

ELYSEE

DEVELOPMENT CORP.

**Management's Discussion and Analysis
For the Three-month period Ended March 31, 2026**

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Management's Discussion and Analysis

For the Three-month period Ended March 31, 2026

This management's discussion and analysis ("MD&A") of Elysee Development Corp. ("Elysee" or "the Company"), dated May 11, 2026 should be read in conjunction with the accompanying condensed consolidated interim financial statements and notes for the three-month period ended March 31, 2026. The Company's condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as noted, all financial amounts are expressed in Canadian dollars. Additional information relating to the Company is available on SEDAR+ and may be accessed at www.sedarplus.ca.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This document contains certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, that address events or developments that the Company expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans" "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. In particular, the forward-looking statements in this MD&A include: (i) under the heading "*Outlook*" statements relating to the Company's capital expenditure plans for 2026; and (ii) under the heading "*Liquidity and Capital Resources*" the statement that the Company believes it has sufficient funds to fund its currently planned administrative budget through the balance of fiscal 2026. Forward-looking statements involve numerous risks and uncertainties. Estimates and forward-looking statements are based on assumptions of future events and actual results may vary from these estimates.

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 may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, and continued availability of capital and financing, and general economic, market or business conditions and other factors discussed under the heading "*Risks and Uncertainties*". Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

NAV is a non-GAAP (generally accepted accounting principles) measure calculated as the value of total assets less the value of total liabilities divided by the total number of common shares outstanding as at a specific date. For the purpose of this calculation, share purchase warrants held by the Company were valued using the Black-Scholes model calculation, as reported in our annual and quarterly financial statements. The term NAV does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. There is no comparable GAAP measure presented in the Company's consolidated financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial measure. The Company believes that NAV can provide information useful to its shareholders in understanding its performance and may assist in the evaluation of its business relative to that of its peers.

OVERVIEW AND OVERALL PERFORMANCE

Elysee completed a Change of Business (“COB”) from a “mining issuer” to an “investment issuer” on December 31, 2015.

The Company believes that the experience and contacts of its board of directors and management will enable it to identify and capitalize upon investment opportunities as an "investment issuer". The Company's goal is to seek returns through investments in the securities of other companies. The Company's primary investments have been in junior mining and exploration companies active in the gold and silver sector and other metals. Occasionally the Company invests in other sectors as well.

On March 31, 2026 the Company had assets of \$23,676,964 and shareholder's equity was \$22,807,641.

The net asset value of the Company was \$0.81 per share on March 31, 2026. The NAV is based on the fair market value for the investment warrants as compared to \$0.77 per share using the intrinsic value for the investment warrants.

During the three-month period ended March 31, 2026 the Company had net and comprehensive earnings of \$1,930,241 compared to \$1,922,864 during the same period a year before. The current three-month period earnings were mainly due to a realized gain on marketable securities of \$2,557,292 and interest and dividend income of \$70,481 offset by an unrealized loss on marketable securities of \$543,120 and general and administrative expenses of \$157,534.

During the three-month period ended March 31, 2026 the Company invested approximately \$3.08 million in publicly listed companies in the U.S. and Canada.

The value of the warrants in the Company's portfolio decreased to \$1,477,617 as at March 31, 2026 from \$1,656,636 as at December 31, 2025 mainly due to the exercise of certain warrants that had significant intrinsic value. The fair market value of the warrants is determined based on the Black-Scholes Pricing Model. The intrinsic value of the Company's investment warrants was \$397,375 on March 31, 2026 (\$514,062 on December 31, 2025). The intrinsic value is equal to the difference between the market value of the underlying share less the exercise price of the warrant.

On March 3, 2026, the Company declared a dividend of \$0.02 per common share based on last year's financial results. This dividend was paid on April 8, 2026 to shareholders of record on March 27, 2026 and is an eligible dividend for Canadian income tax purposes.

