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RED CANYON RESOURCES LTD.

INTERIM MD&A – QUARTERLY HIGHLIGHTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

The following interim MD&A – Quarterly Highlights of the financial position of Red Canyon Resources Ltd. (“the Company”) and results of operations of the Company should be read in conjunction with the unaudited condensed interim consolidated financial statements including the notes thereto for the period ending June 30, 2025 and the audited consolidated financial statements for the year ending December 31, 2024.

The accompanying unaudited condensed interim consolidated financial statements and related notes are presented in accordance with International Financial Reporting Standards for interim financial statements and accordingly do not include all disclosures required for annual financial statements. These statements, together with the following interim MD&A – Quarterly Highlights dated **August 12, 2025** (“Report Date”), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to the potential future performance. The information in the interim MD&A – quarterly highlights may contain forward-looking statements.

These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by 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 advised to consider such forward-looking statements in light of the risks as set forth below.

Economic and industry factors are substantially unchanged with respect to a comparison of the Company’s interim consolidated financial condition to the consolidated financial condition as at the most recently completed financial year end.

1. CORE BUSINESS

Red Canyon Resources Ltd. (“Red Canyon” or the “Company”) was incorporated on October 2, 2020 under the laws of British Columbia. The Company’s principal business activities include the acquisition and exploration of mineral property assets in North America. The address of the Company’s corporate office and its principal place of business is Suite 1210 – 1130 West Pender Street, Vancouver, British Columbia, Canada. The Company’s shares were approved for trading on the Canadian Securities Exchange (“CSE”) under the symbol “REDC” on October 25, 2023 and on the OTCQB under the symbol “REDRF” on May 1, 2024.

The Company has one wholly owned subsidiary: RC Metals Inc. The accounts of the subsidiary are consolidated with the Company.

The Company is focused on mineral exploration in British Columbia and the western United States. The Company holds interests in copper and copper-gold properties as follows:

- British Columbia – **Peak** (Cariboo Regional District), **Kendal** (Kitimat-Stikine Regional District), **Ping** (Fraser-Fort George Regional District), **Inzana** (Bulkley-Nechako Regional District), **Limonite** (Kitimat-Stikine Regional District);
- Nevada – **Scraper Springs** (Elko County) and **Gray Hills** (Lyon County); and
- Utah – **Keg** (Juab County).

See Section 7 “Exploration and Evaluation Activities” below for a description of the properties and the work programs.

2. FINANCIAL CONDITION

As at June 30, 2025, the Company had not yet determined whether the Company’s mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a net loss of \$459,377 for the six months ended June 30, 2025 (2024: \$161,214) and, as of that date, the Company had an accumulated deficit of \$1,916,922. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company had a working capital of \$1,733,347 at June 30, 2025 (December 31, 2024: \$729,762).

Cash was \$1,571,461 at June 30, 2025 (December 31, 2024: \$688,031). Restricted cash was \$20,550 at June 30, 2025 (December 31, 2024: \$20,342) and consists of a savings account held at a financial institution as security against a company credit card. The Company’s sources and uses of cash are discussed in Section 4 “Cash Flows” below.

Amounts and other receivable of \$133,751 at June 30, 2025 (December 31, 2024: \$136,575) consist of GST input tax credits, British Columbia Mineral Exploration Tax Credits (“METC”), interest receivable and office expense recoveries.

Prepaid expenses of \$40,669 at June 30, 2025 (December 31, 2024: \$35,791) include normal operating expenses.

Reclamation bonds of \$172,000 at June 30, 2025 (December 31, 2024: \$120,000) held by the Province of British Columbia in connection with the Peak, Kendal, Ping, SP and Inzana projects are returnable to the Company only after the government agencies are satisfied that there is no outstanding reclamation liability associated with the land.

Equipment of \$2,596 at June 30, 2025 (December 31, 2024: \$3,048) consists of computer and field equipment.

Exploration and evaluation assets of \$4,242,705 at June 30, 2025 (December 31, 2024: \$4,188,623) consist of acquisition and exploration expenditures on the Company’s mineral properties and are discussed in Section 7 “Exploration and Evaluation Activities” below.

Trade and other payables were \$33,084 at June 30, 2025 (December 31, 2024: \$150,977). Trade and other payables are unsecured and are usually paid within 30 days of recognition. Included in trade and other

payables is \$136 (December 31, 2024: \$8,943) due to related parties which consists of amounts owed to a director and a significant shareholder for salary and expense reimbursements.

Deferred tax liability of \$356,483 at June 30, 2025 (December 31, 2024: \$424,444) reflects the temporary difference between the carrying value of the exploration and evaluation assets and the tax value of the deferred mineral exploration pools that were reduced by the Company's flow-through renunciations. The net deferred tax liability will continue to be recognized as long as, or until non-capital losses increase to an amount greater than the temporary difference in the mineral property cost base.

3. FINANCIAL PERFORMANCE

The Company has one operating segment, the exploration of mineral properties, and two geographical segments, with current exploration activities being conducted in both Canada and the United States.

Because the Company is in the exploration stage, it did not earn any revenue from production and its expenses relate to the costs of operating a public company of its size. Net loss for the six months ended June 30, 2025 was \$459,377 and comprehensive loss after cumulative translation adjustment was \$443,316 or \$0.01 per share, compared to a net loss of \$161,214 and comprehensive loss of \$165,189 for the six months ended June 30, 2024 or \$0.00 per share. Net loss for the three months ended June 30, 2025 was \$166,724 and comprehensive loss after cumulative translation adjustment was \$150,467 or \$0.00 per share, compared to a net loss of \$30,556 and comprehensive loss of \$31,807 for the three months ended June 30, 2024 or \$0.00 per share.

3.1 Total expenses for the six months ended June 30, 2025

Total expenses for the six months ended June 30, 2025 were \$276,922 compared to total expenses of \$332,292 for the six months ended June 30, 2024.

Employee costs were \$140,546 for the six months ended June 30, 2025 compared to \$159,832 in employee costs recorded in the 2024 comparative period. Employee costs consist of consulting fees, management, and salaries and benefits. The following is a breakdown of material components of the Company's employee costs for the six months ended June 30, 2025 and 2024.

	Six months ended June 30, 2025	Six months ended June 30, 2024
	\$	\$
Consulting fees	1,727	33,682
Management	66,625	66,295
Salaries and benefits	72,194	59,855
Share-based payments	-	-
	140,546	159,832

Consulting fees of \$33,682 recorded for the six months ended June 30, 2024 includes \$32,253 incurred in connection with the Company's listing on the OTCQB.

