



Management's Discussion and Analysis

**For the three and nine months ended July 31, 2026 and 2025
(Expressed in United States dollars)**

ARRAS MINERALS CORP.

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(Expressed in United States Dollars, except as noted)

INTRODUCTION

This management's discussion and analysis ("MD&A") has been prepared by management in accordance with the requirements of NI 51-102 as of September 25, 2026, and reviews and summarizes the activities of Arras Minerals Corp. (the "Company" or "Arras") for the three and nine months ended July 31, 2026 and 2025 and was prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A is intended to supplement the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended July 31, 2026 and the Company's audited consolidated financial statements for the year ended October 31, 2025, and the related notes contained respectively therein which have been prepared under IFRS. All amounts are in United States dollars ("USD") unless otherwise specified.

Management is responsible for the preparation and integrity of the condensed interim consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

The Company's common shares are traded on the TSX Venture Exchange (the "TSXV") under the symbol "ARK" and on the OTC Markets under the symbol "ARRKF". Its most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed at www.sedarplus.ca.

GENERAL BUSINESS OVERVIEW

Arras Minerals Corp. ("Arras") is a Canadian exploration and development company advancing a portfolio of copper and gold assets in northeastern Kazakhstan.

Arras was incorporated on February 5, 2021, under the *Business Corporations Act* (British Columbia). The Company's head office is located at Suite 1508, 999 West Hastings Street, Vancouver, British Columbia, Canada, V6C 2W2 and its registered and records office is located at Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X1.

On February 3, 2022, the Company purchased 100% of the issued and outstanding shares of Ekidos Minerals LLP ("Ekidos") and Ekidos became a wholly owned subsidiary of the Company. Ekidos is in the business of the exploration and evaluation of mineral properties.

The Company's assets consist of a number of exploration licenses located in northeastern Kazakhstan, including the Elemes copper-gold porphyry project. Operations are conducted through Ekidos.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

The following selected information has been derived from the Company's condensed interim consolidated financial statements for the three and nine months ended July 31, 2026 and 2025 and should be read in conjunction with the Company's condensed interim consolidated financial statements, which are available at www.sedarplus.com:

SUMMARY OF FINANCIAL RESULTS

	July 31, 2026	October 31, 2025
	\$	\$
Cash and cash equivalents	19,701,567	10,401,194
Mineral properties	1,415,956	1,415,956
Total assets	24,467,118	14,515,818
Current liabilities	1,005,478	652,390
Total liabilities	1,182,613	652,390
Working capital	21,373,879	12,022,581

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	For the three months ended July 31, 2026	For the three months ended July 31, 2025	For the nine months ended July 31, 2026	For the nine months ended July 31, 2025
	\$	\$	\$	\$
Expenses				
Exploration	3,739,801	1,330,561	6,877,254	2,682,192
Personnel	207,844	238,178	772,821	805,237
Marketing and shareholders' communication	27,040	86,846	195,173	199,629
Directors' fees	57,486	64,030	200,076	211,168
Professional services	16,514	26,361	75,726	106,717
Office and administrative	25,552	6,487	84,797	36,070
Depreciation	10,737	19,970	55,258	60,720
Loss from operations	(4,084,974)	(1,772,433)	(8,261,105)	(4,101,733)
Interest income	44,070	101,774	136,588	126,190
Foreign currency translation (loss) gain	(98,844)	(84,831)	554,595	153,490
Management fee	-	45,817	14,148	124,398
Mineral property impairment	-	(3,619,303)	-	(3,619,303)
Change of fair value of warrant derivative	-	-	-	(2,179,405)
Other (loss) income	(54,774)	(3,556,543)	705,331	(5,394,630)
Net and Comprehensive Loss for the Period	(4,139,748)	(5,328,976)	(7,555,774)	(9,496,363)
Basic and Diluted Loss Per Common Share	(0.03)	(0.04)	(0.06)	(0.09)
Weighted Average Number of Common Shares Outstanding	128,510,087	120,253,702	124,283,776	103,597,891

RESULTS OF OPERATIONS**For the three months ended July 31, 2026 and 2025**

For the three months ended July 31, 2026, the Company had no revenue and incurred a net loss of \$4,140,000 compared to a net loss of \$5,329,000 for the same period last year.

