

**Canadian Gold Resources Ltd.  
(Formerly Amseco Exploration Ltd.)**

*Management Discussion & Analysis*

*For the Year Ended December 31, 2025*

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## Overview

The following Management Discussion and Analysis (“MD&A”) for Canadian Gold Resources Ltd. (“CGR”) or (“the Company”) prepared as of April 29, 2026, should be read together with the audited financial statements for the year ended December 31, 2025 and related notes attached thereto, which were prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars unless otherwise noted.

This MD&A contains forward-looking information. Please see “Forward-Looking Information” and “Risk and Uncertainties” for a discussion of the risks, uncertainties and assumptions relating to such information.

## FORWARD-LOOKING INFORMATION

Forward-looking information is included in this MD&A, which involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this MD&A. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the following factors: financial health of the Company and the related cash flows, competitive and economic environment, seasonality and fluctuations in results, expansion, interest rates, cash distributions are not guaranteed and will fluctuate with the performance of the Company, and federal income tax changes.

Although the forward-looking information contained in this MD&A is based upon what the Company’s management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects management’s current beliefs and is based on information currently available to the Company. Such information reflects current assumptions regarding future events and operating performance including, without limitation, a strong economy in Canada, stable interest rates and continued strength in the mining exploration industry in which the Company operates and speaks only as of the date of this discussion. The forward-looking information is made as of the date of this MD&A and the Company assumes no obligation to update or revise such information to reflect new events or circumstances.

## Description of the Business

14697952 Canada Inc. (Formerly Canadian Gold Resources Ltd.) (“14697952”) was a private company and was incorporated pursuant to the provisions of the CBCA on January 22, 2023. Amseco Exploration Ltd. was incorporated pursuant to the provisions of the CBCA under the name 102123 Canada Ltd. on October 23, 1980. On June 17, 2006, the name was changed to Amseco Explorations Ltd. (“Amseco”) and on November 18, 2024, changed it to Canadian Gold Resources Ltd. (Formerly Amseco Explorations Ltd.) (“the Company”, “Canadian Gold” or “the Resulting Issuer”) The Company’s registered office is at 105 Englehart St., Suite 700, Dieppe, NB, Canada.

The Company is engaged in the acquisition, exploration, and if warranted, development of gold, silver, copper, molybdenum and other metal deposits in Canada. The Company has acquired a 100% interest in three mineral properties located in Western Gaspé, Québec. The properties are characterized by ease of accessibility, well developed infrastructure, access to a ready and skilled labour pool and a large degree of common logistics due to their relative proximity to each other.

## Overview

On November 18, 2024, Canadian Gold (formerly Amseco Exploration Ltd), (“the Resulting Issuer”) completed its business combination, a Reverse Takeover (“RTO”), with 14697952 Canada Inc. (formerly Canadian Gold Resources Ltd.), (“14697952”). Pursuant to the share exchange agreement between Amseco Exploration Ltd. and Canadian Gold Resources Ltd. dated May 31, 2024, the Company issued 20,052,000 common shares in the capital of the Company to the shareholders of Canadian Gold Resources Ltd. on a post consolidated basis (as defined herein), at a deemed price of \$0.25 per common share of the Company. Pursuant to the transaction, the Company implemented a consolidation of its issued and outstanding common shares on the basis of one post-consolidated share for each five pre-consolidated share resulting with 2,922,891 shares held by the former Amseco shareholders. The resulting Issuer’s Common Shares began trading on the TSX Venture Exchange (TSX-V) at the opening of the market on December 12, 2024 under the symbol CAN-V. In order to facilitate financial reporting, Canadian Gold and 14697952 were amalgamated on December 31, 2024.

A reverse take-over in which an operating non-public company obtains control of a non-operating public company that is not a business, does not qualify as a business combination, and is therefore outside the scope of IFRS 3 “Business Combination”. The transaction was therefore accounted for in accordance with IFRS 2, Shares Based Payment and IAS 32, Financial Instruments: Presentation. 14697952 recorded the excess of the deemed acquisition cost of Canadian Gold over the net value of its assets and liabilities as a cost of obtaining a listing and this cost is recorded as an expense.

These financial statements are prepared as a continuation of the financial statements of 14697952 but reflecting the continuation of the number of shares of Canadian Gold and capital value of 14697952 because of the RTO.

The excess deemed acquisition cost over the value of the net assets of Amseco was attributed to the value of the public listing and therefore was recorded as a listing expense. The fair value of the consideration to acquire Amseco was calculated at \$584,491. This value was determined based on the fair value of 2,922,891 common shares valued at \$0.1884 per share and 263,000 Canadian Gold stock options issued in exchange of existing stock options held by the previous holders of Amseco (post-consolidated in a ratio of 5:1). The options were valued at \$33,923 using the Black Scholes option pricing model (Note 13). The fair value of the common share was deduced through calibration method applying a discount for Lack of Marketability (DOLM) at 24.65% such that as at the measurement date the sum of fair values of the Common Shares issued, Common Share Units issued, and Flow-Through Share Units (“FT”) issued equals to the overall cash proceeds.

