

SORRENTO RESOURCES LTD.

("Sorrento" or "the Company")

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Introduction

The following management's discussion and analysis ("**MD&A**"), prepared as of October 27, 2025, is the responsibility of management and is intended to supplement the financial statements of the Company. The following discussion of performance, financial condition and future prospects should be in conjunction with the audited financial statements for the year ended June 30, 2025 and 2024, and the related notes thereto. All financial information in this document have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This MD&A contains forward-looking statements. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations. The Company is currently engaged in exploration and development of mineral properties and does not have any source of revenue or operating assets. The recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete exploration, technical studies and, if warranted, development and future profitable production or proceeds from the disposition of properties.

Sorrento was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on October 4, 2021. The Company maintains its registered office at 830 – 999 West Broadway Street, Vancouver, British Columbia, Canada V5Z 1K5. The head office and principal address of the Company is 700 - 838 West Hastings Street, Vancouver, British Columbia, Canada V6C 0A6.

Description of Business

The Company is a mineral resource company engaged in the business of acquiring and exploring mineral resource properties in Canada. The Company's principal properties are located in Newfoundland and Labrador, Canada.

Wing Pond Project

On November 9, 2021, and subsequently amended on October 28, 2022, the Company entered into an option agreement (the "Wing Pond Agreement"), with unrelated parties (the "Wing Pond Optionors"), to acquire a 100% interest in 462 mining claims located in Newfoundland and Labrador.

In order to exercise the option and acquire the Wing Pond property, the Company must complete, over a period of two years, the following payments:

- Make a cash payment of \$35,000 within 21 days of signing the Wing Pond Agreement (paid);
- Incur \$90,000 of exploration expenditures on the claims and deliver the technical report, on or before November 30, 2022 (completed);
- Issue 1,000,000 common shares to the optionors on or before the earlier of (i) listing of the Company's common shares on the Canadian Securities Exchange, and (ii) April 30, 2023 (issued); and
- Make a further cash payment of \$50,000 and issue a further 2,000,000 common shares to the Wing Pond Optionors and incur a further \$200,000 of exploration expenditures (incurred) on the claims on or before the earlier of (i) the first anniversary of the listing date, and (ii) November 30, 2023 (paid and issued).

During the year ended June 30, 2024, the Company fully exercised its option to acquire the Wing Pond property. The Company now holds 100% interest in and to the Wing Pond property, subject to a 3% net smelter returns royalty, of which the Company may repurchase (2%) at any time for \$1,000,000.

During the year ended June 30, 2025, the Company had advanced a deposit of \$22,232 on the Wing Pond property, which remains in prepaid expenses and deposits.

Central and Northern Peninsula Projects

On June 13, 2023, the Company entered into a property purchase agreement ("PPA") with Gold Hunter Resources Inc. ("Gold Hunter"), a public company under the laws of British Columbia. The Company completed its acquisition with Gold Hunter of a 100% interest in a portion of the claims in Newfoundland and Labrador, comprising PEG Lithium, Harmsworth and Tom Joe properties ("Central Peninsula Projects"), as well as three properties along the Doucers Valley Fault, Jackson Arm, Silver Mountain and Taylor' Pond ("Northern Peninsula Projects").

The Company paid Gold Hunter \$50,000 in cash and issued 1,000,000 common shares. The Company also granted a 1% net smelter returns royalty to Gold Hunter ("the Gold Hunter NSR").

The properties are also subject to a 2% net smelter returns royalty held by Fair Haven Resources Inc (the "Fair Haven NSR"). The Fair Haven NSR is subject to the right to buy back 50% of the NSR at any time for \$1,000,000. The Company will also have the right to buy back 50% of the Gold Hunter NSR at any time for \$1,000,000. Both the Fair Haven NSR and Gold Hunter NSR are subject to rights of first refusal in favor of the Company in connection with any proposed sale or transfer of such royalty.

