests in order to facilitate exploration and development work on the Properties, there is no assurance that the Company will be able to establish a practical working relationship with any First Nations in the area which would allow it to ultimately develop the Properties.

Environmental Risks

All phases of the Company's operations with respect to the Properties will be subject to environmental regulation. Environmental legislation involves strict standards and may entail increased scrutiny, fines and penalties for non-compliance, stringent environmental assessments of proposed projects and a high degree of responsibility for companies and their officers, directors and employees. Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. In addition, environmental hazards may

exist on any of the Properties that are currently unknown. The Company may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the Properties, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Company's operations and future potential profitability.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

The Company may be subject to reclamation requirements designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance landforms and vegetation. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and could have a material adverse impact on the Company's financial resources.

Limited Operating History and Early-Stage Property

The Company is an early-stage company, and each of the Properties is an exploration stage property. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The current state of each of the Properties requires significant additional expenditures before any cash flow may be generated. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of its success must be considered in light of its early stage of operations.

Each of the Properties is in the early exploration stage and is without current mineral resources or reserves. The proposed programs on the Properties are an exploratory search for a mineral deposit. Development of any of the Properties will only follow upon obtaining satisfactory results. Exploration for and the development of minerals involve a high degree of risk and few mineral properties, which are explored, are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore.

The long-term success of the Company's operations will be in large part directly related to the

cost and success of its exploration programs, which may be affected by a number of factors.

Lack of Operating Cash Flow

The Company currently has no source of operating cash flow and is expected to continue to do so for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further exploration and development of the Properties will require the commitment of substantial financial resources. It may be several years before the Company will generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

Regulatory Requirements

Even if the Properties is proven to host economic reserves of precious or non-precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of the Properties, environmental legislation and mine safety.

Volatility of Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's Properties cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the

Properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect the Company's operations.

Acquiring Additional Properties

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company may acquire other mineral claims and/or companies. The Company currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

Executive Recruitment and Retention

The success of the Company will be dependent upon the performance of its management and key employees and consultants. The loss of any key executive or manager of the Company may have an adverse effect on the future of the Company's business.

The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, geologic, and mining personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations, and financial condition.

Claims and Legal Proceedings

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from the Company's operations. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact the Company's financial position, cash flow, results of operations, and reputation, regardless of the specific outcome.

Force Majeure

The Properties now or in the future may be adversely affected by risks outside the control of the Company, including the price of precious metals on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Uncertainty Regarding Use of Proceeds

Although the Company has set out its intended use of proceeds in the Company's public disclosure documents available on the Company's SEDAR+ profile, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

Competition

All aspects of the Company's business will be subject to competition from other parties. Many of the Company's competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the Company. Competition could adversely affect the Company's ability to acquire suitable mineral properties or prospects in the future.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such

directors and officers of the Company may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the proposed management of the Company's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a proposed director or officer of the Company except as otherwise disclosed herein.

Dividends

To date, the Company has not paid any dividends on the outstanding Common Shares. Any decision to pay dividends on the Common Shares will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions.

Litigation

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

Operating Hazards, Risks and Insurance

The ownership, exploration, operation and development of a mine or mineral property involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes, and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on the Properties, and punitive awards in connection with those claims and other liabilities.

Nexcel Metals Corp.**Management's Discussion and Analysis**

For the Six Months Ended August 31, 2025

It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of our securities. Liabilities that the Company incurs may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event the Company could incur significant costs that could adversely impact its business, operations, potential profitability or value. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Company's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses. These could include loss or forfeiture of mineral interests or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort the Company might undertake and legal claims for errors or mistakes by personnel.