Management expenses consist of salary allocations paid to the CEO, CFO and director's fees of \$5,000 per month.

Salaries and benefits consist of salaries paid to the CFO and employees of the Canadian head office, employer payroll expenses, group health premiums and WorkSafeBC premiums. Expenses increased during the current period due to the employment of additional support staff.

General exploration expenses were \$5,922 for the six months ended June 30, 2025 compared to \$34,982 in general exploration expenses recorded for the 2024 comparative period. General exploration expenses include project generation costs and such activities were greater during the 2024 comparative period.

Investor communication expenses were \$44,146 for the six months ended June 30, 2025 compared to \$40,029 in expenses incurred during the 2024 comparative period. The following is a breakdown of the Company's investor communication expenses for the six months ended June 30, 2025 and 2024.

	Six months ended June 30, 2025	Six months ended June 30, 2024
	\$	\$
Advertising	15,270	7,340
News releases	1,574	1,575
Shareholder meetings	1,366	-
Trade shows and conferences	23,843	28,867
Transfer agent	1,757	2,190
Website	336	57
	44,146	40,029

Legal fees were \$1,077 for the six months ended June 30, 2025 compared to \$4,953 in legal fees recorded for the 2024 comparative period. During the 2024 comparative period, the Company incurred \$3,384 in legal fees in connection with obtaining DTC eligibility in the United States.

Office expenses were \$53,865 for the six months ended June 30, 2025 compared to \$46,904 in expenses recorded for the 2024 comparative period. Office expenses increased to support the Company's corporate development. Insurance consists of directors and officers liability and commercial general liability policies. Business development expenses were incurred in connection with investor relations activities and the Company expanded its office premises rental. The following is a breakdown of the Company's office expenses for the six months ended June 30, 2025 and 2024.

	Six months ended June 30, 2025	Six months ended June 30, 2024
	\$	\$
Bank charges and interest	1,112	1,449
Insurance	10,876	8,360
IT and web	4,788	3,246
Business development	10,578	11,722
Office supplies and expenses	5,409	4,686
Rent	20,250	16,260
Telephone	852	1,181
	53,865	46,904

Travel expenses were \$9,803 for the six months ended June 30, 2025 compared to \$20,040 in expenses recorded for the 2024 comparative period. Travel expenses were incurred to attend trade shows and conferences and were higher in the comparative period due to participation in road shows in Washington DC, New York and Montreal.

3.2 Total expenses for the three months ended June 30, 2025

Total expenses for the three months ended June 30, 2025 were \$131,778 compared to total expenses of \$161,820 for the three months ended June 30, 2024.

Employee costs were \$70,362 for the three months ended June 30, 2025 compared to \$68,041 in employee costs recorded in the 2024 comparative period. Employee costs consist of consulting fees, management, and salaries and benefits. The following is a breakdown of material components of the Company's employee costs for the three months ended June 30, 2025 and 2024.

	Three months ended June 30, 2025	Three months ended June 30, 2024
	\$	\$
Consulting fees	1,210	525
Management	31,538	32,880
Salaries and benefits	37,614	34,636
Share-based payments	-	-
	70,362	68,041

Salaries and benefits consist of salaries paid to the CFO and employees of the Canadian head office, employer payroll expenses, group health premiums and WorkSafeBC premiums. Expenses increased during the current period due to the employment of additional support staff.

General exploration expenses were \$3,722 for the three months ended June 30, 2025 compared to \$9,015 in general exploration expenses recorded for the 2024 comparative period. General exploration expenses include project generation costs and such activities were greater during the 2024 comparative period.

Investor communication expenses were \$16,506 for the three months ended June 30, 2025 compared to \$31,770 in expenses incurred during the 2024 comparative period. The Company incurred less for attendance at trade shows and conferences during the current quarter than the comparative period, but more on advertising and shareholder meetings. The following is a breakdown of the Company's investor communication expenses for the three months ended June 30, 2025 and 2024.

	Three months ended June 30, 2025	Three months ended June 30, 2024
	\$	\$
Advertising	9,650	1,199
News releases	787	788
Shareholder meetings	1,366	-
Trade shows and conferences	2,935	27,986
Transfer agent	1,607	1,740
Website	161	57
	16,506	31,770

Travel expenses were \$2,075 for the three months ended June 30, 2025 compared to \$8,936 in expenses recorded for the 2024 comparative period. Travel expenses were incurred to attend trade shows and conferences and were higher in the comparative period due to participation in road shows in Washington DC, New York and Montreal.

3.3 Total other income and expenses for the three and six months ended June 30, 2025

FT share premium income of \$nil (2024: \$119,498) and \$nil (2024: \$135,078) were recognized during the three and six months ended June 30, 2025 upon incurrence of qualifying exploration expenditures. The Company did not have any flow-through expenditure commitments during the current period.

Foreign exchange gains and losses arise from transactions denominated in U.S. dollars, the functional currency of the Company's subsidiary.

Impairment expense of \$187,439 was recorded on the abandonment of the Oxford project during the six months ended June 30, 2025. Impairment expense of \$1,994 was recorded on certain Peak and Ping claims during the six months ended June 30, 2024.

4. CASH FLOWS

The Company is in the exploration and evaluation stage and as such does not earn any revenue from production. Total cash used in operating activities was \$243,857 for the six months ended June 30, 2025 compared to cash used of \$322,396 during the 2024 comparative period. The Company incurred a net loss of \$459,377 with adjustments to add back items not involving cash (depreciation, foreign exchange, impairment and deferred income tax recovery) and adjustments for non-cash working capital items (amounts receivable, prepaid expenses, trade and other payables) to calculate the cash used in operating activities.

Total cash flows used in investing activities were \$489,344 during the six months ended June 30, 2025 and consist of \$437,344 in expenditures on exploration and evaluation assets and \$52,000 in deposits for reclamation bonds. Total cash used in investing activities were \$452,161 during the 2024 comparative period, and consist of expenditures on exploration and evaluation assets.

Total cash flows provided by financing activities were \$1,620,492 during the six months ended June 30, 2025 and consist of \$1,640,440 in proceeds from share issuances less \$19,948 in share issuance costs. Total cash flows provided by financing activities were \$2,525,084 during the six months ended June 30, 2024 and consist of \$2,560,078 in proceeds from share issuances less \$34,994 in share issuance costs.

5. SELECTED ANNUAL INFORMATION

N/A

6. MAJOR OPERATING MILESTONES

6.1 Period from January 1 to June 30, 2025

In March 2025, the Company staked an additional six mineral claims totalling 5,266 hectares at the Inzana project.