On June 10, 2024, the Company entered into a PPA with Gold Hunter, an arm's length party, for the sale of its Northern Peninsula Projects. The Company received \$60,000 in cash and was issued 1,000,000 common shares in the capital of Gold Hunter. In connection with the sale, the Company recognized a gain on sale of property of \$92,597. The Company is a non-significant shareholder following the receipt of these common shares. The Gold Hunter NSR was terminated.

During the year ended June 30, 2024, the Company had advanced a deposit of \$4,701 on the Harmsworth property, which remains in prepaid expenses and deposits. The Company determined indicators of impairment existed with respect to the Tom Joe property leading to a test of a recoverable amount, which resulted in an impairment of mineral property expense of \$69,098.

During the year ended June 30, 2025, the Company had advanced a deposit of \$621 on the Harmsworth property, which remains in prepaid expenses and deposits. The Company determined indicators of impairment existed with respect to the PEG Lithium property leading to a test of a recoverable amount, which resulted in an impairment property expense of \$135,944 and in an impairment of exploration deposit of \$20,020.

Lord Baron Project

On July 10, 2024, the Company completed the acquisition of a 100% undivided interest in the minerals licenses collectively representing the Lord Baron copper project (the "Lord Baron Project") located in the province of Newfoundland and Labrador (the "Lord Baron Transaction"). The Transaction was completed pursuant to three separate purchase agreements with arm's length parties for aggregate consideration of \$47,500 in cash and the issuance of an aggregate of 4,300,000 common shares of the Company valued at \$1,053,500, as well as the grant of 2% net smelter returns royalties to the underlying vendors of the various mineral licenses representing the Lord Baron Project.

On July 23, 2024, the Company announced that it has staked an additional two mineral licenses covering 750 hectares ("ha") adjacent to its Lord Baron Project.

On February 11, 2025, the Company announced soil and rock sampling results that it carried out in September 2024.

On June 24, 2025, the Company announced a large-scale geochemical soil and rock sampling program has begun.

On October 14, 2025, the Company announced a large-scale geochemical sampling from the soil and rock program.

On October 15, 2025, the Company announced it has entered into an arm's length property purchase agreement with Naughty Ventures Corp. for the sale of a 100% undivided interest in the Lord Baron Property, subject to an existing underlying 2% net smelter returns royalty. The Company will receive 1,000,000 common shares in the capital of Naughty Ventures Corp., at a deemed price of \$0.18 per common share, subject to the net smelter returns royalty. In connection with the agreement, the Company has agreed to pay a finder's fee of 100,000 common shares in the capital of the Company.

Rodgers Cove Project

On June 13, 2025, the Company completed the acquisition of a 100% undivided interest in the minerals licenses collectively representing the Rodgers Cove gold project (the "Rodgers Cove Project") located in the province of Newfoundland and Labrador (the "Rodgers Cove Transaction"). The Rodgers Cove Transaction was completed with arm's length parties for aggregate consideration of \$10,000 in cash and the issuance of an aggregate of 2,000,000 common shares of the Company valued at \$240,000, as well as the grant of 2% net smelter returns royalties to the underlying vendors of the various mineral licenses representing the Rodgers Cove Project.

On September 9, 2025, the Company acquired a 100% undivided interest in 7 mineral licenses, adding to its Rodgers Cove project. The transaction was completed with an arm's length party for aggregate consideration of \$5,000 in cash and the issuance of an aggregate of 150,000 common shares of the Company, as well as the grant of 2% net smelter returns royalties to the vendor, of which the Company may purchase at 1.5% royalty for a total of \$1,000,000.

