

**EARTHWORKS INDUSTRIES INC.**  
**Management's Discussion and Analysis – 2026 First Quarter**  
**Dated: June 3, 2026**

The following discussion of the performance, financial condition and analysis of Earthworks Industries Inc. (the "Company") for its fiscal quarter ended February 28, 2026, (the "Quarter") – and the period to June 3, 2026, (the "Subsequent Period") - should be read in conjunction with the Company's annual audited consolidated financial statements (the "Annual Financial Statements") prepared to November 30, 2025 (the "Year End") and Press Releases issued by the Company during the past year and the Subsequent Period, all of which may be viewed on the System for Electronic Data Analysis and Retrieval [www.sedarplus.ca](http://www.sedarplus.ca). They can also be read on the Company's website at [www.earthworksinc.com](http://www.earthworksinc.com). The Annual Financial Statements and related Notes have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in Canadian Dollars unless otherwise indicated.

**1. Forward-Looking Statements**

Certain statements contained in this Management Discussion and Analysis ("MD & A") may be deemed forward-looking statements. All statements other than statements of historical facts and possible future financings are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are also advised to consider such forward-looking statements while considering the set forth below.

**2. Description of Business**

**(a) Cortina Landfill Project**

The Company received a notice from the United States Department of the Interior, Interior Board of Indian Appeals ("IBIA") dated June 27, 2024, which affirmed the March 2019 decision of the Bureau of Indian Affairs ("BIA") to terminate the Lease between the Company's wholly owned subsidiary, Cortina Integrated Waste Management, Inc. ("CIWM") and the Kletsel Dehe Wintun Nation of the Cortina Rancheria, California. The Company, through its U.S. council, filed a complaint in the U.S. District Court for the Eastern District of California challenging the Order of the IBIA, purporting to cancel the federally approved Lease. However, the Order was subsequently upheld, and the Company abandoned the Cortina Project after concluding that further appeals would be prohibitively costly and unlikely to succeed. The Kletsel Dehe Wintun Nation filed a motion for US\$387,000 in attorney's fees. This was upheld on January 26, 2026. This liability is of CIWM and is not a liability of the Company.

**(b) Agreement to Settle with North Bay Corporation ("North Bay")**

As a result of the Amendment Agreement dated April 10, 2024, (subsequently amended in an agreement dated October 27, 2024) the Company and North Bay agreed:

- 1) The payout date is extended to November 15, 2025;
- 2) The payout amount is US\$2,150,000;

- 3) Interest will accrue at 10 percent per annum based on the total principal and accrued interest, previously outstanding immediately prior to the Company's exercising the Buy-Out Option, of approximately US\$5,900,000, and will be paid in addition to the remaining settlement amount of US\$2,150,000; and
- 4) Any failure by the Company to make payments under the option exercise will be deemed a breach of the Amendment Agreement, pursuant to which share certificates representing ownership of CIWM were transferred into an escrow account as security for the loan, and those share certificates will be irrevocably transferred to North Bay.

A further Amendment Agreement dated November 14, 2025, was signed and provided:

- 1) North Bay will waive the transfer of the CIWM shares held in escrow;
- 2) The remaining payments by the Company of debt and interest will no longer be payable; and
- 3) North Bay will convert all outstanding debt in exchange for a fee equal to 10% of the issued shares of the Company and will also have the option to acquire up to 10% of future financings for a period of 5 years.
- 4) The Amendment Agreement is subject to it being accepted by the TSX Venture Exchange by January 15, 2026.

A Supplemental Agreement dated March 4, 2026, was signed and provided:

- 1) The Company would pay a fee to North Bay and CLC equal to 10% of the issued shares of the Company. At the time of the agreement the 13,146,057 shares were valued at \$262,921;
- 2) Items 1, 2, & 3 above of the November 14, 2025, Agreement are cancelled;
- 3) North Bay and CLC acknowledge that \$5,112,564 of indebtedness is that of CIWM and as CIWM has ceased to operate and has no foreseeable ability to pay its indebtedness, the whole of the \$5,112,564 and any other amounts that may be considered owing by the Company for accrued interest or otherwise is hereby cancelled and released; and
- 4) Item 4 above of the November 14, 2025, Agreement is revised to change the date from January 15, 2026, to March 31, 2026.