On April 7, 2025, the Company completed the first tranche of a non-brokered private placement (the "2025 Unit Offering") consisting of 9,377,750 units priced at \$0.16 (each, a "Unit") for gross proceeds of \$1,500,440. Each Unit is comprised of one common share and one-half of a share purchase warrant, with each whole warrant exercisable at \$0.24 per share for a two year term.

On May 2, 2025, the Company completed the final tranche of the 2025 Unit Offering consisting of 875,000 Units for gross proceeds of \$140,000.

7. Exploration and Evaluation Activities

7.1 Exploration and Evaluation Activities for the Six Months Ended June 30, 2025

The Company is in the mineral exploration stage and as such has no revenues. Mineral interests in the form of exploration and acquisition costs totalled \$4,242,705 as at June 30, 2025 (December 31, 2024: \$4,188,623 and June 30, 2024: \$2,491,323).

Total costs incurred on exploration and evaluation assets for the periods ended June 30, 2025 and June 30, 2024 are summarized as follows:

	British Columbia	Nevada	Utah	Total
	\$	\$	\$	\$
Acquisition costs				
Balance, December 31, 2023	42,865	272,267	155,333	470,465
Additions	1,624	100,349	1,751	103,724
Impairment	(1,993)	-	-	(1,993)
Foreign exchange	-	9,962	5,415	15,377
Balance, June 30, 2024	42,496	382,578	162,499	587,573
Exploration costs				
Balance, December 31, 2023	1,239,044	202,144	9,057	1,450,245
Additions				
Community relations	4,679	-	-	4,679
Drilling	289,210	-	-	289,210
Geology	95,019	10,895	-	105,914
Geophysics	-	15,508	-	15,508
Prospecting, mapping, sampling	3,520	2,163	-	5,683
Project manager	25,043	-	-	25,053
	417,481	28,566	-	446,047
Foreign exchange	-	7,142	316	7,458
Balance, June 30, 2024	1,656,525	237,852	9,373	1,903,750
Total acquisition costs and exploration expenditures				
June 30, 2024	1,699,021	620,430	171,872	2,491,323

	British Columbia	Nevada	Utah	Total
	\$	\$	\$	\$
Acquisition costs				
Balance, December 31, 2024	55,880	519,083	189,471	764,434
Additions	9,216	7,176	-	16,392
Impairment	-	(117,596)	-	(117,596)
Foreign exchange	-	(21,457)	(9,823)	(31,280)
Balance, June 30, 2025	65,096	387,206	179,648	631,950
Exploration costs				
Balance, December 31, 2024	2,940,879	457,187	26,123	3,424,189
Additions				
Drilling	630	-	-	630
Geology	177,202	47,666	1,353	226,221
Geophysics	59,787	-	-	59,787
Prospecting, mapping, sampling	49,393	-	-	49,393
Project manager	25,830	-	-	25,830
Recovery	(78,758)	-	-	(78,758)
	234,084	47,666	1,353	283,103

Impairment	-	(73,273)	-	(73,273)
Foreign exchange	-	(21,868)	(1,396)	(23,264)
Balance, June 30, 2025	3,174,963	409,712	26,080	3,610,755
Total acquisition costs and exploration expenditures				
June 30, 2025	3,240,059	796,918	205,728	4,242,705

7.2 Kendal (Kitimat-Stikine Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Kendal property, which it acquired by way of staking. At June 30, 2025, Kendal was comprised of eight mineral claims totalling approximately 3,582 hectares located in west central British Columbia approximately 25 km northeast of Terrace.

During the period ended June 30, 2025, the Company expended \$nil in acquisition costs (2024: \$nil) and \$196,154 in exploration costs (2024: \$41,576) on Kendal. The Company recorded a British Columbia Mining Exploration Tax Credit ("METC") of \$52,011 which reduced the carrying value of the project. As at June 30, 2025, total acquisition and exploration expenditures recorded on Kendal was \$1,783,678 (2024: \$235,179).

About the Kendal Property

As at the date of this Report, the Kendal Project comprises eight mineral claims totalling 3,582 hectares located in west-central British Columbia, approximately 25 km northeast of the city of Terrace, a regional infrastructure hub with a well-serviced airport. Infrastructure is excellent with four intersecting highways, hydroelectric power and rail corridors and port facilities approximately 120 km to the west at Prince Rupert. The project has direct road access, only 3.5 km from Highway 16. The project area lies within the traditional territory of the Kitselas First Nation.

In the fourth quarter of 2024, a first ever five-hole drill program at Kendal confirmed the discovery of a new copper porphyry system. All drill holes intersected significant porphyry-style alteration, multi-generational vein sets and highly anomalous copper and moly mineralization (see news release dated January 13, 2025). Based on initial studies focused on vectoring to higher grade mineralization, the target area is open, particularly south and west from the initial drilling.

The extensive mineralized alteration footprint encountered with these drill holes at Kendal indicates a porphyry system with a massive amount of associated fluid flow. This large alteration footprint and corresponding multiple generations of hydrothermal veins gives the Company confidence regarding the scale of the system and its potential to host higher-grade mineralization.

Vectoring work by Red Canyon suggests Kendal could have several porphyry centres. Work suggests numerous areas remain open to high grade potential and based on alteration, magnetic susceptibility and vein densities in drill holes RCKD-24-001 and 002, the system is open laterally and to depth.

2024 Work Program - Kendal

Work completed during the period ended June 30, 2024 includes compilation and analysis of data related to a detailed rock lithochemistry program completed in the fourth quarter of 2023 and first pass diamond drilling in the third and fourth quarters of 2024.

2025 Work Program - Kendal

During the period ended June 30, 2025, the Company completed planning for additional work at Kendal. To enhance targeting for subsequent drill holes, a program to expand the geochemical coverage in several areas particularly to the south and west of 2024 drilling was completed. This included expanded geochemical programs at several new high priority areas in and adjacent to Kendal Creek drainages.

Expert Geophysics Surveys Inc. completed a 258 line-kilometre mobile magnetotelluric ("Mobile MT") airborne survey in July 2025. Mobile MT is a leading geophysical technology, which aids in the identification of geologic structures, alteration halos and contrasting lithologies in the subsurface. In addition, potential mineralization from near surface to deeper than one km from surface can be inferred based on specific electromagnetic geophysical signatures. For more information, see news release dated May 8, 2025. Final data processing is expected in mid August, 2025

The next steps for the Kendal project are as follows:

- Expand geological, structural, vein density, and alteration mapping
- Integrate Mobile MT survey geophysical data with results from 2024 drilling and field work
- Finalize new drill targets and prepare for 2025 late summer drill program

7.3 Inzana (Bulkley-Nechako Regional District, British Columbia)

The Inzana property, which includes the Osiris and Acheron projects, consists of 100% interest in fifteen mineral claims totalling 14,908 hectares that the Company staked and four mineral claims totalling 539 hectares that are under two option agreements pursuant to which the Company may acquire 100% interest in the claims for aggregate consideration of \$48,000 over a three-year term, subject to 1.25% NSR royalty with purchase rights. The project is located in northeast/central British Columbia, approximately 160 km northwest of Prince George.