Bottom Brook Property

On October 15, 2025, the Company announced it has entered into an arm's length definitive option agreement with Naughty Ventures Corp. to acquire the right's, title and interest in and to certain mineral claims commonly known as the Bottom Brook rare earth element property (the "Bottom Brook Property"). To maintain the option in good standing, the Company must incur exploration expenditures of \$1 million within 12 months and \$1.5 million within 24 months, pay \$250,000 in cash one year after closing, and issue 13,000,000 common shares on closing, 6,000,000 common shares within 24 months, and, if the Company elects to earn the final 20% interest, additional shares equal to 10% of the Company's then issued and outstanding shares within 36 months. Until the final tranche is issued, Naughty Ventures Corp. retains a 20% free-carried interest. In connection with the agreement, the Company has agreed to pay a finder's fee in an amount equal to 10% of each completed cash payment and share issuance, payable in either cash or share as applicable to the vendor.

Mineral Property Interests

Details of mineral property balances are as follows:

	Wing Pond	Central Peninsula	Northern Peninsula	Lord Baron	Rodgers Cove	Total
Balance, June 30, 2023	\$ 210,000	\$ 242,597	\$ 107,403	\$ -	\$ -	\$ 560,000
Option payments – cash	50,000	-	-	-	-	50,000
Option payments – shares	260,000	-	-	-	-	260,000
Impairment	-	(69,098)	-	-	-	(69,098)
Sale of property	-	-	(107,403)	-	-	(107,403)
Balance, June 30, 2024	520,000	173,499	-	-	-	693,499
Option payments – cash	-	-	-	47,500	10,000	57,500
Options payments – shares	-	-	-	1,053,500	240,000	1,293,500
Impairment	-	(135,944)	-	-	-	(135,944)
Balance, June 30, 2025	\$ 520,000	\$ 37,555	\$ -	\$ 1,101,000	\$ 250,000	\$ 1,908,555

Exploration Expenditures

The Company expended the following exploration and evaluation expenditures:

Year ended June 30, 2025 and 2024

	Wing Pond		Central Peninsula		Lord Baron		Rodgers Cove		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Assays	\$ 5,203	\$ -	\$ -	\$ 24,886	\$ 9,652	\$ -	\$ -	\$ -	\$ 14,855	\$ 24,886
Field office	645	10,251	-	1,815	-	-	-	-	645	12,066
Geological and geophysical	20,500	146,928	33,000	73,919	141,500	-	7,500	-	202,500	220,847
Staking	-	2,405	-	-	-	-	-	-	-	2,405
Travel, logistics & camp costs	-	4,686	-	315	-	-	-	-	-	5,001
Total exploration expenditures	\$ 26,348	\$ 164,270	\$ 33,000	\$ 100,935	\$ 151,152	\$ -	\$ 7,500	\$ -	\$ 218,000	\$ 265,205

Three months ended June 30, 2025 and 2024

	Wing Pond		Central Peninsula		Lord Baron		Rodgers Cove		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Assays	\$ -	\$ -	\$ -	\$ -	\$ 7,235	\$ -	\$ -	\$ -	\$ 7,235	\$ -
Field office	-	54	-	-	-	-	-	-	-	54
Geological and geophysical	-	19,250	19,500	7,006	55,000	-	7,500	-	82,000	26,256
Staking	-	-	-	-	-	-	-	-	-	-
Travel, logistics & camp costs	-	-	-	-	-	-	-	-	-	-
Total exploration expenditures	\$ -	\$ 19,304	\$ 19,500	\$ 7,006	\$ 62,235	\$ -	\$ 7,500	\$ -	\$ 89,235	\$ 26,310

Technical information and project details is provided on Sedar (www.sedarplus.ca).

Performance Summary

Equity:

Year ended June 30, 2025

On July 10, 2024, the Company issued 4,300,000 common shares fair valued at \$1,053,500 in accordance with the Lord Baron Transaction.

On August 1, 2024, the Company issued 25,000 shares at a price of \$0.20 per share for an aggregate value of \$5,000 to a vendor for services.

The Company issued 1,832,500 common shares from warrant exercises for gross proceeds of \$91,625.