Exploration costs and Related Costs

Exploration costs increased \$2,409,000 to \$3,740,000 for the three months ended July 31, 2026 as compared to \$1,331,000 for the same period last year. The increase was primarily due to an increase in exploration activities at the Elmes Project, which were offset by a decrease in stock-based compensation and target generation. In the comparative period, \$807,000 in funding was received from Teck to cover project expenditures pursuant to the Teck Alliance Agreement. No such amounts were received in the current period due to the termination of the Alliance Agreement in early 2026.

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A summary of the material components of the Company's exploration expenses during the three months ended July 31, 2026 and 2025 is as follows:

	For the three months ended July 31, 2026	For the three months ended July 31, 2025
Drilling and sampling	\$ 3,108,317	\$ 1,315,896
Personnel	341,889	339,725
Stock-based compensation	11,402	38,862
Site operations	249,742	190,561
Target generation	-	180,000
Professional services	-	4,200
Insurance	3,837	3,888
Travel	6,176	6,040
Depreciation	18,438	12,137
Teck Alliance Agreement funding	-	(760,748)
Total Exploration and Related Costs	\$ 3,739,801	\$ 1,330,561

Corporate General and Administrative Expenses

A summary of the material components of the Company's general and administrative expenses during the three months ended July 31, 2026 and 2025 is as follows:

	For the three months ended July 31, 2026	For the three months ended July 31, 2025
Personnel	\$ 187,232	\$ 180,221
Personnel – stock-based compensation	20,612	57,957
Directors' fees	33,784	31,968
Directors' fees – stock-based compensation	23,702	32,062
Professional services	16,514	26,361
Marketing and shareholders' communication	27,040	86,846
Office and administrative	25,552	6,487
Depreciation	10,737	19,970
Total Corporate Costs	\$ 345,173	\$ 441,872

Personnel

Personnel costs increased \$7,000 to \$187,000 for the three months ended July 31, 2026 as compared to the \$180,000 for the same period last year. The increase in the salary costs was mainly due to increased wages at head office.

Personnel – stock-based compensation

Personnel stock-based compensation expenses decreased \$37,000 to \$21,000 in the three months ended July 31, 2026 compared to \$58,000 of personnel stock-based compensation in the same period last year. The decrease was mainly due to stock options granted in the three months ended July 31, 2025, whereas there were none granted in the current period.

Directors' fees

Directors' fees increased \$2,000 to \$34,000 for the three months ended July 31, 2026 as compared to the \$32,000 for the same period last year. The increase was mainly due to higher statutory contributions compared to the same period last year.

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Directors' fees – stock-based compensation

Directors' stock-based compensation decreased \$8,000 to \$24,000 for the three months ended July 31, 2026 as compared to the \$32,000 for the same period last year. The decrease was mainly due to stock options granted in the three months ended July 31, 2025, whereas there were none granted in the current period.

Professional services

Professional fees decreased \$10,000 to \$17,000 for the three months ended July 31, 2026 as compared to the \$26,000 for the same period last year. The decrease was mainly due to a decrease in legal fees compared to the same period last year.

Marketing and shareholders' communication

Marketing and shareholders' communication decreased \$60,000 to \$27,000 for the three months ended July 31, 2026 as compared to \$87,000 for the same period last year. The decrease was mainly due to the timing of the annual general and special meeting of the shareholders related costs and a \$45,000 decrease in marketing costs.

Office and administrative

Office and administrative costs increased \$20,000 to \$26,000 for the three months ended July 31, 2026 as compared to \$6,000 for the same period last year. The increase was mainly due to an increase in travel expenses and the costs associated with the relocation of the Company's new corporate office during the current period.

Depreciation

Depreciation costs decreased by \$9,000 to \$11,000 for the three months ended July 31, 2026 as compared to \$20,000 for the same period last year. The decrease was mainly due to a new corporate office lease with lower lease payments that commenced in December during the current period.

Other loss

The Company recorded other losses of \$55,000 for the three months ended July 31, 2026, as compared to other losses of \$3,557,000 for the comparable period last year. The significant factors contributing to other losses in the three months ended July 31, 2026 were primarily due to \$99,000 in foreign currency exchange loss, which was offset by \$44,000 of interest income. The significant factors contributing to other loss in the three months ended July 31, 2025 were primarily due to a \$3,619,000 mineral property impairment relating to the termination of the Beskauga option agreement and \$85,000 in foreign currency exchange losses, which were offset by \$102,000 of interest income and \$45,000 in management fees from Teck pursuant to the Teck Alliance Agreement, as described in the "Discussion of Operations" section below.