During the period ended June 30, 2025, the Company expended \$9,216 in acquisition costs (2024: \$nil) and \$101,633 in exploration costs (2024: \$nil) on Inzana. The Company recorded a METC of \$22,259 which reduced the carrying value of the project. As at June 30, 2025, total acquisition and exploration expenditures recorded on Inzana was \$122,987 (2024: \$nil).

About the Inzana Property

The Inzana project area is located in central British Columbia, approximately 60 km northwest of the district municipality of Fort St. James and 35 km west southwest of the Mount Milligan Cu-Au mine.

The project area is located within the early Mesozoic-aged Quesnellia island arc terrane that occupies much of east-central British Columbia and is host to several of the province's largest copper mines. The project area is bounded to the west by the NW-trending Pinchi Fault which juxtaposes older Cache Creek Terrane with the Triassic-Jurassic Quesnellia Terrane. The Company interprets that a NE-SW cross-arc structure is located on the northern boundary of the Osiris project area. Cross-arc structures are interpreted to act as important structural pathways for the localization of porphyry deposits in arc terranes worldwide.

Previous operators in the area recognized various porphyritic intrusive rocks, anomalous copper, molybdenum and gold geochemistry and magnetite-rich hydrothermal alteration related to alkalic porphyry copper systems. A series of intermittent work programs spanning over 50 years have included geological mapping, geochemistry, magnetics and IP geophysics and diamond drilling. With the expanded understanding of alkalic copper-gold porphyry systems developed over the last decade, Red Canyon believes the Osiris and Acheron areas have excellent potential to host potentially economic copper-gold

porphyry systems and that previous work identified alkalic porphyry alteration and mineralization indicative of peripheral zones to the main porphyry centres.

Osiris Project

The Osiris project has multiple magnetic features bound to the west by the Pinchi Fault and to the north by an interpreted cross-arc structure. Recent forestry activity in the area has significantly improved road access throughout the area.

The Camp target area is a 1.0 km by 2.0 km NNW-trending magnetic high. Previous work suggests the magnetic high feature is due to introduced highly oxidized alkalic intrusions and associated hydrothermal magnetite.

A series of historical drill holes at Camp intersected porphyry-style alteration and copper and gold mineralization indicative of alkalic porphyry systems. Drill holes 91-2, 91-6 and 12-07 are host to highly anomalous copper and gold values. Drill holes 91-2 and 91-6 ended in mineralization with grades of copper and gold increasing to depth. In addition, veining and silicification are described as increasing down hole towards the west.

Historic drill hole 91-2 from Osiris returned 0.18% copper with anomalous gold over 127.4 m from 25.3 m. Based on the footprint of other alkalic porphyry deposits, the Company believes the target area remains open to vector into a higher-grade core to the system. As an example, the high grade Cadia Ridgeway alkalic copper gold deposit in New South Wales, Australia is generally a vertically extensive body with an approximately 225 by 225 m diameter. A Newcrest pre-discovery drill hole (NC371) within 150 m of the discovery hole at Cadia Ridgeway graded 0.10% copper over 118 m, comparable to the values in 91-2.

The Company believes the hydrothermal system at Camp is open both along the magnetic high and low as it trends NNW to SSE. The underlying rocks along the magnetic high/low trend are the potential source of the elevated copper in soil/till geochemistry glacially dispersed to the north.

IP chargeability and resistivity data indicates that highly chargeable zones could potentially correlate with graphic sediments in parts of the Camp area. Again, drill holes 91-2 and 91-6 both indicate increased copper and gold down hole with increasing silicification in flooding and veining. In both instances chargeability is modest, not high, and increasing silicification could correspond to a resistive high that trends NNW to SSE - roughly along the magnetic low feature.

For more information on targets and historical work at Osiris, see news release dated May 15, 2025.

Acheron Project

The Acheron project at Inzana is defined by a NW-trending magnetic high spanning 10 km by up to 2.5 km. Historic work identified multiple phases of hydrothermally altered and mineralized porphyritic intrusions.

The Tez target at Acheron is interpreted by Red Canyon to be a porphyry centre defined by complex magnetics, rock and soil geochemistry and shallow historical drilling. Soil geochemistry outlines a core area of elevated Cu, Mo and Au. Outbound to this area is a rimming zone of elevated As and Mn, all indicative of chemistry that outlines the central signature of a porphyry system.

Historic drill holes from 2011 intersected anomalous copper, moly and gold in shallow drilling. While drilling results are considered anomalous, multiple altered porphyritic intrusions and surrounding sedimentary units are variously hydrothermally altered and mineralized in copper, molybdenum and gold. In addition, variable quartz vein sets occur within the system. Drill hole 11-05 hosts the highest elevated

copper values and visually has the highest vein density within the Tez area, potentially indicating a closer proximity to the core of the system.

A selected outcrop sample taken in 2009 and identified as an altered feldspar porphyry-hosted sulphide quartz stockwork zone, returned 0.95% Cu and 0.80 g/t Au. The presence of quartz veins/stockwork hosting high Cu and Au tenor in the Tez area is considered important.

The Tez area has many of the required characteristics of mineralized copper-gold porphyry systems found worldwide. The Company believes the Tez area remains open within the previously drilled area, as well as west and south along the trend of the magnetic feature.

For more information on targets and historical work at Acheron, see news release dated May 15, 2025.

2025 Work Program - Inzana

During the period ended June 2025, the Company completed detailed compilation and analysis of historical data and reconnaissance prospecting and mapping on the project.

The Company conducted initial field studies throughout the Inzana area in June 2025, detailing infrastructure, access, geological mapping, sampling and review of historical core from Camp and Tez drilling.

On June 20, 2025, the Company received Mines Act permits from the Ministry of Mining and Critical Minerals authorizing exploration activities for the Acheron and Osiris projects, as detailed in the Notices of Work and Reclamation Program submitted April 7, 2025. Approved activities including geophysical work with exposed electrodes, surface drilling, and exploration access construction are planned.