At December 31, 2025, the Company had unused tax losses and tax pools of approximately \$5,305,000 available that may be used to offset taxes that would otherwise be payable on the Company's future comprehensive earnings. For more information, please refer to Note 10 of the audited annual consolidated financial statements for the year ended December 31, 2025 on the Company's web site and available at www.sedarplus.ca.

On May 5, 2026, the Company received approval from the TSX Venture Exchange (the “Exchange”) to renew its Normal Course Issuer Bid (the “NCIB”). The original NCIB started on May 3, 2013. Pursuant to the NCIB, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,409,518 of its issued and outstanding common shares. The price which the Company will pay for any shares purchased will be the prevailing market price of such common shares on the Exchange at the time of such purchase. The renewed NCIB will commence on May 13, 2026 and will terminate on May 12, 2027, or such earlier time as the NCIB is completed or at the option of the Company. Research Capital Corporation of Vancouver, B.C. will conduct the NCIB on behalf of the Company. The Company purchased 95,000 of its common shares at a total cost of \$52,250 for an average price per share of \$0.55 pursuant to the normal course issuer bid from January 1, 2026 to March 31, 2026.

The Board of Directors of the Company believes that from time-to-time market prices for the Company's common shares do not always reflect the underlying value and that, accordingly, the purchase of common shares under the NCIB will increase the Net Asset Value per share and be advantageous to all remaining shareholders. The NCIB purchases will also afford an increased degree of liquidity to current shareholders who would like to sell their shares and will serve to stabilize the market price for the Company's shares.

SIGNIFICANT EQUITY INVESTMENTS

Management considers the Company's most significant investments during the three-month period ended March 31, 2026 to be as follows:

Marketable Securities

During Q1, the Company sold numerous investments thereby realizing a gain on the sale of marketable securities of \$2,557,292 for the three months ended March 31, 2026. In Q1 the Company reduced its positions in Aclara Resources Inc, Amerigo Resources Ltd., Arizona Sonoran Copper Company Inc., NioCorp Developments Ltd., OceanaGold Corporation, West Point Gold Corp. and others. Investments were made in the Energy sector with purchases in Chevron Corporation and also increased investments in drilling companies like Major Drilling Group International Inc. and Orbit Garant Drilling Inc. Investments were also made in fertilizer stocks such as The Mosaic Company and a number of smaller developing copper and gold companies, including Greyridge Exploration Corp., Hot Chili Limited and Selkirk Copper Mining Inc. Several investments such as Solgold Plc, Probe Gold Inc. and Arizona Sonoran Copper Company were the subject of mergers and acquisition activity that resulted in significant realized gains. As a result of profit taking our cash position increased to more than \$6.5 million, or approximately 23 cents per share.

The following is the market value of the Company's 5 most valuable marketable securities held as at March 31, 2026:

	March 31, 2026
Equinox Gold Corp.	\$ 823,690
Agnico Eagle Mines Limited.	\$564,740
Arizona Sonoran Copper Company Inc.	\$ 546,000
DPM Metals Inc.	\$ 401,636
OceanaGold Corporation	\$ 394,740

OUTLOOK

At March 31, 2026 the Company's statement of financial position includes working capital of \$22,093,685 inclusive of \$6,584,108 of cash and \$15,876,683 in marketable securities.

Our robust cash position, in excess of \$6.5 million, allows us to take advantage of opportunities created by the recent stock market volatility.

Management believes the Company's financial position remains strong and is sufficient to cover planned administration costs for at least a twelve-month period.

RESULTS OF OPERATIONS – THREE-MONTH PERIOD ENDED MARCH 31, 2026

The Company's net and comprehensive earnings for the three-month period ended March 31, 2026 were \$1,930,241 (\$0.07 basic earnings per share) compared to a \$1,922,864 (\$0.07 basic earnings per share) for the three-month period ended March 31, 2025.

The significant changes in net and comprehensive earnings during the current three-month period compared to the prior year are as follows:

There was a realized gain on the sale of marketable securities of \$2,557,292 for the three-month period ended March 31, 2026 compared to realized gain on the sale of marketable securities of \$479,550 in the prior year. Transactions costs of \$20,797 were recognized for the three-month period ended March 31, 2026 compared to \$6,048 in the prior year.