On March 24, 2026, the TSX approved the Agreement and on March 25, 2026, 13,146,057 shares were issued to North Bay in full and final settlement of the Company's indebtedness and obligations to North Bay.

**(c) Financing**

On January 22, 2024, the Company granted 150,000 share purchase options to its Chief Financial Officer. The options were exercisable until January 23, 2026, at \$0.35 per share. The options were amended in 2025 to expire on July 31, 2027, at an exercise price of \$0.15 per share.

On April 11, 2024, the Company issued 2,887,600 units to North Bay under the settlement agreement to reduce the payout amount by US\$500,000. Each unit is comprised of 1 common share and 1 share

purchase warrant, to purchase 1 common share of the Company at an exercise price of \$0.40. The warrants expired on October 30, 2025.

On October 22, 2024, the Company entered into a note payable agreement with an arms-length party for a loaned amount of \$400,000 maturing on October 22, 2025, with interest at 10% per annum. The maturity date has been revised to January 30, 2027.

During the year the Company entered into a note payable agreement with a related party for a loaned amount of \$307,500 maturing on January 30, 2027, with interest at 10% per annum.

On January 28, 2025, the Company issued 10,000,000 units at a unit price of \$0.05 per unit, generating net of share issuance costs of \$486,400. Each unit is comprised of one common share and one share purchase warrant, to purchase one common share of the Company at an exercise price of \$0.10 and expiring on January 28, 2027.

On May 22, 2025, the Company issued 5,270,000 units at a unit price of \$0.05 per unit, generating net of share issuance costs of \$254,300. Each unit is comprised of one common share and one share purchase warrant, to purchase one common share of the Company at an exercise price of \$0.10 and expiring on May 22, 2027.

On July 23, 2025, the Company issued 2,250,000 units at a unit price of \$0.05 per unit, generating net of share issuance costs of \$111,100. Each unit is comprised of one common share and one share purchase warrant, to purchase one common share of the Company at an exercise price of \$0.10 and expiring on July 23, 2027.

On October 2, 2025, the Company issued 750,000 shares at \$0.075. These shares were in settlement of a payable to a supplier of \$56,250.

During the year the Company received advances of \$83,856 (US\$60,000) which accrue interest at 10% per annum and are due on demand.

On December 3, 2025, 2,612,500 warrants expired.

The Company cannot guarantee it will be successful in continuing to raise funds to meet its current obligations and finance operations going forward. However, it is confident it will continue to do so as it has demonstrated in the past.

**(d) Agreements with Wokaura Art and Innovations Inc.**

The Company entered into an Agreement dated March 1, 2026, with Wokaura Art and Innovations Inc. (“Wokaura”) pursuant to which the Company has agreed to purchase 100% of the Intellectual property comprising a critical minerals recovery system. As consideration for the acquisition the Company will issue up to 6 million shares to Wokaura on the following schedule and occurrence of events:

Tranche	Shares	Timing/Conditions
Initial Issuance	2,000,000	Upon Closing
12-Month Escrow	1,000,000	Upon Closing
24-Month Escrow	1,000,000	Upon Closing
Milestone 1	500,000	Initial System Commissioning
Milestone 2	500,000	Intellectual Property Expansion

Milestone 3	500,000	Commercial Revenue Threshold (USD \$1,000,000)
Milestone 4	500,000	Permitted Commercial Facility

The Company has also entered into an Agreement dated April 25, 2026, with Chad McMillan – doing business as McMillan Strategies pursuant to which McMillan will provide advisory and consulting services to the Company. He will be paid a fee of \$60,000 upon the Company completing the acquisition of a least \$125,000 of financing, and \$5,000 per month thereafter for the duration of the Agreement. McMillan will also receive finder's fees for any transactions it introduces to the Company as follows:

<u>Aggregate Gross Value of the Transaction</u>	<u>Fee</u>
Up to \$300,000	10%
\$300,000 to \$1,000,000	7.5%
\$1,000,000 or greater	5.0%

### **3. Overall Performance**

Because the Company does not carry on any revenue generating operations it would not be meaningful to analyze the Company's financial performance in the manner that would be possible for a company with a developed operating business or regular income.