7.4 Peak (Cariboo Regional District, British Columbia)

As at June 30, 2025, Peak was comprised of 14 mineral claims totalling 6,560 hectares located in south central British Columbia, approximately 30 km northeast of Williams Lake. The claims were acquired by staking with the exception of one claim purchased from an arm's length vendor for \$575 and a 1% net smelter return ("NSR") royalty that the Company may purchase for \$1,000,000 at any time.

During the period ended June 30, 2025, the Company expended \$nil in acquisition costs (2024: \$1,624) and \$8,525 in exploration costs (2024: \$359,918) on Peak. During the period ended June 30, 2025, the Company recorded a METC of \$2,529 which reduced the carrying value of the project. As at June 30, 2025, total acquisition and exploration expenditures recorded on Peak was \$793,918 (2024: \$810,855).

2024 Work Program - Peak

Work completed during the period ended June 30, 2024 includes compilation of data and report writing relating to the Peak project assessment report and the completion of an initial diamond drill program. The Company drilled four first pass diamond drill holes totaling 1,310 metres. This initial program tested the main Peak Central target with three holes and the 6S target with one hole.

2025 Work Program - Peak

Work completed during the period ended June 30, 2025 includes review of petrographic and geochronology studies. In addition, three confirmation soil samples were collected at one target area.

7.5 Ping (Fraser-Fort George Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Ping property, which it acquired by way of staking. At June 30, 2025, Ping was comprised of five mineral claims totalling approximately 4,427 hectares located in south central British Columbia approximately 50 km northwest of Prince George.

During the period ended June 30, 2025, the Company expended \$nil in acquisition costs (2024: \$nil) and \$2,230 in exploration costs (2024: \$12,324) on Ping. The Company recorded a METC of \$669 which reduced the carrying value of the project. As at June 30, 2025, total acquisition and exploration expenditures recorded on Ping were \$535,317 (2024: \$542,187).

No significant work was completed during the periods ended June 30, 2025 and June 30, 2024.

7.6 Limonite (Kitimat-Stikine Regional District, British Columbia)

The Limonite project consists of 100% interest in a single mineral claim totalling 656 hectares located in west central British Columbia, approximately 50 km east-northeast of Terrace, British Columbia. The claim was acquired by staking and is royalty free.

During the period ended June 30, 2025, the Company expended \$nil in acquisition costs (2024: \$nil) and \$4,300 in exploration costs (2024: \$nil) on Limonite. The Company recorded a METC of \$1,290 which reduced the carrying value of the project. As at June 30, 2025, total acquisition and exploration expenditures recorded on Limonite was \$4,159 (2024: \$nil).

Work completed during the period ended June 30, 2025 includes data compilation of historical work conducted.

7.7 Scraper Springs (Elko County, Nevada)

The Company holds a 100% interest in the Scraper Springs property, which at June 30, 2025 was comprised of 190 mineral claims totalling approximately 1,589 hectares located in Elko County, Nevada. The property was originally acquired pursuant to a property purchase and sale agreement dated February 22, 2021 for consideration of \$100,000 and is subject to a 2% NSR royalty. The Company has staked additional claims on Federal Bureau of Land Management ("BLM") land to expand the property.

The Company has entered into an Exploration Lease and Option to Purchase Agreement (the "Agreement") with an arm's length party effective February 27, 2024 (the "Effective Date") under which the Company is granted exclusive mineral and surface rights to certain private lands (the "Property") within the boundaries of the Scraper Springs property for a 30-year term with an option to purchase the Property for US\$2,375,000, for consideration of US\$10,000 paid upon execution of the letter of intent and the Agreement, annual lease payments ranging from US\$5,000 to US\$80,000 over the term of the lease, a surface disturbance fee, and a NSR royalty of 4% which the Company may purchase the first 2% for US\$500,000 and the second 2% for US\$1,000,000 at any time prior to commercial production.

During the period ended June 30, 2025, the Company expended \$7,176 in acquisition costs (2024: \$7,848) and \$27,733 in exploration costs (2024: \$9,271) on Scraper Springs. As at June 30, 2025, total acquisition and exploration expenditures recorded on Scraper Springs was \$746,864 (2024: \$508,257).

About the Scraper Springs Property

Scraper Springs is in northern Nevada approximately 125 km from the cities of Winnemucca and Elko. The project is 100% owned, subject to a 2% NSR royalty and consists of 190 unpatented mining claims, spanning 1,589 hectares. The approximate 4 x 4 km alteration footprint surrounding the Scraper Springs

target is comparable in scope to some of the world's largest copper deposits. Access is considered excellent with maintained paved and packed gravel year-round road access.

Previous operators at Scrapper Springs mostly targeted shallow, high-grade gold systems or Carlin-related gold systems. A reinterpretation of the alteration and geology at the Project by Red Canyon and third-party consultants suggests high-temperature, low-pH clays and Eocene-aged intrusions at Scrapper Springs could be associated with a deeper, large-scale copper system.

In 2022, the Company completed a single line deep IP survey at the project, which outlined a significant, chargeable zone near the limit of the survey penetration depth not previously drill tested. One historical drill hole approximately 1.5 km east of this chargeability target intersected propylitic alteration and anomalous copper mineralization with values of 0.17% copper over 10.7 metres. This zone is interpreted to be a distal skarn mineralization driven by a porphyry related hydrothermal feeder.

In 2024, the Company completed three additional IP and Resistivity survey lines, a detailed gravity geophysical survey, a Magnetic Vector Inversion study on the Scrapper Springs 2005 ground magnetics survey data, and together with independent consulting geologist Dr. Mike Sepp, undertook a review of Scrapper Springs geophysics, geological and alteration mapping, geochemistry and hyperspectral work. Dr. Sepp is considered an expert in high temperature minerals (zunite and pyrophyllite) associated with porphyry systems.