<b>Consideration Paid</b>	<b>\$</b>
Fair value of consideration to purchase 2,922,891 common shares valued at \$0.1884	550,568
263,000 Canadian Gold options	33,923
	<b>584,491</b>
<b>Total consideration fair value</b>	<b>584,491</b>
Net assets acquired	(189,164)
<b>Listing expenses</b>	<b>773,655</b>

- In January 2023, the Company entered into a mining claims purchase to acquire a 100% interest in the Lac Arsenault Gold Property (Lac Arsenault) located southwest of the Gaspé municipality on the Gaspé Peninsula, Québec.

In exchange for the mining claims, the Company paid \$100,000 in cash and issued 2,000,000 class A common shares of the Company with a fair value of \$500,000 for the purchase of 100% of the Lac Arsenault mining claims. The shares were held in trust until the Company completed the RTO in conjunction with the Company transitioning from a private corporation to a public corporation. The Company will also pay the vendor a 1% net smelter return “NSR” or the Company has the option to repurchase the NSR for \$500,000.

On February 29, 2024, the shares were transferred to the vendor and the claims were transferred to the Company.

The Company purchased an additional 70 claims in 2024 and an additional 59 claims in the first quarter of 2025.

- In January 2023, the Company entered into a mining claims purchase agreement to acquire a 100% interest in the Robidoux Gold Property (“Robidoux”) located in Western Gaspé, Québec.

The Company paid \$50,000 in cash in January 2023, another \$50,000 in cash in July 2023, and issued 1,600,000 class A common shares of the Company with a fair value of \$400,000 for the purchase of 100% of the Robidoux mining claims. Subsequently, shares were issued at arm’s length price in consideration for the agreed upon price of the mining claims acquired. The Company will also pay the vendor a 2% NSR.

On November 29, 2024, the shares were transferred to the vendor and the claims were transferred to the Company

- In April 2023, the Company entered into a mining claims purchase agreement to acquire a 100% interest in the VG Boulder Property (“VG”) located in the Gaspé region, Québec.

The Company issued 1,000,000 class A common shares of the Company with a fair value of \$250,000 for the purchase of 100% of the VG mining claims. Subsequently, shares were issued at arm’s length price in consideration for the agreed upon price of the mining claims acquired. The shares were held in trust until the Company completed the RTO in conjunction with the Company transitioning from a private corporation to a public corporation. The Company will also pay a 1% NSR to the vendor.

On April 4, 2024, the shares were transferred to the vendor and the claims were transferred to the Company.

## **Exploration Projects**

As noted above, the Company holds three gold exploration projects in the Gaspé region of Québec. Exploration activities during the period were focused primarily on advancing the Lac Arsenault Gold Property, with early-stage work completed on the Robidoux and VG Boulder properties. The timing and scope of exploration programs are influenced by the Company’s financial position, available working capital, and financing activities.

### Lac Arsenault Gold Property (Québec) 100% owned

The Lac Arsenault Project (11,133.58 ha) is the Company’s flagship asset. Historical data reported by previous operators include gold and silver values such as 1.4 oz Au/ton and 25 oz Ag/ton, 32.83 g/t Au over 0.27 m, 13.5 g/t Au over 0.75 m, and 39.7 g/t Au, as well as 0.36 oz Au over 5.2 feet. These historical results are not compliant with NI 43-101 and have not been verified by the Company but are considered relevant for exploration targeting purposes only.

Exploration work conducted in late 2024 included an airborne magnetic survey, which identified additional structural features considered prospective for mineralization. In September 2025, the Company completed an Induced Polarization (IP) survey over and around the Baker and Mersereau vein systems to investigate potential mineralized extensions. Based on the results of this geophysical work, a 3,000-metre diamond drilling program was initiated in November 2025 to test priority targets generated from the IP survey.

The Company has also advanced a 5,000-tonne bulk sampling program at Lac Arsenault. The program is intended to provide additional information on grade continuity, metallurgical performance, and potential operational parameters. While the bulk sampling program experienced delays related to permitting timelines and seasonal constraints, the Company has now received the required permits and signed proposals for the extraction, sale, and processing of mineralized material.

In the second half of 2025, the Company initiated its maiden diamond drilling program at Lac Arsenault following receipt of required permits. The initial program was designed for a minimum of approximately 36 drill holes totaling approximately 3,000 metres, with the objective of validating historical drill data, assessing the continuity of mineralization, and supporting the potential for a maiden mineral resource estimate.