There was an unrealized loss on marketable securities of \$543,120 for the three-month period ended March 31, 2026 compared to an unrealized gain on marketable securities of \$1,583,261 in the prior year due to profit taking in the current quarter.

Interest and dividend income increased \$16,457 to \$70,481 for the three-month period ended March 31, 2026 from \$54,024 during the three-month period ended March 31, 2025 due to an increase in interest-bearing investments.

Interest and accretion expenses decreased \$43,937 to \$7,019 for the three-month period ended March 31, 2026 from \$50,956 during the three-month period ended March 31, 2025 due to the convertible debenture repayment of \$1,685,000 in December 2025.

Legal and accounting fees increased \$11,834 to \$54,558 for the three-month period ended March 31, 2026 from \$42,724 incurred during the three-month period ended March 31, 2025 mainly due to increased compliance and audit costs.

Management fees decreased \$27,000 to \$33,000 for the three-month period ended March 31, 2026 from \$60,000 incurred during the three-month period ended March 31, 2025 mainly due to a bonus of \$30,000 paid to the President and Chief Executive Officer in the prior year.

There was a non-cash share-based payment expense of \$7,603 for vested restricted share units during the three-month period ended March 31, 2026 as compared to \$6,118 in the prior year.

Travel costs increased \$14,617 to \$15,117 for the three-month period ended March 31, 2026 from \$500 incurred during the three-month period ended March 31, 2025 mainly due to costs incurred for the attendance at investment conferences where investment opportunities are identified.

All other general and administrative costs incurred during the current three-month period were comparable to those incurred in the prior year.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's quarterly financial statements for the past eight quarters:

Quarter Ended	Net and Comprehensive Earnings (Loss)	Basic Earnings (Loss) per Share
March 31, 2026 (Q1, 2026)	\$1,930,241	\$0.07
December 31, 2025 (Q4, 2025)	\$1,433,495	\$0.05
September 30, 2025 (Q3, 2025)	\$5,370,391	\$0.19
June 30, 2025 (Q2, 2025)	\$1,023,604	\$0.04
March 31, 2025 (Q1, 2025)	\$1,922,864	\$0.07
December 31, 2024 (Q4, 2024)	\$(248,391)	\$(0.01)
September 30, 2024 (Q3, 2024)	\$963,981	\$0.03
June 30, 2024 (Q2, 2024)	\$(341,799)	\$(0.01)

The Company's net and comprehensive earnings fluctuate significantly from quarter to quarter depending on the valuation of its marketable securities. The marketable securities are based on the fair market value of the underlying shares or convertible debentures that are traded in an active market and the warrant valuations are based on the Black-Scholes Option Pricing Model. These fair value measurements can change dramatically depending on the price of the underlying securities and other observable inputs.

The Company's net and comprehensive earnings were \$1,930,241 for the three-month period ended March 31, 2026 (Q1 2026) and was mainly the result of a \$2,557,292 realized gain on marketable securities, \$70,481 of interest and dividend income and \$23,919 unrealized foreign exchange gains offset by \$543,120 in unrealized loss on marketable securities, \$20,797 in transaction costs and \$157,534 in general and administrative expenses.

The Company's net and comprehensive earnings were \$1,433,495 for the three-month period ended December 31, 2025 (Q4 2025) and was mainly the result of a \$2,056,675 realized gain on marketable securities, \$2,094,849 unrealized gain on marketable securities, \$88,560 of interest and other income offset by \$546,696 loss on convertible debenture redemption, \$1,694,618 unrealized loss on other investments, \$31,822 unrealized foreign exchange loss, \$20,228 in transaction costs, \$4,217 income tax and \$509,008 in general and administrative expenses.