The following are some important conclusions developed previously and as part of Dr. Sepp's review work:

- Scrapper Springs has a Tier-one size alteration cell (4 x 4 km) analogous to world's largest porphyry deposits.
- Favorable project magnetics with a large property scale magnetic low (hydrothermal alteration) and associate bullseye magnetic high.
- New IP geophysics outline a series of large anomalies (chargeable and conductive zones) that underlie the favorable deep lithocap alteration.
- The large footprint of Alunite alteration at Scrapper Springs likely indicates strongly oxidized magmas, which are important to develop porphyry systems worldwide.
- North and South stock diorite intrusions at Scrapper Springs are the same age as Bingham Canyon in Utah (38 Ma).
- Strong high temperature zunyite alteration indicates high chlorine magmatic fluids favorable to porphyry formation.
- Late zunyite alteration in high-temperature feeders indicate potential for an upgraded potassic core (>1% Cu), as seen at the Resolution deposit in Arizona and the Oyu Tolgi mine in Mongolia.
- Surface alteration and indicator geochemistry model the system at base of the lithocap, suggesting high preservation potential of system while also suggesting reasonable exploration target depths.
- Reprocessing of hyperspectral SWIR data discovered the presence of mixed muscovite and pyrophyllite in high-temperature feeder structures, characteristic of the lithocap-porphyry transition at: Yerington-USA, Pebble-USA, KSM-Canada, Oyu Tolgoi-MNG, Far Southeast-Lepanto-PHL, El Salvador-CHL, Los Helados-CHL, Valeriano-CHL.
- One historical deep drill hole approximately 1.5 km east of the current target area intersected propylitic alteration and anomalous copper mineralization with values of 0.17% copper over 10.7m. This drill intercept possibly represents a hydrothermal exoskarn zone interpreted to be associated with an adjacent copper porphyry system.

2025 Work Program – Scraper Springs

Work completed during the period ended June 30, 2025 includes compilation and analysis of geological and geophysical studies completed in 2024.

The Company views Scraper Springs as an important, high-profile copper project with excellent discovery potential. The Company is currently working through project and finance planning for initial drill testing at Scraper Springs. Follow up detailed alteration and vectoring studies are planned for Q3/2025 and EM geophysics is being considered for additional subsurface drill vectoring.

7.10 Oxford (Lyon County, Nevada)

The Oxford property was comprised of 25 staked claims and 80 mineral claims under option located in Lyon County, Nevada. The Company entered into an Exploration Lease and Option to Purchase Agreement with an arm's length party effective May 17, 2024 (the "Effective Date") under which the Company was granted the exclusive right to explore for and develop minerals on the property for a 20-year term.

During the period ended June 30, 2025, the Company expended \$nil in acquisition costs (2024: \$71,045) and \$11,198 in exploration costs (2024: \$16,029) on Oxford. The Company elected to abandon the option prior to the first anniversary option payment becoming due on May 17, 2025 and wrote off \$190,869 in acquisition and exploration costs during the period ended June 30, 2025. As at June 30, 2025, total acquisition and exploration expenditures recorded on Oxford was \$nil (2024: \$87,444).

Work completed during the period ended June 30, 2025 consisted of geological review of geological mapping, and sampling data.

7.11 Gray Hills (Lyon County, Nevada)

The Company holds a 100% interest in the Gray Hills property, which is comprised of 50 mineral claims totalling 418 hectares located in Lyon County, Nevada that the Company acquired by staking.

During the period ended June 30, 2025, the Company expended \$nil in acquisition costs (2024: \$21,456) and \$8,735 in exploration costs (2024: \$3,266) on Gray Hills. As at June 30, 2025, total acquisition and exploration expenditures recorded on Gray Hills was \$50,054 (2024: \$24,729).

No significant work was completed during the period ended June 30, 2025.

7.12 Keg (Juab County, Utah)

The Company holds a 100% interest in the Keg property, which at June 30, 2025 was comprised of 63 mineral claims on BLM land and two Utah State leased sections totalling approximately 1,049 hectares located in Juab County, Utah. The property was acquired pursuant to a property purchase and sale agreement dated March 22, 2021 for consideration of \$100,000 and is subject to a 2% NSR royalty.

During the period ended June 30, 2025, the Company expended \$nil in acquisition costs (2024: \$1,751) and \$1,353 in exploration costs (2024: \$nil) on Keg. As at June 30, 2025, total acquisition and exploration expenditures recorded on Keg was \$205,728 (2024: \$171,872).

No significant work was completed during the periods ended June 30, 2025 and June 30, 2024.

7.13 Qualified Person

The scientific and technical information contained in this document has been reviewed and approved by Wendell Zerb, P. Geol, a "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards

of Disclosure for Mineral Projects. Mr. Zerb is not independent by reason of being the Chairman, President and CEO of the Company.

8. SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed fiscal quarters as presented in the unaudited condensed interim consolidated financial statements. The financial data provided is prepared in accordance with IFRS and is presented in Canadian dollars.

	Q2	Q1	Q4	Q3
	Jun 30,	Mar 31,	Dec 31,	Sep 30,
	2025	2025	2024	2024
	\$	\$	\$	\$
Total revenue	-	-	-	-
Net loss for the period	(166,724)	(292,653)	(404,765)	(50,884)
Comprehensive loss for the period	(150,467)	(292,849)	(414,442)	(48,685)
Net loss per share, basic	(0.004)	(0.007)	(0.009)	(0.001)
Net loss per share, diluted	(0.004)	(0.007)	(0.009)	(0.001)
	Q2	Q1	Q4	Q3
	Jun 30,	Mar 31,	Dec 31,	Sep 30,
	2024	2024	2023	2023
	\$	\$	\$	\$
Total revenue	-	-	-	-
Net loss for the period	(30,556)	(130,658)	(19,454)	(39,618)
Comprehensive loss for the period	(31,807)	(133,382)	(16,926)	(41,166)
Net loss per share, basic	(0.001)	(0.004)	(0.001)	(0.001)
Net loss per share, diluted	(0.001)	(0.004)	(0.001)	(0.001)

Because the Company is in the exploration stage, it did not earn any revenue.

The net loss of \$166,724 for 2025 Q2 includes unrealized foreign exchange loss of \$75,462 and deferred tax recovery of \$26,961.

The net loss of \$292,653 for 2025 Q1 includes impairment expense of \$190,214 recognized on the Oxford project and a deferred tax recovery of \$41,000.

The net loss of \$404,765 for 2024 Q4 arose due to a deferred tax expense of \$424,444, a non-cash item. FT share premium income of \$192,267 and unrealized foreign exchange gain of \$83,928 are partially offset by impairment expense of \$82,417 and audit, investor communication and office expenses that are on whole slightly higher than previous quarters.

The net loss of \$50,884 for 2024 Q3 includes share-based payments expense of \$191,093 for the grant of stock options and \$17,543 recorded for the write off of the Cooper project, net of a \$3,922 BC METC recovery for Hatter expenditures. These expenses are partially offset by FT share premium income of \$268,574.

The net loss of \$30,556 for 2024 Q2 is narrower than other periods due to recognition of \$119,498 in FT share premium income.