Subsequent to commencement, the Company expanded the scope of the program, ultimately completing a total of 58 drill holes by December 23, 2025. The expanded program reflects the Company's decision to increase the scale of drilling based on observations from initial drilling and its intention to advance the Project.

Subsequent to the year ended December 31, 2025, the Company announced initial assay results from its maiden drill program at the Lac Arsenault Project. The first reported drill hole returned 19.5 g/t gold over 1.0 metre. The Company cautions that additional results are pending and that further work is required to assess the continuity and extent of mineralization. Remaining assay results will be released in due course as they are received and compiled.

In early 2026, the Company initiated its 2026 diamond drill program at the Lac Arsenault Project. The program was designed to test targets generated from recent geophysical surveys, including induced polarization ("IP") data, along with structural interpretations of the Baker and Mersereau vein systems and the broader mineralized corridor.

In addition to drilling, the Company expects to continue advancing the Project through supporting technical work, including surface exploration, geophysical surveys, and other studies, as warranted, and subject to results, permitting, and available funding.

#### Robidoux Gold Property (Québec) 100% owned

The Robidoux Project (1,945.83 ha) is an early-stage exploration property. Historical data reported by previous operators include values such as 1.77 g/t Au and 11.1 g/t Ag, 5.93 g/t Au, 0.39% Pb, 541 ppm Zn, and 14.6 g/t Ag, as well as channel sampling results of 46.13 g/t Au over 0.25 m and 32.77 g/t Au over 0.25 m. Additional historical data indicate an average grade of 12.024 g/t Au from a 657-tonne bulk sample. These historical results are not NI 43-101 compliant and have not been verified by the Company.

An airborne magnetic survey completed in late 2024 identified additional structural features considered prospective for mineralization. Mineralization in the area appears to be associated with structural zones, including features related to the Grand Pabos Fault system.

Planned exploration activities at Robidoux during 2026 are expected to focus on early-stage surface work, including geological mapping, prospecting, surface geophysics, and historical collar surveys. The objective of

this work is to identify mineralized structures and refine targets for potential future drilling, subject to results, permitting, and available funding.

Exploration at Robidoux is expected to be conducted in a staged and cost-controlled manner, consistent with the Company’s financial resources and exploration priorities, as discussed in the “Liquidity and Capital Resources” section.

VG Boulder Property (Québec) 100% owned

The VG Boulder Project (4,570.16 ha) is an early-stage exploration property. Historical analyses reported by previous operators range from 0.186 g/t Au to 75.7 g/t Au. These results are not NI 43-101 compliant and have not been verified by the Company.

An airborne magnetic survey completed in late 2024 identified structurally complex areas, including fault intersections considered prospective for mineralization.

Planned exploration activities at VG Boulder during 2026 are expected to include early-stage surface exploration such as geological mapping, prospecting, and surface sampling. Results from this work will be used to refine geological interpretations, prioritize targets, and assess the potential for future drill programs, subject to results, permitting, and available funding.

Exploration expenditures at VG Boulder will be managed in accordance with the Company’s overall financial position and capital availability.

Exploration and evaluation expenditures

During the three and twelve months ended December 31, 2025, the Company incurred \$2,449,650 and \$2,907,990 (2024 - \$459,844 and \$542,519) respectively in exploration and evaluation expenses, as detailed below:

	Three months ended December 31,				Lac Arsenault Property	VG Boulder Property	Robidoux Gold Property	2025	Lac Arsenault Property	VG Boulder Property	Robidoux Gold Property	2024
	\$	\$	\$	\$								
Acquisition	-	-	-	-	12,320	-	-	-	12,320	-	-	12,320
License and permits	3,189	-	-	3,189	40,146	-	-	40,146	40,146	-	-	40,146
Geology & prospecting	215,982	-	-	215,982	56,053	33,523	1,345	90,921	56,053	33,523	1,345	90,921
Geophysics	38,448	-	-	38,448	-	-	-	-	-	-	-	-
Lab Work	5,900	-	-	5,900	-	-	-	-	-	-	-	-
Survey	-	-	-	-	59,324	88,000	73,662	220,986	59,324	88,000	73,662	220,986
Ground work	40,022	-	-	40,022	43,536	-	-	43,536	43,536	-	-	43,536
Drilling	2,136,526	-	-	2,136,526	-	-	-	-	-	-	-	-
Renewal of claims	2,774	115	-	2,889	5,720	745	-	6,465	5,720	745	-	6,465
Other exploration costs	6,327	-	367	6,694	45,040	430	-	45,470	45,040	430	-	45,470
	<b>2,449,168</b>	<b>115</b>	<b>367</b>	<b>2,449,650</b>	<b>262,139</b>	<b>122,698</b>	<b>75,007</b>	<b>459,844</b>	<b>262,139</b>	<b>122,698</b>	<b>75,007</b>	<b>459,844</b>