The Company's net and comprehensive earnings were \$5,370,391 for the three-month period ended September 30, 2025 (Q3, 2025) and was mainly the result of a \$978,903 realized gain on marketable securities, \$4,525,671 unrealized gain on marketable securities, \$40,010 of interest income and \$6,887 unrealized foreign exchange gain offset by \$12,150 in transaction costs, \$5,000 unrealized loss on other investments and \$163,930 in general and administrative expenses.

The Company's net and comprehensive earnings were \$1,023,604 for the three-month period ended June 30, 2025 (Q2, 2025) and was mainly the result of a \$382,503 realized gain on marketable securities, \$899,885 unrealized gain on marketable securities, \$53,664 of interest income and \$20,000 other income offset by \$5,832 in transaction costs, \$133,321 unrealized loss on other investments, \$21,327 unrealized foreign exchange loss and \$171,968 in general and administrative expenses.

The Company's net and comprehensive earnings were \$1,922,864 for the three-month period ended March 31, 2025 (Q1, 2025) and was mainly the result of a \$479,550 realized gain on marketable securities, \$1,583,261 unrealized gain on marketable securities, \$13,952 unrealized foreign exchange gain, \$54,024 of interest income offset by \$6,048 in transaction costs and \$201,875 in general and administrative expenses.

The Company's net and comprehensive loss was \$248,391 for the three-month period ended December 31, 2024 (Q4, 2024) and was mainly the result of a realized loss on marketable securities of \$47,272, a realized loss on other investments of \$70,489, an unrealized loss on marketable securities of \$245,750, and \$225,656 in general and administrative expenses offset by an unrealized gain on other investments of \$258,451, \$54,445 of interest and dividend income and an unrealized foreign exchange gain of \$31,534.

The Company's net and comprehensive earnings were \$963,981 for the three-month period ended September 30, 2024 (Q3, 2024) and was mainly the result of a \$1,127,047 unrealized gain on marketable securities, \$203,728 recovery of other investments, \$76,590 of interest income offset by a \$280,580 realized loss on marketable securities, \$1,860 in transaction costs, \$5,257 unrealized foreign exchange loss and \$155,687 in general and administrative expenses.

The Company's net and comprehensive loss was \$341,799 for the three-month period ended June 30, 2024 (Q2, 2024) and was mainly the result of a realized loss on marketable securities of \$369,166, unrealized loss on other investments of \$169,698, \$3,774 in transaction costs, \$31,685 for interest write-offs and \$110,593 in general and administrative expenses offset by a \$315,785 unrealized gain on marketable securities, \$26,026 of interest and dividend income and an unrealized foreign exchange gain of \$1,306.

LIQUIDITY AND CAPITAL RESOURCES

The Company relies on its working capital and equity financings to fund its investing and administrative costs.

As at March 31, 2026, the Company had working capital of \$22,093,685 mainly comprised of cash of \$6,584,108 and marketable securities of \$15,876,683. This compares to working capital of \$21,309,334 on December 31, 2025, which included \$5,115,658 in cash and marketable securities of \$16,205,505.

The increase of \$1,468,450 in cash during the three-month period ended March 31, 2026 was mainly due to \$4,865,145 proceeds received pursuant to the sale of investments offset by \$3,077,418 purchase of investments and \$52,250 purchase of common shares returned to treasury.

Total assets as at March 31, 2026 increased to \$23,676,964 from \$21,975,224 as at December 31, 2025.

As at the date of this MD&A, the Company has approximately \$5,250,000 in cash.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company's Board of Directors consists of Guido Cloetens, Gaston Reymenants, Thibaut Lepouttre and Martin Burian. Guido Cloetens is the Company's President and Chief Executive Officer, Martin Burian is the Company's Chairman and Gord Steblin is the Company's Chief Financial Officer.

The Company paid or accrued amounts to related parties as follows:

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
Management fees	\$ 33,000	\$ 30,000
Management bonus	-	30,000
Accounting fees	23,448	18,191
Accounting bonus	-	20,000
Director fees	4,804	4,804
Share-based payments	7,603	6,118
	\$ 68,855	\$ 109,113

The amounts owing to members of key management were as follows:

	March 31, 2026	December 31, 2025
Management	\$ -	\$ 175,000

During the three-month period ended March 31, 2026, the Company recognized share-based payments of \$2,781 (March 31, 2025 - \$6,118) relating to 140,000 RSUs granted to directors and officers on July 15, 2024.