On May 6, 2025, the Company closed a non-brokered private placement of 4,999,998 units, at a price of \$0.075 per unit, for gross proceeds of \$375,000. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles the holder to purchase a common share at a price of \$0.15 per share until May 6, 2028.

The finders' warrants were valued at \$3,882 using the Black-Scholes inputs: risk-free interest rate of 2.55%, volatility of 115.10%, expected dividend rate of 0%, and expected life of 3 years. The expected volatility assumption is based on comparable public companies as the Company has limited trading history. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the expected life of the instrument.

On June 13, 2025, the Company issued 2,000,000 common shares fair valued at \$240,000 in accordance with the Rodgers Cove Transaction.

Year ended June 30, 2024

On September 12, 2023, the Company issued 225,000 shares at a price of \$0.19 per share for an aggregate value of \$42,750 to non-executive directors recorded as obligation to issue shares at June 30, 2023.

On November 30, 2023, the Company issued 2,000,000 common shares fair valued at \$260,000 in accordance with the Wing Pond Agreement.

On January 23, 2024, 250,000 warrants were exercised for gross proceeds of \$12,500.

On January 30, 2024, 150,000 warrants were exercised for gross proceeds of \$7,500.

At June 30, 2025, there were 2,165,000 (2024 – 2,572,500) common shares held in escrow.

Results of Operations

The Company has not generated any revenues since inception from its planned operations and has incurred losses primarily from investment into the Wing Pond and Northern Peninsula Projects through exploration expenditures, and the related general and administrative expenses to support the corporate entity.

As at June 30, 2025, the Company had total assets of \$2,188,426 (2024 - \$880,201). As at June 30, 2025, the Company had current liabilities of \$421,635 (2024 - \$223,571).

For the three months ended June 30, 2025 compared to three months ended June 30, 2024

For the three months ended June 30, 2025, the Company reported a comprehensive loss of \$545,902 (2024 - \$134,064). Significant expenses included in net loss are as follows:

- Accretion expense of \$200,000 (2024 - \$nil) and gain of derivative liability of \$15,335 (2024 - \$nil) from third party loans.
- Consulting fees of \$21,900 (2024 - \$15,000) is associated with payments to the Chief Financial Officer. The fees also include payments to the Corporate Secretary, whose services commenced during this period.
- Directors' fees of \$nil (2024 - \$7,500) includes fees to one director.
- Exploration expenses of \$89,235 (2024 - \$26,310) is related to exploration work on the Central Peninsula Projects, Lord Baron Project and Rodgers Cove Project. Expenses include \$82,000 (2024 - \$20,000) to the Chief Executive Officer.
- Listing fees of \$8,201 (2024 - \$7,973) is comprised of listing fee services for the Company to be listed on the Canadian Securities Exchange ("CSE") and OTC Markets Group ("OTC") financial markets.
- Management fees of \$nil (2024 - \$22,500) are fees to the former Chief Executive Officer.
- Professional fees of \$44,089 (2024 - \$34,833) is related to legal fees from corporate matters and audit fees.
- Impairment of exploration deposit of \$20,020 (2024 - \$nil) and impairment of mineral property of \$135,944 (2024 - \$nil) is associated with the PEG Lithium property.
- Unrealized loss of investment of \$40,000 (2024 - \$40,000) is associated with the sale of the Northern Peninsula Projects.

For the year ended June 30, 2025 compared to the year ended June 30, 2024

For the year ended June 30, 2025, the Company reported a comprehensive loss of \$836,829 (2024 - \$652,577). Significant expenses included in net loss are as follows:

- Accretion expense of \$200,000 (2024 - \$nil) and gain of derivative liability of \$15,335 (2024 - \$nil) from third party loans.
- Consulting fees of \$66,900 (2024 - \$78,000) is associated with payments to the Chief Financial Officer and to a consultant providing general consulting services. The fees also include payments to the Corporate Secretary, whose services commenced during this period.
- Directors' fees of \$22,500 (2024 - \$30,000) includes fees to one director.
- Exploration expenses of \$218,000 (2024 - \$265,205) is related to exploration work on the Wing Pond Project, Central Peninsula Projects, Lord Baron Project and Rodgers Cove Project. Expenses include \$190,500 (2024 - \$20,000) to the Chief Executive Officer.
- Investor relations of \$4,390 (2024 - \$41,239) decreased as the Company terminated its agreement with a market making firm.
- Listing fees of \$32,351 (2024 - \$29,890) is comprised of listing fee services for the Company to be listed on the Canadian Securities Exchange ("CSE") and OTC Markets Group ("OTC") financial markets.
- Management fees of \$15,000 (2024 - \$90,000) are fees to the former Chief Executive Officer.
- Office and miscellaneous of \$4,602 (2024 - \$18,597) refers to general administrative costs, including rent and travel costs.
- Professional fees of \$84,694 (2024 - \$70,756) increased due to legal fees from corporate matters and audit fees.
- Transfer agent and filing fees of \$15,617 (2024 - \$12,389) primarily consists of monthly fees to the transfer agent.
- Gain on sale of mineral properties of \$nil (2024 - \$92,597) and unrealized loss of investment of \$35,000 (2024 - \$40,000) is associated with the sale of the Northern Peninsula Projects.
- Impairment of exploration deposit of \$20,020 (2024 - \$nil) is associated with the PEG Lithium property.
- Impairment of mineral properties of \$135,944 (2024 - \$69,098) is associated with the PEG Lithium and Tom Joe property.

Financial Condition, Liquidity, Capital Resources and Financial Instruments

As at June 30, 2025, the Company had cash of \$114,480 and a working capital deficiency of \$206,764, compared with cash of \$19,261 and working capital deficiency of \$136,869 as of the year ended June 30, 2024.

Cash Used in Operating Activities

Cash used in operating activities during the year ended June 30, 2025 was \$511,106 (2024 - \$333,284) resulting from a net loss of \$801,829 (2024 - \$612,577) and net of non-cash and working capital adjustments.

Cash (Used) Provided in Investing Activities

Cash used in investing activities during the year ended June 30, 2025 was \$57,500 (2024 – cash provided \$10,000) with respect to its mineral property interests.

Cash Provided by Financing Activities

Cash provided by financing activities during the year ended June 30, 2025 was \$663,825 (2024 - \$20,000). The Company received \$375,000 (2024 - \$nil) from a private placement, \$91,625 (2024 - \$20,000) from warrant exercises, and \$200,000 (2024 - \$nil) in loan funds, less share issuance costs of \$2,800 (2024 - \$nil).

The Company will need a financing to continue administrative operations and development of its exploration assets and may continue to have capital requirements in excess of its currently available resources. The Company intends to raise additional financing either privately or through a public financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Financial instruments

The Company's financial instruments consist of cash, investment, and accounts payable and accrued liabilities, and loans payable. The fair value of cash and accounts payable and accrued liabilities are carried at amortized cost which approximates their fair value due to the short-term nature of the financial instruments.

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 fair value of the investment is determined using Level 1 of the fair value hierarchy.

Financial risk factors

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. As the Company's policy is to limit cash holdings to instruments issued by a major Canadian bank, the credit risk is considered by management to be negligible. The Company considers credit risk with respect to these amounts to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at June 30, 2025, the Company had working capital deficiency of \$206,764 (2024 - \$136,869). The Company's financial obligations are limited to accounts payable and accrued liabilities, and loans payable, which have contractual maturities of less than a year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no-interest bearing debt. The Company is not exposed to interest rate risk as at June 30, 2025.

Commodity price risk

The Company's future success is linked to the price of minerals because the value of mineral resources and the Company's future revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

Foreign currency risk

As at June 30, 2025, the Company did not have any accounts in foreign currencies and considers foreign currency risk to be insignificant. The Company may be exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency in the future.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The Company has an investment in Gold Hunter. As at June 30, 2025, the Company had an investment with a fair value of \$65,000. A 10% movement would have impacted other comprehensive loss by approximately \$6,500. As such, price risk will have an impact to the Company's comprehensive net loss.