For the nine months ended July 31, 2026 and 2025

For the nine months ended July 31, 2026, the Company had no revenue and incurred a net loss of \$7,556,000 compared to a net loss of \$9,496,000 for the same period last year.

Exploration costs

Exploration costs increased \$4,195,000 to \$6,877,000 for the nine months ended July 31, 2026 as compared to \$2,682,000 for the same period last year. The increase was primarily due to an increase in exploration activities at the Elmes Project, which was offset by \$168,000 in funding received from Teck in the current period compared to \$1,908,000 in funding received in the same period last year, pursuant to the Teck Alliance Agreement.

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A summary of the material components of the Company's exploration expenses during the nine months ended July 31, 2026 and 2025 is as follows:

	For the nine months ended July 31, 2026	For the nine months ended July 31, 2025
Drilling and sampling	\$ 5,179,911	\$ 2,608,467
Personnel	1,181,155	947,017
Stock-based compensation	68,639	137,602
Site operations	507,993	504,465
Target generation	-	180,000
Professional services	-	10,200
Insurance	11,511	11,664
Travel	20,427	32,868
Depreciation	49,231	33,584
Teck Alliance Agreement funding	(141,613)	(1,783,675)
Total Exploration and Related Costs	\$ 6,877,254	\$ 2,682,192

Corporate General and Administrative Expenses

A summary of the material components of the Company's general and administrative expenses during the nine months ended July 31, 2026 and 2025 is as follows:

	For the nine months ended July 31, 2026	For the nine months ended July 31, 2025
Personnel	\$ 648,743	\$ 593,376
Personnel – stock-based compensation	124,078	211,861
Directors' fees	101,160	93,968
Directors' fees – stock-based compensation	98,916	117,200
Professional services	75,726	106,717
Marketing and shareholders' communication	195,173	199,629
Office and administrative	84,797	36,070
Depreciation	55,258	60,720
Total Corporate Costs	\$ 1,383,851	\$ 1,419,541

Personnel

Personnel costs increased \$55,000 to \$648,000 for the nine months ended July 31, 2026 as compared to \$593,000 for the same period last year. The increase in the salary costs was partially due to an increase in head office salaries and bonuses in the current period. Further, the head office salaries are Canadian dollar denominated, and the Canadian dollar was stronger in the current period, therefore increasing costs on a US dollar basis.

Personnel – stock-based compensation

Personnel stock-based compensation expenses decreased \$88,000 to \$124,000 for the nine months ended July 31, 2026 as compared to \$212,000 of personnel stock-based compensation in the same period last year. The decrease was mainly due to stock options granted in the nine months ended July 31, 2025, whereas there were none granted in the current period.

Directors' fees

Directors' fees increased \$7,000 to \$101,000 for the nine months ended July 31, 2026 as compared to the \$94,000 for the same period last year. The increase was mainly due to higher statutory contributions compared to the same period last year.

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Directors' fees – stock-based compensation

Directors' stock-based compensation decreased \$18,000 to \$99,000 for the nine months ended July 31, 2026 as compared to the \$117,000 for the same period last year. The decrease was mainly due to stock options granted in the nine months ended July 31, 2025, whereas there were none granted in the current period.

Professional services

Professional fees decreased \$31,000 to \$76,000 for the nine months ended July 31, 2026 as compared to \$107,000 for the same period last year. The decrease was mainly due to a decrease in legal fees during the same period last year.

Marketing and shareholders' communication

Marketing and shareholders' communication costs were relatively consistent, with a decrease of \$5,000 to \$195,000 for the nine months ended July 31, 2026 as compared to \$200,000 for the same period last year.

Office and administrative

Office and administrative costs increased \$49,000 to \$85,000 for the nine months ended July 31, 2026 as compared to the \$36,000 for the same period last year. The increase was mainly due to an increase in travel expenses during the current period.

Depreciation

Depreciation costs decreased by \$6,000 to \$55,000 for the nine months ended July 31, 2026 as compared to \$61,000 for the same period last year. The decrease was mainly due to a new corporate office lease with lower lease payments that commenced in December during the current period.