Management has abandoned the Cortina Project and is now beginning preliminary steps to develop a critical mineral recovery system in Canada with the belief that this area will be of increasing significance in the future.

### **4. Results of Operations**

At the close of business on February 28, 2026, the Company had cash on hand of \$30,148 and a working capital deficiency of \$8,983,320. As of March 31, 2026, after deducting the amount of the North Bay debt that we settled in March and removing debt that is solely the debt of CIWM, the Company had a consolidated debt of approximately \$2,882,370. The Company will continue to evaluate its funding requirements on an ongoing basis in order to meet its current and future development and growth initiatives.

The Company is facing severe liquidity problems and risks. It does not have sufficient cash to pay its ongoing general and administrative costs. To carry on the Company will continue to have to raise additional financing. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

**Operating Activities:** The Company does not generate any revenue and does not receive any cash from operating activities. Net cash used in operating activities during the 3 months ended February 28, 2026, was \$23,842 compared to net cash used in operating activities for the year ended November 30, 2025, of \$1,129,793. This decrease is due to the abandonment of the Cortina project and minimal expenses related to the preliminary development of the Wokaura project.

**Investing Activities:** Net cash used in investing activities and borrowing during the year ended November 30, 2025, was \$nil compared to \$39,214 during the comparative year ended November 30, 2024. The decrease in cash used in investing activities is due to the abandonment of the Cortina project and minimal expenses related to the preliminary development of the Wokaura project.

**Financing Activities:** No cash inflow from financing activities and borrowing occurred during the 3 months ended February 28, 2026. At November 30, 2025, cash inflow from financing activities was

\$1,167,240. The Company is currently assessing its future cash requirements necessary to enable it to go forward with the Wokaura project.

## **5. Transactions with Related Parties**

The Company had no transactions with related parties in the Quarter.

## **6. Other**

- (a) Additional information relating to the Company - principally the quarterly consolidated financial statements and the MD & A prepared and issued by the Company for previous quarters, and the Annual Financial Statements with accompanying MD & A issued and filed by the Company for the year ended November 30, 2025, have been filed on SEDAR+ and are available at [www.sedarplus.ca](http://www.sedarplus.ca).
- (b) As the Company has not had any revenue from operations during the past two completed fiscal years, the following additional information is provided - being a breakdown of the Company's capital structure as at the end of the period covered in the analysis:
  - (i) The Company has 131,460,572 (June 3, 2026 – 144,606,629) common shares issued. The shares are all voting shares and rank equally with each other.
  - (ii) The Company has 8,150,000 (June 3, 2026 – 8,150,000) share purchase options outstanding and are exercisable between \$0.15 and \$0.075.
  - (iii) The Company has 34,432,500 (June 3, 2026 – 31,820,000) share purchase warrants outstanding and are exercisable between \$0.10 and \$0.40.

## **7. First Quarter**

The first quarter was primarily related to the change in outlook from the abandoned Cortina landfill project to a future recycling and waste and precious metals recovery program.

## **8. Risks and Uncertainties**

- (a) The ability of the Company to develop a viable critical minerals recovery system is dependent upon many factors including the obtaining of required permits, obtaining of required financing, and successful negotiation of revenue contracts.
- (b) The Company has no history of profitable operations. The Company is subject to many risks common to comparable companies including under-capitalization, limitations with respect to personnel, financial and other resources as well as lack of revenues.
- (c) The Company is very dependent upon the personal efforts and commitments of its existing management. To the extent that the management's services would be unavailable for any reason, a disruption to the operations of the Company could result and other persons would be required to manage and operate the Company.
- (d) Recent geopolitical events and potential economic global challenges such as the risk of higher inflation, tariffs, and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business. There can be no assurance that

the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

**9. Accounting Policy Standards newly issued and not yet effective**

Note 2(m) of the Annual Financial Statements for the Fiscal Year ended November 30, 2025, describe accounting policies which have been newly issued by the IASB and which the Company will have to adopt for subsequent fiscal years.

**10. Material Accounting Estimates and Judgments**

Note 2(j) of the Annual Financial Statements for the Fiscal Year outline material accounting estimates and judgments applicable to the Company.