	Year ended December 31,							
	Lac	VG	Robidoux	2025	Lac	VG	Robidoux	2024
	Arsenault	Boulder	Gold		Arsenault	Boulder	Gold	
	Property	Property	Property	Property	Property	Property	Property	
\$	\$	\$	\$	\$	\$	\$	\$	
Acquisition	5,151	-	-	5,151	12,320	-	-	12,320
License and permits	13,743	-	-	13,743	104,897	-	-	104,897
Geology & prospecting	435,361	7,744	-	443,105	61,520	37,749	4,666	103,935
Geophysics	119,983	1,105	1,105	122,193	-	-	-	-
Lab Work	21,729	4,565	27,052	53,346	-	-	-	-
Survey	48,990	-	-	48,990	60,324	89,000	74,662	223,986
Ground work	53,739	-	-	53,739	43,536	-	-	43,536
Drilling	2,150,618	-	-	2,150,618	-	-	-	-
Renewal of claims	4,914	828	1,941	7,683	5,851	2,524	-	8,375
Other exploration costs	9,055	-	367	9,422	45,040	430	-	45,470
	<b>2,863,283</b>	<b>14,242</b>	<b>30,465</b>	<b>2,907,990</b>	<b>333,488</b>	<b>129,703</b>	<b>79,328</b>	<b>542,519</b>

Scientific and technical information regarding the mineral exploration properties presented in this section of the MD&A has been reviewed and approved by Mark Smethurst, PGeo. Mark Smethurst is a Director of Canadian Gold and is a Qualified Person as defined in NI 43-101.

### Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
	\$	\$
Net loss and comprehensive loss	(855,425)	(1,234,100)
Basic and diluted loss per share	(0.02)	(0.06)
Total assets	7,932,156	5,381,930
Total long-term liabilities	43,937	-
Cash dividends	-	-

## **Results of Operations**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates. Additional significant accounting policies are detailed in Note 3 of the December 31, 2025 audited financial statements.

### **For The Year Ended December 31, 2025**

Operations during the year ended December 31, 2025 were focussed on exploration activities related to the properties.

Net loss for the year ended December 31, 2025 was \$855,425 which was a loss of \$0.02 per share on both a basic and a fully diluted basis. Major components of the net loss were share-based payment of \$392,187, advertising and promotion of \$361,618, accounting and audit fees of \$176,222, management fees of \$176,000 and legal fees of \$108,064. The loss was partially offset by other income of \$742,802, representing the flow-through share premium liability recognized on renunciation during the year.

The positive variance of \$378,675 in the loss between the years ended December 31, 2025 and December 31, 2024 is mainly due to the listing expense, other income - flow-through share liability renounced, the share-based payment, the advertising and promotion, the management fees and the consulting fees.

As a result of the RTO, the Company incurred listing expenses of \$900,901 in 2024 compared to \$nil in 2025, as no similar transaction occurred in 2025.

The Company recorded other income of \$742,802 for the year ended December 31, 2025 (2024 – \$143,674), representing a positive variance of \$599,128. This income relates to the recognition of the flow-through share premium liability. As the Company incurs qualifying exploration expenditures, the corresponding portion of the liability is reduced and recognized as other income in the statement of net loss and comprehensive loss. Additional details are provided in Note 10 of the December 31, 2025 audited financial statements.

During the year ended December 31, 2025, the Company issued stock options to Directors, Officers and employees, and, as a result, recorded share based payment of \$392,187 (2024 – \$nil).

The increase in advertising and promotion expenses by \$293,888 is attributed to the Company's heightened efforts in investor relations following its public listing.

Management fees of \$176,000 were paid during the year to directors or to companies controlled by directors of the Company, compared to \$96,000 for fiscal 2024. The increase reflects higher management compensation levels following the Company's public listing and expanded corporate activities.

Consulting fees increased by \$75,730 in the current year compared to 2024. The increase is primarily attributable to higher expenditures related to corporate development initiatives and financial advisory services, reflecting the Company's expanded strategic and capital-markets activities during the year.

## Summary of Quarterly Results

The following table sets forth selected unaudited quarterly financial information for each of the last eight most recently completed quarters:

	<b>Three Months Ended</b>							
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	\$	\$	\$	\$	\$	\$	\$	\$
Total assets	7,932,156	4,385,151	4,579,168	4,792,888	5,381,930	1,818,821	1,813,544	1,829,284
Mineral property costs	5,010,451	2,560,801	2,346,460	2,205,192	2,102,461	1,099,056	1,083,754	1,042,994
Working capital (deficiency)	(94,740)	804,627	1,248,455	1,645,064	2,005,702	(12,143)	67,983	210,940
Shareholders' equity	5,025,157	3,466,648	3,667,525	3,850,256	4,108,163	1,630,474	1,695,298	1,793,174
Revenues	-	-	-	-	-	-	-	-
Net income (loss)	178,277	(221,006)	(182,731)	(629,965)	(816,170)	(241,377)	(97,876)	(78,677)
Loss per share	0.00	(0.01)	0.00	(0.02)	(0.04)	(0.01)	0.00	0.00

Variation in operating results over the previous eight quarters resulted primarily in the operations related to exploration activities, to the reverse takeover, and the starting up of the Company.