Other income (loss)

The Company recorded other income of \$705,000 for the nine months ended July 31, 2026, as compared to other losses of \$5,395,000 for the comparable period last year. Other income in the current period was primarily due to a \$555,000 foreign currency exchange gain, \$137,000 of interest income and \$14,000 in management fees from Teck pursuant to the Teck Alliance Agreement. Other losses in the comparable period last year were primarily due to a \$3,619,000 mineral property impairment relating to the termination of the Beskauga option agreement, a \$2,179,000 change in the fair value of the warrant derivative liability which was due to an increase in the fair value of warrants with a \$CDN exercise price from October 31, 2024 to April 30, 2025. This was offset by a \$153,000 foreign currency exchange gain, \$126,000 of interest income and \$124,000 in management fees from Teck pursuant to the Teck Alliance Agreement.

DISCUSSION OF OPERATIONS

Exploration and Evaluation Assets

On June 10, 2025, the Company announced that it had elected not to exercise the purchase option for the Beskauga property, and the Beskauga Option Agreement was mutually terminated by Copperbelt AG and the Company. As a result, the Company recorded an impairment of \$3,619,303 to the capitalized property concession balance relating to Beskauga.

Property concessions – October 31, 2024	\$ 5,035,259
Impairment	(3,619,303)
Property concessions – July 31, 2026 and October 31, 2025	<u>\$ 1,415,956</u>

The remaining capitalized balance represents expenditures in Ekidos Minerals LLP at Ekidos, Stepnoe, Akkuduk, Norgubek, Maisor and Elemes exploration licenses as of the acquisition date of Ekidos Minerals LLP.

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Exploration Licenses

On May 20, 2021, Ekidos LLP entered into the Maikain Joint Venture Agreement (the “**Maikain JV Agreement**”) with Orogen LLP, a company incorporated under the laws of Kazakhstan, in connection with, among other things, mineral license applications for, and further exploration and evaluation of, certain properties in an area of interest, including the Akkuduk, Nogurbek, Maisor, Elemes, Aktasty, Besshoky, Aimandai and Bozshakol South properties located in Kazakhstan. The Maikain JV Agreement expired on May 20, 2024, so any new licenses entered into by Ekidos will not be subject to this agreement after this date. However, the Maikain JV Agreement does not terminate and continues in full force and effect with respect to any mineral licenses held by or on behalf of the Maikain joint venture as of the date of expiry.

As of July 31, 2026, Arras's wholly owned subsidiary, Ekidos LLP, has been granted 19 exploration licenses in Kazakhstan. These exploration licenses have been granted for an initial 6-year period, with the possibility of a 5-year extension from the effective dates.

Property	Exploration License	Year Granted	Exploration Blocks
Ekidos	875-EL	2020	118
Stepnoe	876-EL	2020	174
Akkuduk	1178-EL	2021	116
Nogurbek	1413-EL	2021	141
Maisor	1471-EL	2021	200
Elemes	1555-EL	2022	198
Aktasty	1675-EL	2022	197
Besshoky	1819-EL	2022	37
Aimandai	1840-EL	2022	50
Bozshakol South	1866-EL	2022	86
Azhe - 1	2207-EL	2023	58
Karatol - 2	2208-EL	2023	24
Tay	2241-EL	2023	56
Beskauga West	2345-EL	2024	8
Beskauga East	2346-EL	2024	8
Karatol - 3	2367-EL	2024	45
Karatol - 1	2608-EL	2024	44
Koktenkol-1	4626-EL	2026	99
Koktenkol-2	4717-EL	2026	64

Each exploration block is approximately 2.1 square kilometres.

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Exploration License Map

The location of all licenses mentioned is shown in the map below.