During the three-month period ended March 31, 2026, the Company recognized share-based payments of \$4,822 (March 31, 2025 - \$Nil) relating to 100,000 RSUs granted to directors and officers on May 6, 2025.

During the three-month period ended March 31, 2026, the Company paid \$12,116 (March 31, 2025 - \$9,000) for office rent and expenses, and administrative and general expenses including shareholder relations costs to a company controlled by the Chief Executive Officer.

During the year ended December 31, 2024, \$335,000 of the convertible debentures issued on June 14, 2024 were subscribed by directors and officers. During the year ended December 31, 2025, the Company redeemed \$175,000 of the \$335,000 convertible debentures and paid redemption costs of \$43,750 to directors and officers. As at March 31, 2026, \$160,000 of the convertible debentures remain outstanding to related parties. During the three-month period ended March 31, 2026, the Company made interest payments totaling \$3,200 (March 31, 2025 - \$6,608) on the convertible debentures to related parties.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments, convertible debentures, share-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

CHANGE IN ACCOUNTING POLICY

There were no new or amended accounting standards or interpretations that had a significant impact on the Company's consolidated financial statements during the periods ended March 31, 2026 and December 31, 2025.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Categories of financial instruments

	March 31, 2026	December 31, 2025
FINANCIAL ASSETS		
Fair value through profit or loss		
Cash	\$ 6,584,108	\$ 5,115,658
Marketable securities	15,876,683	16,205,505
Other investments	1,176,243	633,218
Amortized cost		
Interest receivable	38,698	16,907
Total financial assets	\$ 23,675,732	\$ 21,971,288
FINANCIAL LIABILITIES		
Amortized cost		
Trade and other payables	\$ 57,099	\$ 67,672
Due to related parties	-	175,000
Dividend payable	564,937	-
Convertible debentures	247,287	245,568
Total financial liabilities	\$ 869,323	\$ 488,240

Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 - fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
As at March 31, 2026				
Cash	\$ 6,584,108	\$ -	\$ -	\$ 6,584,108
Marketable securities - shares	13,489,554	-	-	13,489,554
Marketable securities - convertible debt	909,512	-	-	909,512
Marketable securities - warrants	-	1,477,617	-	1,477,617
Other investments - equity	-	-	760,914	760,914
Other investments - convertible debt	-	-	415,329	415,329
Total financial assets at fair value	\$ 20,983,174	\$ 1,477,617	\$1,176,243	\$ 23,637,034

	Level 1	Level 2	Level 3	Total
As at December 31, 2025				
Cash	\$ 5,115,658	\$ -	\$ -	\$ 5,115,658
Marketable securities - shares	13,754,725	-	-	13,754,725
Marketable securities - convertible debt	794,144	-	-	794,144
Marketable securities - warrants	-	1,656,636	-	1,656,636
Other investments - equity	-	-	222,889	222,889
Other investments - convertible debt	-	-	410,329	410,329
Total financial assets at fair value	\$ 19,664,527	\$ 1,656,636	\$ 633,218	\$ 21,954,381

Management of financial risks

The financial risks arising from the Company's operations include credit risk, liquidity risk, interest rate risk, currency risk and market risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and receivables. The Company manages its credit risk relating to cash by dealing only with highly-rated Canadian financial institutions. As at March 31, 2026, there is interest receivable of \$38,698 (December 31, 2025 - \$16,907). As a result, credit risk is considered insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. The Company has cash of \$6,584,108 (December 31, 2025 - \$5,115,658) to settle current liabilities of \$622,036 (December 31, 2025 - \$242,672), therefore liquidity risk is considered insignificant.

Interest rate risk

The Company's interest rate risk is primarily related to the Company's cash for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash. However, as these investments come to maturity within a short period of time, the impact would likely not be significant. The Company also has investments in convertible debentures which have a fixed interest rate and are not subject to interest rate fluctuations.