## Liquidity

The Company has no history of profitable operations, and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	\$	\$
Working Capital (deficiency)	<b>(94,740)</b>	2,005,702
Deficit	<b>2,362,674</b>	1,507,249

Net cash used in operating activities during the year ended December 31, 2025, was \$1,337,801. The net cash used in operating activities primarily consists of the operating loss and changes in non-cash working capital.

Cash flow provided by financing activities was \$2,128,002 during fiscal 2025. Cash was primarily provided from the net proceeds from the issue of common shares and related party advance.

Net cash used in investing activities was \$3,296,221 during the year ended December 31, 2025. Cash was expended on exploration work conducted on the mineral properties, the acquisition of property, plant and equipment and the acquisition of investment.

Subsequent to the year end, on January 30, 2026, the Company completed a non-brokered private placement of units, raising gross proceeds of \$1,050,000. With a planned bulk sample in the spring and another private placement, management believes the Company has enough working capital to support its operations and exploration activities for the upcoming fiscal year.

## **Capital Resources**

The Company's sources of funds have been derived primarily from proceeds from issue of common shares. As indicated in the previous section, the Company closed one private placements in 2026 and is planning a bulk sample in 2026.

Additional disclosure concerning the Company's general and administrative expenses and resource property obligations and commitments are provided in the Company's statements of comprehensive income and notes therein. The Company does not have any commitments for specific capital expenditures.

## **Commitments**

As of December 31, 2025, the Company has yet to incur exploration expenditures totaling \$1,738,915 from its flow-through funds. The expenditures must be incurred by December 31, 2026. If they are not incurred by that date, the Company will need to indemnify the shareholders for any taxes or other costs incurred by them.

## **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

## **Transactions with Related Parties**

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals.

Related party payable at December 31, 2025 – \$48,023 (2024 – \$35,200) is comprised of management fees, consulting fees and accounting expenses due to officers and directors of the Company or to companies controlled by officers and directors of the Company. Amounts payable to related parties are non-interest bearing, are due on demand, and are unsecured.

The related party advance payable of \$200,018 (2024 – \$nil) was due to an officer and director of the Company. The advance was unsecured, bore interest at 10% per annum, and was payable on demand. The advance, together with all accrued interest, was fully repaid on January 2, 2026.

The Company entered into the following transactions with related parties during the year ended December 31, 2025:

- a) Paid or accrued \$176,000 – (2024 – \$96,000) in management fees to directors or companies controlled by directors of the Company.
- b) Paid or accrued \$13,450 – (2024 – \$nil) in consulting fees to directors or companies controlled by directors of the Company.
- c) Paid or accrued \$52,786 (2024 – \$33,580) in accounting fees to an officer of the Company.
- d) Paid or accrued \$192,500 (2024 – \$38,000) in consulting fees to a company controlled by a director of the Company. These amounts were capitalized as exploration and evaluation assets on the statement of financial position as the underlying services related directly to exploration activity.
- e) Paid or accrued \$1,018 (2024 – \$nil) in interest expense to a director or companies controlled by a director of the Company.

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

## **Risk and Uncertainties**

The Company holds certain mineral property interests, and as such is exposed to numerous risks and uncertainties common to other junior exploration companies.

The Company's business, results of operations, financial condition, and the trading price of its common shares could be materially adversely affected by any of the foregoing risks and by other risks, including risks related to development of mineral deposits, metal prices, title matters, reclamation costs, metal price volatility, competition, additional funding requirements, insurance, conflicts of interest, and share trading volatility. Any of these risks could have a material adverse effect on the business, operations or financial condition of the Company.

The Company and its mineral exploration programs are at an early stage. The Company is not profitable and has no sources of revenue. The Company is reliant on raising equity and while this has been successful in the past, there is no guarantee that it will be able to do so in the future.

The mineral claim that the Company has an interest in are in the exploration stage only. There is no assurance that the exploration activities of the Company will result in the discovery of a commercially viable mineral deposit.

Mineral exploration activities could result in injury and damage to life and property, possible adverse environmental impacts and possible legal liability.