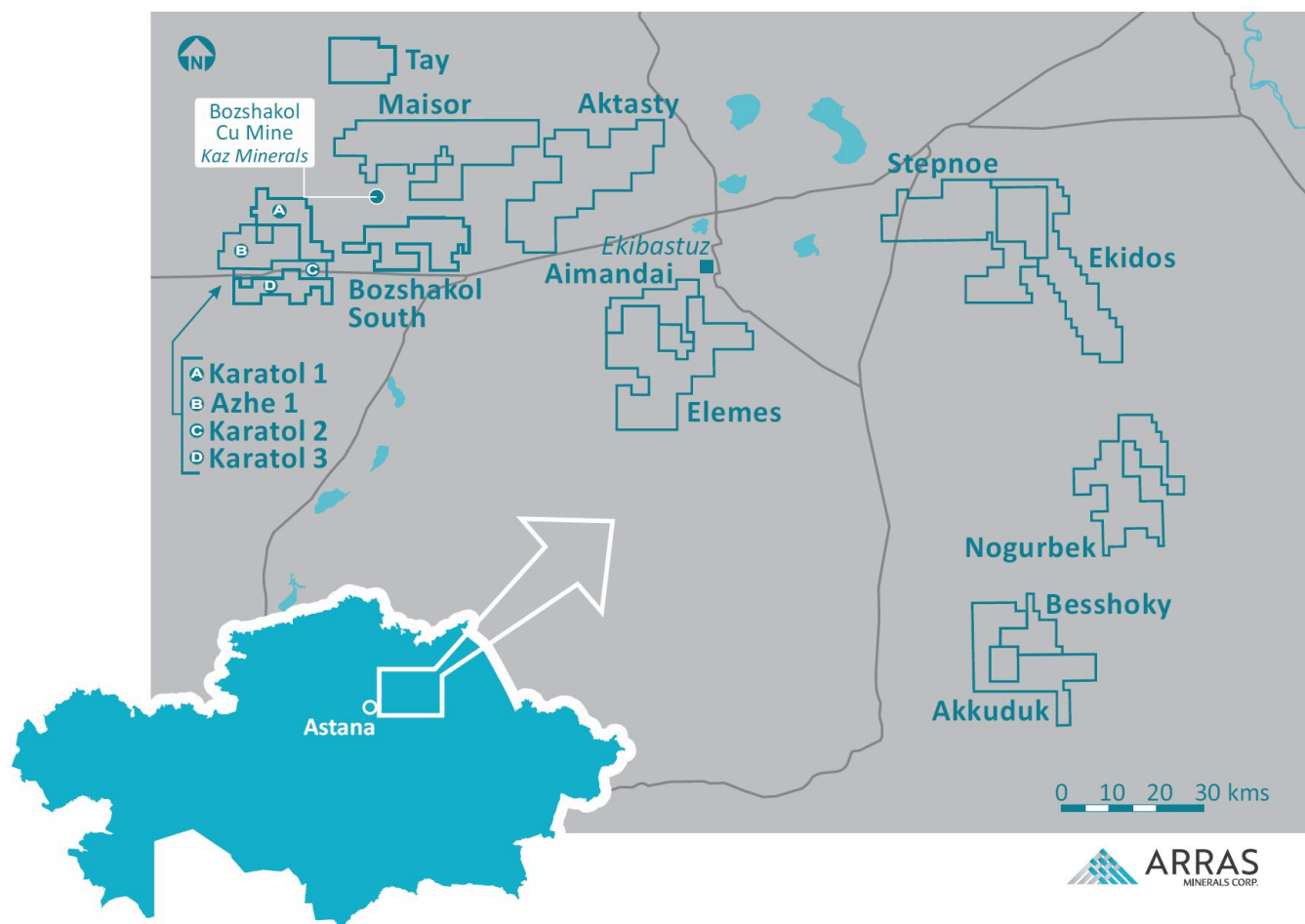


FIGURE Map showing Arras' mineral licences.

Teck Alliance Agreement

On December 6, 2023, the Company entered into the Teck Alliance Agreement and received \$1,497,668 cash, including \$1 million for the reimbursement of certain related expenses made by the Company prior to the Teck Alliance Agreement and \$497,668 for exploration activities expected to be committed to or completed by December 31, 2023. Upon the terms and subject to the conditions set forth in the Teck Alliance Agreement, in order for Teck Resources Limited ("Teck") to earn and maintain its option, Teck had to incur \$5 million in exploration expenditures on two license packages totaling approximately 1,736 square kilometers located in Pavlodar, Kazakhstan by December 31, 2025 (the "Initial Exploration Period"). Of this, \$2 million was a firm commitment to be completed in calendar year 2024. Arras initially acted as manager of the projects under the Teck Alliance Agreement and Teck funded the projects on a quarterly basis based on an agreed-upon project budget.

On the completion of the Initial Exploration Period, Teck was able to exercise an option in the Teck Alliance Agreement by selecting up to four designated properties up to 120 square kilometers each. Teck would have had to pay \$500,000 for each designated property to the Company as an additional reimbursement for the previously invested exploration expenditures. Teck agreed to pay to the Company a management fee for administrative services between 5% and

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10% of certain exploration expenditures, excluding capital asset purchases. During the nine months ended July 31, 2026 and 2025, \$14,148 and \$124,398 were recognized as management fees, respectively.