The net loss of \$130,658 for 2024 Q1 is wider than other periods. Included in the loss is \$42,047 incurred in connection with the Company's OTCQB listing and DTC eligibility application. General exploration expenditures also increased as the result of project generation activities. The Company paid \$15,000 in quarterly director's fees commencing September 1, 2023.

The net loss of \$19,454 for 2023 Q4 is narrower than other periods. Offsetting the loss is \$175,192 in FT share premium income. Contributing to the loss are \$34,070 in mineral property impairment on the Hatter property, \$40,250 in audit fee provision and \$23,144 in legal and filing fees incurred in connection with the Company's CSE listing. The Company also commenced paying \$15,000 in quarterly director's fees effective September 1, 2023.

The net loss of \$39,618 for 2023 Q3 is narrower than other periods. The Company recorded FT share premium income of \$85,462.

9. LIQUIDITY

The Company's Financial Statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations. Management has been successful in raising equity financing in the past. However, there is no assurance that it will be able to do so in the future.

Factors that could impact on the Company's liquidity are monitored regularly and include market changes, copper price changes, and economic upturns or downturns that affect the market price of the Company's securities for the purposes of raising financing. World economic and geopolitical events and resulting inflation has created uncertainty in the equity and commodity markets, which makes it a challenge to raise financing. Management believes that this condition will continue over the next twelve months.

Cash was \$1,571,461 at June 30, 2025 (December 31, 2024: \$688,031). Restricted cash was \$20,550 at June 30, 2025 (December 31, 2024: \$20,342) and consists of a savings account held at a financial institution as security against a company credit card.

Amounts and other receivable consist of GST input tax credits, METC, interest receivable and office expense recoveries. Prepaid expenses were recorded for ordinary operating expenses and deposits for exploration contractors.

Trade and other payables total \$33,084 at June 30, 2025 compared to \$150,977 at December 31, 2024.

Working capital was \$1,733,347 at June 30, 2025 compared to \$729,762 at December 31, 2024.

The Company has no debt or debt arrangements.

In April and May 2025, the Company completed a non-brokered private placement to raise gross proceeds of \$1,640,440 through the issuance of 10,252,750 units of the Company (the "Units") at a price of \$0.16 per Unit. Each Unit consists of one common share and one-half of a share purchase warrant, with each whole warrant exercisable into one further common share at a price of \$0.24 for a term of 24 months.

The Company anticipates that it has sufficient capital to meet its financial obligations as they become due in the current fiscal year but plans to raise additional financing to fund its exploration programs.

10. CAPITAL RESOURCES

The Company does not have any commitments for capital expenditures other than the property option payments to maintain its interests in the Inzana project as outlined under Section 7 "Exploration and Evaluation Activities" above. The Company does not have any capital resources in the form of debt, equity and any other financing arrangements.

11. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

12. TRANSACTIONS BETWEEN RELATED PARTIES

12.1 Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company. Key management personnel compensation is comprised of the following:

	Period ended June 30, 2025	Period ended June 30, 2024
	\$	\$
Short-term employee benefits and director fees	141,300	135,000
Share-based payments	-	-
	<u>141,300</u>	<u>135,000</u>

The Company has entered into a Management Agreement with Wendell Zerb, the Chairman, President and Chief Executive Officer (the "CEO") effective January 1, 2022 for no fixed term. As compensation for the services to be provided, the CEO will receive a monthly fee of \$10,800 (increased to \$11,450 effective July 1, 2024) with provisions for severance of (i) six months of compensation plus an additional one month for each completed year of service up to a maximum of twelve months in the event the Company terminates the Agreement without Cause after twelve months of the effective date; (ii) eighteen times the monthly compensation if the CEO resigns for Good Cause; and (iii) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CEO resigns with or without Good Cause, within twelve months following a change of control of the Company. In the event the CEO participates in activities that lead to (i) the sale of any of the Company's exploration properties or the creation of a new or spin-off company, he will be awarded a Special Bonus in the amount of 0.5% of the sale of any of the Company's exploration properties or the creation of a new or spin-off company; and (ii) a corporate transaction involving a sale of the Company or more than 50% of the Company's issued and outstanding common shares, he will be awarded a Special Bonus of 0.2% of the consideration up to \$50 million of consideration received, and 0.1% of additional value beyond that \$50 million level. During the period ended June 30, 2025, the Company recorded \$68,700 (2024: \$64,800) in fees payable to the CEO, of which \$55,532 (2024: \$50,220) was capitalized to Exploration and Evaluation Assets in the Consolidated Statement of Financial Position and \$13,168 (2024: \$14,580) was expensed to Management within profit or loss.

The Company has entered into an Employment Agreement with Sandra Wong, the Chief Financial Officer and Corporate Secretary (the "CFO") effective June 1, 2023 for no fixed term. As compensation for the services to be provided, the CFO will receive a monthly salary of \$6,700 (increased to \$7,100 effective July 1, 2024) with provisions for severance of (i) three months of compensation in the event the Company terminates the Agreement without Cause; (ii) three months of compensation in the event the CFO resigns for Good Cause; and (iii) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CFO resigns with or without Good Cause, within twelve months following a change of control of the Company. During the period ended June 30, 2025, the Company recorded \$42,600 (2024: \$40,200) in fees payable to the CFO, of which \$21,300 (2024: \$20,100) was expensed to Management and \$21,300 (2024: \$20,100) was expensed to Salaries and Benefits within profit or loss.

The Company has approved the payment of a director's fee of \$1,000 per month to each of Lauren Roberts, Caleb Stroup and Alistair Waddell and \$2,000 per month to Cecil Bond, the chair of the audit committee, effective September 1, 2023. During the period ended June 30, 2025, the Company recorded \$30,000 (2024: \$30,000) in director fees which were expensed to Management within profit or loss.

Wendell Zerb, Caleb Stroup and Alistair Waddell are officers and/or directors of the Company and are also directors and shareholders of NewQuest Capital Inc., which holds a 16.83% interest in the Company. Sandra Wong is CFO and Corporate Secretary of the Company and is also CFO, Corporate Secretary and a shareholder of NewQuest.