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

## **Critical Accounting Estimates (Note 2- December 31, 2025 audited financial statements)**

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- **Fair Value of the Share Price as at the RTO Date**

The fair value of the common share was determined through calibration method applying a discount for Lack of Marketability (DOLM) at 24.65% such that as at the measurement date the sum of fair values of the Common Shares issued, Common Share Units issued, and FT Share Units issued equals to the overall cash proceeds.

- **The carrying value and recoverable amount of exploration and evaluation assets**

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and

other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

▪ **The recognition or non-recognition of deferred income tax assets**

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

▪ **The fair value of the non-cash common shares issued**

The Company values the shares issued in an equity settled transaction at the fair value of the services obtained.

▪ **The inputs to Black Scholes method to fair value the stock options and the warrants**

The Company measures the fair value of stock options and warrants using option-pricing models that require significant judgment in selecting valuation techniques and determining key assumptions. Stock options and certain warrants continue to be valued using the Black-Scholes option pricing model, which requires estimates of expected volatility, expected life, forfeiture rates, and risk-free interest rates.

During 2025, the Company issued warrants that include an accelerated-expiry clause triggered by specified market-based conditions. Because this feature creates path-dependent outcomes, management determined that the Black-Scholes model was not appropriate for these instruments. These warrants were therefore valued using a Monte Carlo simulation model, which incorporates a range of potential share-price paths and the probability-weighted impact of early-expiry events.

The selection of valuation techniques and the determination of key inputs involve significant judgment. Changes in these assumptions may result in material differences in the fair value of stock-based compensation and warrant liabilities recognized in the financial statements.

• **The Right-of-Use Assets (“ROU”)**

In applying IFRS 16, the Company makes judgments in deciding the lease term, including whether renewal or termination options will be used, and in determining if contracts contain a lease or qualify for exemptions. Estimates are also required, mainly to set the discount rate used to measure lease liabilities, to assess variable lease payments, and to test right-of-use assets for impairment. These judgments and estimates involve uncertainty, and actual results may differ, which could change the amounts recorded for right-of-use assets and lease liabilities.

**Accounting Standards Issued but not yet Applied:**

In May 2024, the IASB issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments have not yet been incorporated into Part I of the CPA Canada Handbook - Accounting.

The amendments:

- Provide clarification that a financial liability is derecognized on the ‘settlement date’, i.e., the date on which the liability is extinguished as the obligation specified in the contract is discharged or cancelled or expired;
- Provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option shall apply it to all settlements made through the same electronic payment system;
- Clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, including environmental, social and corporate governance (ESG) linked features;

- Clarify that, for a financial asset to have ‘non-recourse’ features, the entity’s ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets. The amendments also include factors that an entity should consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test);
- Clarify the characteristics of the contractually linked instruments that distinguish them from other transactions; and
- Add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments are to be applied retrospectively. In applying the amendments, an entity is not required to restate comparative periods. The Company is currently assessing the impact of the new standard on its financial statements.

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which sets out the overall requirements for presentation and disclosures in the financial statements. The new standard replaces IAS 1 and although much of the substance of IAS 1 will carry over into the new standard, the new standard will require presentation of separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The new standard will also require disclosure and explanation of management-defined performance measures in a separate note within the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

## **Financial Instruments and Other Instruments**

The Company has designated its financial instruments as follows: cash and investment are classified as held-for-trading which is measured at fair value. Cash and investment are measured at fair value on a recurring basis. Subscription receivable, interest and other receivable, and taxes receivable are classified as receivables and are recorded at amortized cost. Accounts payable and accrued liabilities, related party payable, share subscription received, part XII.6 tax payable and lease liability are classified as other liabilities. They are initially measured at fair value. Subsequent valuations are recorded at amortized cost using the effective rate method.

IFRS 7, Financial Instruments – Disclosure; increases the disclosures currently required to enable users to evaluate the significance of financial instruments for an entity’s financial position and performance. This standard establishes a three-tier hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company’s investments. The hierarchy of inputs and description of inputs is described as follows:

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

At December 31, 2025, the Company’s only financial instruments measured at fair value on a recurring basis are cash and the one-year guaranteed investment certificate (GIC), which are classified as Level 1 in the fair value hierarchy. All other financial instruments are measured at amortized cost. Their carrying amounts approximate fair value due to their short-term nature or the application of the effective interest method.

## **Financial Risk Factors**

The Company, through its financial assets and liabilities is exposed to various risks. The following analysis provides a measurement of risks as at the balance sheet date, December 31, 2025.

### **(a) Fair Value**

Financial instruments included in the statements of financial position are measured either at fair value or amortized cost. Estimated fair values for financial instruments are designed to approximate amounts for which the instruments could be exchanged in an arm's-length transaction between knowledgeable and willing parties. Except for cash and investment, the Company does not have any financial instruments measured at fair value.

The carrying values of share subscription receivable, interest and other receivable, taxes receivable, related party payable, accounts payable and accrued liabilities and taxes payable approximate their fair values due to the short term to maturity of the instruments.