Teck had three options to earn and maintain its option:

- "First Option": Teck could elect to solely fund \$5.5 million in 2024 and 2025 calendar years, and on completion will be deemed to own 51% of the designated property,
- "Second Option": Teck could elect to solely fund \$18 million over the next three years (\$5 million committed in Year 1) to earn an additional 14% (total of 65%) of the designated property,
- "Third Option": Teck could elect to solely fund \$24 million over four years (\$6 million committed in Year 1) to earn an additional 10% (total of 75%) of the designated property.

On February 9, 2026, the Teck Alliance Agreement was mutually terminated by Teck and the Company. Teck had incurred \$4,972,000 of the required expenditure.

Exploration Update

For 2026, Arras has continued its aggressive exploration efforts, building on the significant exploration progress in 2025, focusing on the Company's Elemes license.

The 2026 work program at Elemes includes:

- An expanded Phase 2 Elemes drill program, with an additional 40,000 metres of core drilling being completed by the end of 2026. As of the date of this MD&A, approximately 32,500 metres have been drilled year to date.
- Primary emphasis on expanding the scale of Berezski North, Berezski Central and Berezski East targets
- Additional drilling to test Novii and K-Ozek targets also located within the Berezski Trend at Elemes
- Approximately 6,000 metres of Top of Bedrock ("KKG") drilling has been completed at both Berezski and Aimandai Trends to accelerate target definition in these zones.

Regional exploration on licences outside the Elemes/Aimandai licences includes geophysics, geological mapping and rock and soil sampling over selected targets. Geophysical work completed in 2026 includes:

Survey method	License			
	Norgubek	Ekidos	Stepnoe	Bozshakol South, Azhe 1, Karatal 3
Induced Polarization survey ("IP")	27 (Line/Km)	34.2 (Line/Km)	26.1 (Line/Km)	
Ground Vector IP	40.6 SqKm (60 stations)			
Ground Magnetics				400 line/Km

Once all results are received select targets will be reviewed for potential follow up drilling in 2027.

In addition, drill core collected under the Teck Strategic Alliance that was not previously sampled is currently being relogged and submitted for assay analysis, with a view to identifying targets for potential follow-up drilling in 2027.

As the Teck Strategic Alliance was focused primarily on copper porphyry systems, a number of targets interpreted to have a stronger precious-metals component were not advanced at the time. Arras plans to incorporate these targets into its broader regional exploration program.

SHARE CAPITAL HIGHLIGHTS

During the nine months ended July 31, 2026

On July 7, 2026, the Company completed a Bought Deal LIFE Offering (the "Financing"), pursuant to which it issued 18,382,175 common shares at a price of \$CDN 1.36 per common share for gross proceeds of \$CDN 24,999,758 (\$17,607,702). The Company paid finder's fees totaling \$CDN 1,499,985 (\$1,056,402) to an agent with respect to the

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purchasers who were introduced to the Company. The Company incurred other offering costs associated with this private placement in the amount of \$171,097.

On July 2, 2026, options to acquire 500,000 common shares were exercised by way of a cashless exercise whereby the recipient elected to receive 398,161 common shares without payment of the exercise price and the remaining 101,839 options were cancelled.

On June 25, 2026, options to acquire 100,000 common shares were exercised at \$CDN 1.00 per common share for aggregate gross proceeds of \$72,870 (\$CDN 100,000).

On June 12, 2026, options to acquire 3,800,000 common shares were exercised by way of a cashless exercise whereby the recipients elected to receive 2,221,010 common shares without payment of the exercise price and the remaining 1,578,990 options were cancelled.

On June 11, 2026, options to acquire 100,000 common shares were exercised at \$CDN 0.50 per common share for aggregate gross proceeds of \$35,732 (\$CDN 50,000). The Company incurred other costs of \$12.

On March 13, 2026, 241,196 RSUs that were granted in 2025 were settled as common shares of the Company.

During the nine months ended July 31, 2025

On April 17, 2025, the Company completed a private placement, issuing a total of 18,941,177 common shares at a price of \$CDN 0.85 per common share for gross proceeds of \$CDN 16,100,000 (\$11,487,692). The Company paid finder's fees totaling \$CDN 771,105 (\$550,200) to agents with respect to certain purchasers who were introduced to the Company. The Company incurred other offering costs associated with this private placement in the amount of \$174,257.