Requirement of Additional Equity Financing

The Company has relied on equity financings, funding from loans, and funding contributions from exploration project agreements for all funds raised to date for its operations. The Company will need additional funding to meet its current and further exploration commitments and option payments. Until the Company starts generating profitable operations from exploration development, sale of properties, and sale of minerals, the Company intends to continue relying upon venture partners and the issuance of securities to finance its operations and acquisitions pursuant to private placements, the exercise of warrants and stock options, and short-term or long-term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms.

Summary of Quarterly Results

	For the three months ended June 30, 2025	For the three months ended March 31, 2025	For the three months ended December 31, 2024	For the three months ended September 30, 2024
Net loss	\$ (510,902)	\$ (89,567)	\$ (86,792)	\$ (118,868)
Loss per share	\$ (0.02)	\$ (0.00)	\$ (0.00)	\$ (0.01)

	For the three months ended June 30, 2024	For the three months ended March 31, 2024	For the three months ended December 31, 2023	For the three months ended September 30, 2023
Net loss	\$ (94,064)	\$ (77,418)	\$ (213,132)	\$ (227,963)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)

The net loss increased during the June 30, 2025 and September 30, 2024 periods due to the soil and rock sampling programs on the Lord Baron Project. The June 30, 2025 period included an impairment of exploration deposit of \$20,020 and impairment of mineral property of \$135,944. The net loss also increased during the December 31, 2023 and September 30, 2023 periods due to exploration activities on the Wing Pond Project.

Off Balance Sheet Arrangements

As of June 30, 2025, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions other than as disclosed elsewhere in this document.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value, of which 32,566,109 common shares are issued and outstanding as fully paid and non-assessable at June 30, 2025, and at the date of this report.

As of June 30, 2025, and as at the date of this report, the Company had 2,537,332 warrants outstanding.

Related Party Transactions

The Company's related parties consist of key management personnel that are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel are comprised of the officers and directors of the Company. Amounts paid or accrued to key management personnel are as follows:

	For the year ended June 30, 2025	For the year ended June 30, 2024
Payments to key management personnel		
Consulting fees – Red Fern Consulting Ltd., a company in which the CFO, Bobby Dhaliwal, is an employee	\$ 60,000	\$ 60,000
Directors' fees – Clark Geoservices Inc., a company in which the Director, Brent Clark, has a significant investment	\$ 22,500	\$ 30,000
Exploration expenses – Bugden Exploration Inc., a company in which the CEO and Director, Alex Bugden, has a significant investment	\$ 190,500	\$ 20,000
Management fees – Sutton Ventures Ltd., a company in which the former CEO and Director, Brayden Sutton, has a significant investment	\$ 15,000	\$ 90,000

As at June 30, 2025, \$151,621 (2024 - \$48,250) was included in accounts payable and accrued liabilities owing to key management personnel. These amounts are non-interest bearing and due on demand.

In the year ended June 30, 2024, the Company issued 225,000 common shares at a value of \$42,750 to settle non-executive directors' fees accrued in the year ended June 30, 2023.

Risk Factors

Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. The risks described herein are not the only risks that affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future business, financial condition and result of operations. Select risks significant to the Company are included here:

Insufficient Capital

The Company does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Company will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Company will be successful in obtaining such additional financing; failure to do so could result in the loss or substantial dilution of the Company's interest in the Wing Pond Property, Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property.

Financing Risks

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its common shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its common shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on any of its properties. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on terms acceptable to the Company, or at all. If available, future equity financing may result in substantial dilution to purchasers. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Inflation and Cost Management

The Company's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices, and additional government intervention through stimulus spending or additional regulations. The Company's inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on its financial performance and funds from operations.