The carrying value of the lease liability also approximates its fair value. The lease liability is measured at amortized cost using the effective interest method, and the discount rate applied reflects the Company's incremental borrowing rate at the time of initial recognition.

### **(b) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances primarily in large Canadian chartered banks and has no loans. The Company's current policy is to invest cash in Canadian bank savings accounts or guaranteed investments certificates with interest that varies at prime.

### **(c) Credit Risk**

The Company's credit risk is primarily attributable to cash, investment, interest and other receivable and share subscription receivable. Cash and investment are held with reputable financial institutions, primarily in Canada, and are kept in highly liquid accounts that are closely monitored by management. Credit risk with respect to interest and other receivable and share subscription receivable is minimal due to their short-term nature.

The Company's maximum exposure to credit risk is as follows:

<b>December 31, 2025</b>	
	\$
<b>Cash</b>	<b>593,352</b>
<b>Investment</b>	<b>266,840</b>
<b>Share subscription receivable</b>	<b>964,084</b>
<b>Interest and other receivable</b>	<b>2,858</b>
	<b>1,827,134</b>
<b>December 31, 2024</b>	
Cash	3,099,372
Share subscription receivable	34,000
	<b>3,133,372</b>

**(d) Derivatives – Mineral Properties**

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties (“NSR”), the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

**(e) Foreign Exchange Risk**

Foreign exchange risk is the risk that fair values of future cash flows of a financial instrument will fluctuate because they are nominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

**(f) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined below. At December 31, 2025, the Company had a cash balance of \$593,352, investment of \$266,840 and share capital receivable of \$964,084 to settle its current liabilities of \$2,863,062.

The Company had a working capital deficit of \$94,740 at December 31, 2025 which, in the opinion of management, is not sufficient to support the Company's normal operating requirements through its current reporting period. However, as mentioned in note 1, subsequent to the year end, on January 30, the Company raised gross proceeds \$1,050,000 from a private placement. Management intends to finance operating and exploration costs over the next twelve months with cash on hand, private placements of common shares and a bulk sample on one of its properties. The Company is continuing to review expenditures in order to ensure adequate liquidity and flexibility to support its exploration and development strategies.

## Outstanding Share Data

The Company has the following shares issued and outstanding:

	MDA	December 31, 2025	December 31, 2024
Authorized			
Unlimited number of common shares without par value			
Issued and Outstanding	54,868,876	47,868,876	36,667,221

Due to an escrow agreement under Policy 5.4 Escrow Vendor Consideration and Resale Restrictions in connection with a Reverse Takeover, a total of 10,867,501 common shares and 45,000 stock options were placed in escrow. The release schedule provides for the staged release of securities as follows: on January 13, 2025, 1,077,415 shares and 4,500 stock options were released; on June 10, 2025, 1,631,681 shares and 6,750 stock options were released, with equivalent amounts scheduled for release every six months thereafter until December 2027. As at December 31, 2025, 6,526,723 shares and 27,000 stock options remained subject to escrow restrictions.

## Warrants

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
		\$
Balance - December 31, 2023	-	-
Issued during the year	8,474,165	0.38
Broker warrants issued during the year	768,754	0.28
Balance - December 31, 2024	9,242,919	0.37
Issued during the year	5,600,828	0.22
Broker warrants issued during the year	896,132	0.18
Broker warrants cancelled	(14,000)	0.25
Balance - December 31, 2025	15,725,879	0.31
Issued subsequent to year end	7,000,000	0.22
Broker warrants issued subsequent to year end	530,933	0.15
Balance MDA	23,256,812	0.025

The following warrants are outstanding at December 31, 2025:

Warrants	Exercise price	Grant date fair value of warrants - net of issue costs	Expiry date
#	\$	\$	
478,000	0.35	34,873	30-Dec-26
1,542,499	0.40	144,947	30-Dec-26
2,166,667	0.40	207,894	27-Dec-26
2,778,000	0.35	167,352	18-Nov-26
1,508,999	0.40	160,965	18-Nov-26
5,600,828	0.22	315,942	31-Dec-28
<b>14,074,993</b>		<b>1,031,973</b>	

The following broker warrants are outstanding at December 31, 2025:

Broker warrants	Exercise price	Grant date fair value of warrants	Expiry date
#	\$	\$	
10,360	0.25	1,386	30-Dec-26
196,128	0.30	24,084	30-Dec-26
313,333	0.30	40,788	27-Dec-26
166,133	0.30	21,058	18-Nov-26
68,800	0.25	5,397	18-Nov-26
896,132	0.18	80,114	31-Dec-28
<b>1,650,886</b>		<b>172,827</b>	
<b>15,725,879</b>		<b>1,204,800</b>	

A total of 3,559,136 warrants issued during the year are subject to a 120-day holding period from their issuance date. As of December 31, 2025, 3,559,136 warrants remain restricted.