On April 17, 2025, options to acquire 300,000 common shares were exercised at \$CDN 0.50 per common share for aggregate gross proceeds of \$105,381.

On March 17, 2025, Silver Bull Warrants to acquire 21,500 common shares were exercised at an exercise price of \$0.25 per common share (exercise price per Arras share issuable). The Company received gross proceeds of \$5,375. The Company incurred other costs associated with this warrant exercise in the amount of \$862.

On March 14, 2025, options to acquire 100,000 common shares were exercised by way of a cashless exercise whereby the recipient elected to receive 47,435 common shares without payment of the exercise price and the remaining options for 52,565 common shares were cancelled.

On March 14, 2025, 1,495,484 RSUs that were granted in 2024 were settled as common shares of the Company.

From January 20, 2025 to March 14, 2025, warrants to acquire 10,134,332 common shares were exercised at an exercise price of \$CDN 0.40 per common share for aggregate gross proceeds of \$CDN 4,053,733 (\$2,834,418).

SUBSEQUENT EVENTS

On August 26, 2026, options to acquire 100,000 common shares were exercised by way of a cashless exercise whereby the recipient elected to receive 65,491 common shares without payment of the exercise price and the remaining 34,509 options were cancelled.

On September 9, 2026, options to acquire 60,000 common shares were exercised by way of a cashless exercise whereby the recipients elected to receive 40,116 common shares without payment of the exercise price and the remaining 19,884 options were cancelled.

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SUMMARY OF SELECTED HIGHLIGHTS OF QUARTERLY INFORMATION

The following tables contain quarterly information for the last eight quarters of the Company from August 1, 2024 through July 31, 2026:

	July 31, 2026	April 30, 2026	January 31, 2026	October 31, 2025
	\$	\$	\$	\$
Balance Sheet				
Current assets	22,379,357	9,403,920	12,205,624	12,674,971
Current liabilities	1,005,478	528,724	740,679	652,390
Working capital	21,373,879	8,875,196	11,464,945	12,022,581
Shareholders' Equity	23,284,505	10,808,266	13,424,535	13,863,428
Operations				
Total revenue	-	-	-	-
Net loss	(4,139,748)	(2,787,453)	(616,727)	(1,460,202)
	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
	\$	\$	\$	\$
Balance Sheet				
Current assets	13,502,952	14,699,585	1,613,645	2,711,032
Current liabilities	668,579	469,105	2,456,064	1,645,387
Working capital, excluding warrant derivative liability	12,834,373	14,230,480	950,452	2,027,419
Shareholders' Equity	14,750,470	19,840,584	4,775,375	6,735,161
Operations				
Total revenue	-	-	-	-
Net loss	(5,328,976)	(2,127,669)	(2,039,715)	(1,202,913)

Arras is focused on the exploration and development of the Elemes Project and the Company's various other exploration licenses and does not yet generate any revenue. Changes in net income and loss from one period to another depend largely on exploration activities, corporate and administrative expenditure, granting of stock options and the timing of the relevant vesting schedules, which are offset by any other income accrued in the period.

The fluctuations in working capital from quarter to quarter are dependent upon financing of the Company's operations.

LIQUIDITY AND CAPITAL RESOURCES

The net working capital of the Company at July 31, 2026 was \$21,374,000 (October 31, 2025: \$12,023,000).

For the nine months ended July 31, 2026, the Company used \$7,115,000 in cash for operating activities compared to \$2,977,000 in the same period last year. The increase was mainly the result of the Company's increased exploration activities in the current period. The Company recorded a \$156,000 exploration reimbursement in the current period compared to the \$1,908,000 exploration reimbursement from Teck in the same period last year. The Company's cash flows from operations are negative as it is an exploration-stage company.

For the nine months ended July 31, 2026, the Company had net cash provided by financing activities of \$16,422,000, comprising the net proceeds of the private placement completed and the net proceeds from stock options exercised, which were offset by \$65,000 in repayment of the lease liability. For the nine months ended July 31, 2025, the Company had net cash provided by financing activities of \$13,694,000, comprising the net proceeds of the private placement completed, the net proceeds of warrants exercised and the net proceeds from stock options exercised, which were offset by \$71,000 in repayment of the lease liability.

Cash flows used in investing activity for the nine months ended July 31, 2026 were \$7,000 for the purchase of computer equipment. Cash flows used in investing activity for the nine months ended July 31, 2025 were \$28,000 for the purchase of mining equipment.