Currency risk

The majority of the Company's cash flows and financial assets and liabilities are denominated in Canadian dollars, which is the Company's functional and reporting currency. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding most of its cash in Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Market risk

Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its marketable securities and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer or class of issuers. The Company's investment activities are currently concentrated primarily in junior exploration and mining companies active in the gold and silver sector as well as several technology companies.

RISKS AND UNCERTAINTIES

The Company believes that the following items represent significant areas for consideration.

Cash Flows and Additional Funding Requirements

The Company has a limited history of operating earnings and no assurances that sufficient funding, including adequate financing, will be available. The sources of funds currently available to the Company include; sale of marketable securities, raising equity or debt capital.

Composition of Portfolio

The composition of the Company's securities portfolio taken as a whole may vary widely from time to time, particularly equity securities in which the Company invests in the natural resource sector which often have very high volatilities. The Company may make investments in securities that have low trading volumes. Accordingly, it may be difficult for the Company to make trades in these securities without adversely affecting the price of such securities.

Stock Price and Performance

The Company's stock price may vary according to the value of the securities in which it invests, which will depend, in part, upon the performance of the issuers of such securities. The value of the securities acquired by the Company will be affected by business factors and risks that are beyond the control of the Company. In addition, the performance of certain of the securities may be affected by business factors and risks other than their exposure to metal and mineral prices, which may be more determinative of such securities performance. Some of the factor and risks are: (i) some of the issuers in which the Company invests may have limited operating histories, (ii) operational risks related to specific business activities of the respective issuers; (iii) quality of underlying assets; (iv) financial performance of the respective issuers and their competitors; (v) volatility in the price of metal and mineral prices; (vi) environmental risks; (vii) political risks; (viii) fluctuation in exchange rates; (ix) fluctuation in interest rates; and (x) government regulation, including regulation to prices, taxes, royalties, land tenure, land use, importing and exporting of materials and environmental protection.

There is no assurance that the investment objectives of the Company will actually be achieved. The value of the shares of the Company may increase or decrease with the value of its investment portfolio and general economic conditions beyond the control of the Company's management, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors.

Key Management

The success of the Company will be largely dependent upon the performance of its key officers and consultants. The success of the Company is largely dependent on the discretion and ability of the Company in determining the composition of the portfolio of assets, and in negotiating the pricing and other terms of the agreements leading to the acquisition of assets. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

Conflict of Interest

Some of the Company's directors and officers are directors and officers of other reporting companies. These associations may give rise from time to time to conflicts of interest. As a result of, the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The ability to liquidate investments held by the Company in corporations with common director may be impaired by trading black-out periods imposed on insiders of such entities.

SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the Company repurchased 500 common shares of the Company pursuant to the Normal Course Issuer Bid which will be returned to treasury.

On May 5, 2026, the Company received approval from the TSX Venture Exchange to renew its Normal Course Issuer Bid.

On April 13, 2026, the Company granted 159,000 RSUs to directors and officers pursuant to the SBC Plan. The RSUs vest annually in three equal tranches over a period of three years with the first vesting on April 13, 2027.

OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at May 11, 2026, there were 28,246,859 outstanding common shares.

The following table summarizes information regarding stock options outstanding and exercisable as at May 11, 2026:

Grant date	Expiry date	Number of options outstanding	Number of options exercisable	Exercise price
May 17, 2022	May 17, 2027	1,050,000	1,050,000	\$ 0.70
April 3, 2023	April 3, 2028	300,000	300,000	\$ 0.50
December 16 2025	December 16, 2030	250,000	250,000	\$ 0.50
Total options		1,600,000	1,600,000	

There were 319,000 restricted share units (“RSUs”) outstanding as at May 11, 2026. The RSUs vest annually in three equal tranches over a period of three years with the next vesting on July 15, 2026.

There were no warrants outstanding as at March 31, 2026 or May 11, 2026.