### Stock options

The Board of Directors of the Company has adopted a stock option plan for the Company. Pursuant to the plan, the Board of Directors of the Company may allocate common shares to its directors, officers, employees and certain consultants. The aggregate number of stock options to be granted under the plan should not exceed 10% of the issued and outstanding capital of the Company and the aggregate number of shares reserved for issuance to any one person shall not exceed 5% of the issued and outstanding common shares. The options are non-transferable and non-assignable and may be granted for a term not exceeding ten years. The exercise price of the options is fixed by the Board of Directors of the Company at the time of grant, subject to all applicable regulatory requirements. The vesting period for options is set by the Company at the time the options are granted.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
		\$
Balance December 31, 2023	-	-
Reverse takeover (Note 1)	263,000	0.35
Balance, December 31, 2024	263,000	0.35
Issued during the year	<b>1,800,000</b>	<b>0.25</b>
Expired during the year	<b>(418,000)</b>	<b>0.29</b>
Balance December 31, 2025	<b>1,645,000</b>	<b>0.25</b>
Issued subsequent to year end	<b>600,000</b>	<b>0.25</b>
Balance MDA	<b>2,245,000</b>	<b>0.25</b>

The number of stock options outstanding at December 31, 2025 is summarized as follows:

Number of Options	Exercise Price	Expiry Date	Weighted average remaining contractual life of outstanding options (years)	Grant date weighted average fair value per option	Exercisable
	\$			\$	
15,000	\$0.50	30-Oct-28	2.83	0.15	10,737
35,000	\$0.38	03-May-34	8.34	0.24	25,053
45,000	\$0.25	03-Aug-33	7.59	0.24	32,210
1,550,000	\$0.25	22-Jan-35	9.07	0.22	1,550,000
1,645,000					1,618,000

The weighted average grant date fair value of options granted during the year was \$0.22 (2023 - \$0.13). The share-based payment expense of \$392,187 was recorded in the statement of net loss and comprehensive loss and credited to the contributed surplus in the statement of financial position, (2024- \$33,923 - was attributed to the value of the consideration paid for the RTO).

These options were valued using the Black-Scholes Model with the following assumptions:

	2025	2024
Risk free interest rate	<b>3.32%</b>	3.07%-3.19%
Expected life	<b>10 years</b>	1 - 9.5 years
Expected volatility	<b>133%</b>	100% - 150%
Expected dividend yield	<b>nil</b>	nil
Expected forfeiture rate	<b>nil</b>	nil

### **Additional Disclosure for Companies Without Significant Revenue**

A breakdown of material G&A expenses is set out in the Statements of Comprehensive Income for the year ended December 31, 2025.

### **Capitalized or Expensed Exploration and Development Costs**

Note 5 to the Financial Statements for the year ended December 31, 2025 set out amounts with respect to capitalized exploration and evaluation expenditures by property.

### **Management's Responsibility for Financial Information**

The Company's financial statements and other information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

The Company maintains internal control systems designed to ensure that financial information is relevant and reliable and that assets are safeguarded.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

### **Evaluation of Disclosure Controls and Procedures**

Management has evaluated the effectiveness of its disclosure controls and procedures and has concluded that they are sufficiently effective to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

### **Subsequent Events**

- i) On January 30, 2026, the Company closed a non-brokered private placement of units raising gross proceeds \$1,050,000. Of this amount, \$77,000 was received in advance during the year ended December 31, 2025.
- ii) Participation in the Semi-Annual Reporting Pilot Program:  
After the end of the fiscal year, on April 21, 2026, the Company filed a notice of intention to rely on CSA Coordinated Blanket Order 51-933, which permits eligible venture issuers to adopt a semi-annual financial reporting framework under the Canadian Securities Administrators' Semi-Annual Reporting ("SAR") Pilot Program.  
Beginning in fiscal 2026, the Company will be exempt from filing interim financial statements and MD&A for its first and third fiscal quarters. The Company will continue to file semi-annual financial statements and MD&A for the first six months of each fiscal year, annual audited financial statements and annual MD&A, CEO/CFO certifications, and all required timely disclosure documents. This change does not impact the Company's reporting obligations for the year ended December 31, 2025, for which quarterly reporting remained in effect.
- iii) In February 2026, the Company purchased a house in Gaspé, Québec for an amount of \$195,000.
- iv) On March 11, 2026, the Company issued 600,000 stock options to consultants at an exercise price of \$0.25.

**Approval**

The Board of Directors of Canadian Gold Resources Ltd. has approved the disclosure contained in this Management Discussion & Analysis. A copy of this Management Discussion & Analysis will be provided to anyone who requests it.