12.2 Private Placements

In connection with the private placement that closed on April 7, 2025, NewQuest purchased a total of 262,500 Units for total proceeds of \$42,000, Wendell Zerb, the Chairman, President, CEO and a director of the Company, purchased a total of 300,000 Units for total proceeds of \$48,000, and Sandra Wong, the CFO of the Company, purchased a total of 50,000 Units for total proceeds of \$8,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

12.3 Due to Related Parties

As at June 30, 2025, the Company has \$136 (December 31, 2024: \$8,943) due to related parties which consists of amounts owed to a director and a significant shareholder for salaries and expense reimbursements, which is due on demand, unsecured and is non-interest bearing. The amounts due to related parties are payable to the following:

	June 30, 2025	December 31, 2024
	\$	\$
Wendell Zerb, President, Chairman, CEO, Director	-	1,447
NewQuest, significant shareholder and common directors	136	7,496
	<u>136</u>	<u>8,943</u>

13. FOURTH QUARTER

N/A

14. PROPOSED TRANSACTIONS

The Company is engaged in the search for potential joint venture partners, mineral property acquisitions and financings, but there are currently no proposed asset or business acquisitions or dispositions other than disclosed in this Report. Other than disclosed in this Report, the Company does not have any proposed transactions.

15. COMMITMENTS, EXPECTED EVENTS OR UNCERTAINTIES

Other than disclosed in this Report, the Company does not have any commitments, expected events, or uncertainties.

16. SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

N/A

17. CHANGES IN ACCOUNTING POLICES INCLUDING INITIAL ADOPTION

A number of new or amended accounting standards were scheduled for mandatory adoption on or after January 1, 2025. New or amended accounting standards adopted on January 1, 2025 have not had a material impact on the Company's consolidated financial statements.

The Company has not early adopted new or amended standards with adoption dates subsequent to January 1, 2026 in preparing these condensed interim consolidated financial statements. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

18. KNOWN TRENDS, RISKS OR DEMANDS

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The primary sources of credit risk for the Company arise from its financial assets consisting of cash. The carrying value of cash represents the Company's maximum exposure to credit risk. To minimize credit risk, the Company only holds its cash with chartered Canadian financial institutions. The Company owns restricted cash of \$20,550 which consists of a savings account held by a financial institution as security against a Company credit card. The Company also owns cash reclamation bond deposits of \$172,000 held by the Province of British Columbia. The Company believes that the credit risk of default for these assets is low. As at June 30, 2025, the Company has no financial assets that are past due or impaired due to credit risk defaults. The Company's management of credit risk has not changed during the period ended June 30, 2025, from that of the prior year.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's financial liabilities consist of its trade and other payables. The Company has a working capital of \$1,733,347 as at June 30, 2025 and anticipates that it can meet its financial obligations as they become due in the current fiscal year. The Company handles its liquidity risk through the management of its capital structure as described in Note 12 of the financial statements. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms. The Company's management of liquidity risk has not changed during the period ended June 30, 2025 from that of the prior year.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of interest rate risk, currency risk and other price risk. The Company is not exposed to significant interest rate risk as the Company has no interest-bearing debt. The Company does not hold any equity securities; as such, the Company is not exposed to material other price risk. The Company's management of market risk has not changed during the period ended June 30, 2025 from that of the prior year.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. A portion of the Company's exploration property expenditures will be incurred in United States dollars. A

change in the foreign exchange rate as at June 30, 2025 of +/- 10% would have an impact of \$24,347 on profit or loss.

Risks and Uncertainties

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

The Company has Limited History of Operations

The Company has limited history of operations and is in the early stages of exploration on its mining properties. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High-Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the exploration stage and such exploration is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

The Company is Subject to Substantial Environmental Requirements Which Could Cause a Restriction or Suspension of our Operations

The current and anticipated future operations and exploration activities of the Company on its projects in Canada and the United States require permits from various governmental authorities and such operations and exploration activities are and will be governed by Federal, State and local laws and regulations governing various elements of the extractive industry. It is the Company's intention to ensure that the environmental impact on areas where it operates is mitigated by restoration and rehabilitation of affected areas.

As the Company is presently at the early exploration stage with all of our properties, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will likely require the Company to provide remedial actions to correct the negative effects. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Conflicts of Interest

Certain of our directors and officers are also directors and/or officers and/or shareholders of other natural resource companies. While we are engaged in the business of exploring for and, if appropriate, exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. Our directors are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of our board of directors, any director in a conflict must disclose his interest and abstain from voting on the matter. In determining whether or not we will participate in any project or opportunity, our directors will primarily consider the degree of risk to which we may be exposed and our financial position at the time.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date, the Company has not experienced any material losses related to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attacks, damage or unauthorized access remain a priority. As the threat landscape is ever-changing, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Climate Change

The Company is exposed to physical risks related to climate change including extreme weather events such as floods, longer wet or dry seasons, increased temperatures and drought, increased precipitation and snowfall and wildfires. Such events can temporarily slow or halt operations due to physical damage of assets, shortage of resources and route disruptions that may limit the transportation of materials and personnel. Additionally, regulations and taxes developed to regulate the transition to a low-carbon economy and energy efficiency may result in increased operation costs including environmental monitoring, increased reporting and other costs to comply with such regulations.

Tariffs

The imposition of tariffs or trade barriers by various governments, including the United States, Canada and other countries, could potentially impact the Company's projects, financial performance, and competitive position. Tariffs introduce a layer of uncertainty as they can affect spending, trade flows, government revenue, exchange rates, employment, economic growth and inflation. They could substantially disrupt supply chains in Canada, the United States and elsewhere around the world. This uncertainty has led to significant fluctuations in financial markets around the world and makes it difficult to raise financing. It is not currently possible to predict the extent that the Company's results may be negatively affected if tariffs persist or escalate. The full effects of these tariffs on the economy and financial market will only become clear with time.

19. DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at August 12, 2025, the Company has 55,129,937 common shares issued and outstanding.

As at August 12, 2025, 2024, the Company has 4,465,000 stock options outstanding.

As at August 12, 2025, the Company has 10,291,039 warrants outstanding.

As at August 12, 2025, the Company has 8,049,150 common shares held in escrow.

20. BOARD OF DIRECTORS AND OFFICERS

The directors of the Company are Cecil Bond, Lauren Roberts, Caleb Stroup, Alistair Waddell and Wendell Zerb.

The officers of the Company are Wendell Zerb (Chairman, President and Chief Executive Officer and Sandra Wong (Chief Financial Officer and Corporate Secretary).

21. CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by 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 advised to consider such forward-looking statements in light of the risks as set forth below.

This Management's Discussion and Analysis contains "forward-looking statements, within the meaning of applicable Canadian Securities legislation", that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and copper, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks relating to the integration of acquisitions, risk relating to international operations, the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and copper; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; fluctuations in metal prices; as well as those risk factors discussed or referred to elsewhere in this Management's Discussion and Analysis for the period ended June 30, 2025. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

22. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure Controls and Procedures Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CSE-listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a CSE issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RED CANYON RESOURCES LTD.

Wendell Zerb

Chairman, President and Chief Executive Officer