Limited Operating History and Negative Operating Cash Flow

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on the Wing Pond Property, Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property. To the extent that the Company has a negative operating cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

Property Interests

There is no guarantee that title to the Wing Pond Property, Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal or indigenous land claims or title may be affected by undetected defects. Surveys have not been carried out on any of the Company's mineral properties, therefore, in accordance with the laws of the jurisdiction in which such properties are situated; their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Company can give no assurance as to the validity of title of the Company to those lands or the size of such mineral lands.

Permits and Government Regulations

The future operations of the Company will require certain permits and licenses from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters, including the requirement to obtain a forestry permit, mainly for trenching and drilling activities. In particular, in order to conduct its proposed exploration programs on the Wing Pond Property, Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property, the Company will require the following permits and licenses from the Newfoundland and Labrador Department of Natural Resources and other governmental departments and agencies having jurisdiction:

Exploration Approval Permit: This permit would cover prospecting, rock and soil geochemistry, line cutting, trenching, bulk sampling, airborne and/or ground geophysical surveys, fuel storage, ATV usage and diamond drilling.

Timber Rights Permit: This permit would cover the removal of timber for line cutting, diamond drilling site preparation and trenching.

Licence to Occupy: This permit would be required if a camp location was to be used for a period of time longer than what was allowed as part of the Exploration Approval Permit.

Temporary Water Use Permit: This permit would allow the use of water, from a specified location, for camp and drilling-related needs.

However, the requirements of such permits, licences and approvals are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain the above mentioned permits or any other necessary permits, licenses and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Wing Pond Property, Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property. Furthermore, although in the normal course the required permits and licenses are issued within a period of four to six weeks from the date of application, there can be no assurance that the issuance of the necessary permits and licenses will not be delayed due to circumstances beyond the Company's control. The Company currently does not have any permits in place.

Surface Rights

Surface rights are not included with minerals rights in the province of Newfoundland and Labrador. In order to develop future mineral resources on the Wing Pond Property, Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property, it is necessary to obtain title to the surface rights to the area of the mining lease and areas for siting the required infrastructure incidental to the mineral development. Accordingly, in order to proceed with mineral exploration or potential mine development from the Wing Pond Property, Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property, the Company will be required to submit an application to the applicable agencies of the government of Newfoundland and Labrador for a surface lease. Although there are currently no known surface rights holders within the Property boundaries that would inhibit mineral exploration or potential mine development. There is a risk that, due to circumstances beyond the Company's control, the Company will not be able to obtain the required surface rights in a timely manner or at all.

First Nations Land Claims

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 Wing Pond Property and Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property 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 ownership interest in the Wing Pond Property, Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property, 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 Wing Pond Property, Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property, is 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 Wing Pond Property, Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property, 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 Wing Pond Property and Central and Northern Peninsula Properties, Lord Baron Property and Rodgers Cove Property.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. 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 increasing costs and a decline in the value of the securities of the Company.

Environmental Laws and Regulations

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Competition

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

Management

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Fluctuating 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 exploration projects 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 the world market in United States dollars.

Tariff and Trade Risks

The Company is subject to requiring goods and services in the ordinary course of operations, and such goods and services may become limited or altogether unavailable, alongside higher prices, in the event of any tariff regime and/or trade war, such as the recent implementation of tariffs and counter-tariffs with respect to trade matters among, inter alia, the United States and Canada in 2025. In addition, although the Company is at the exploration-stage and not the producer-stage, should provincial governments place export restrictions on metals, it may be viewed as worsening the attractiveness of a non-export jurisdiction to foreign capital, which in turn may increase financial risk upon the Company and/or result in added difficulty in sourcing capital market funding. The extent and duration of any trade war and/or tariff matters are not determinable by the Company, and while the Company may attempt mitigation it is

unlikely to have material control over trade and/or tariff consequences. Tariff policies may also impact capital market conditions which in turn may augment risks around the Company's ability to locate future capital required to remain a going-concern.