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Liquidity Outlook

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits and raise cash through financings. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

As of July 31, 2026, the Company has \$29.3 million in exploration expenditure commitments (to be spent over the next 5 years) mandated by relevant Kazakh government authorities to keep its exploration licenses in good standing, and \$284,000 in lease commitments relating to future contractually obligated payments for its corporate office.

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Thereafter	Total
Lease commitments	62,000	62,000	62,000	62,000	36,000	-	284,000
Exploration licenses expenditure commitments	3,594,000	2,712,000	2,204,000	2,475,000	2,715,000	2,638,000	16,338,000
	3,656,000	2,774,000	2,266,000	2,537,000	2,751,000	2,638,000	16,622,000

In order to finance the Company's operations, future exploration programs, make payments and undertake expenditures to maintain the effectiveness of the expenditure commitments and to cover administrative and overhead expenses, the Company will need to raise funds through equity issuances, from the exercise of warrants, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resources market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term but recognizes that there will be risks involved which may be beyond its control.

Going Concern

The Company's interim consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at July 31, 2026, the Company has not yet achieved profitable operations. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company's commitments as they come due and to finance the Company's operations, future exploration programs and to cover administrative and overhead expenses. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. The condensed interim consolidated financial statements of the Company for the three and nine months ended July 31, 2026 do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

OFF BALANCE SHEET TRANSACTIONS

The Company has no off-balance sheet arrangements as at July 31, 2026 or at the date of this MD&A.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel

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consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

At July 31, 2026, and October 31, 2025, accounts payable and accrued liabilities contained the following amounts due to related parties:

	July 31, 2026		October 31, 2025	
CEO ⁽¹⁾	\$	59,509	\$	137,258
President ⁽²⁾		59,509		137,258
CFO ⁽³⁾		36,165		84,568
Directors' fees ⁽⁴⁾		64,953		32,525
Directors' fees ⁽⁴⁾		29,714		14,850
Directors' fees ⁽⁴⁾		29,770		14,907
Directors' fees ⁽⁴⁾		16,491		7,811
Directors' fees ⁽⁴⁾		17,942		1,370
Directors' fees ⁽⁴⁾		-		3,079
Total	\$	314,053	\$	433,626

⁽¹⁾ Includes unsettled RSUs for 2026 and accrued bonus for 2025.

⁽²⁾ Includes unsettled RSUs for 2026 and accrued bonus for 2025.

⁽³⁾ Includes unsettled RSUs for 2026 and accrued bonus for 2025.

⁽⁴⁾ For unpaid directors' fees and unsettled DSUs for 2026 and 2025.

During the nine months ended July 31, 2026, expenses totalling \$226,781 (July 31, 2025 - \$205,484) were incurred by Silver Bull on the Company's behalf pursuant to the Separation and Distribution Agreement, which provides for a framework for the relationship between the parties during and after the Distribution. If specific identification of expenses is not practicable, a proportional cost allocation based on management's estimation is applied. As at July 31, 2026, \$20,916 (October 31, 2025 - \$20,285) due to a related party consists of amounts due to Silver Bull for office related costs and salary reimbursements. The balance of due from and due to related party is interest free and is to be repaid on demand.

Silver Bull continues to incur the salaries of its employees and other office-related overhead costs and charge Arras for a portion of these costs on a pro-rata cost-recovery basis.

	July 31, 2026		July 31, 2025	
Personnel	\$	251,968	\$	232,217
Office and administrative		3,319		8,215
Office rent reimbursement		(28,506)		(34,948)
	\$	226,781	\$	205,484

During the nine months ended July 31, 2026 and 2025, the Company paid or accrued the following amounts to officers, directors or companies controlled by officers and/or directors:

	July 31, 2026		July 31, 2025	
Share-based payments	\$	339,348	\$	314,773
CEO		185,624		201,947
President		185,624		202,426
CFO		110,533		109,409
Directors' fees		32,428		32,536
Directors' fees		14,863		14,715
Directors' fees		14,863		14,715
Directors' fees		16,214		15,184
Directors' fees		14,863		15,149
	\$	914,360	\$	920,854

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PROPOSED TRANSACTIONS

The Company has no proposed transactions that have not been disclosed herein as at July 31, 2026 or as at the date of this MD&A.

FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, accounts payables and accrued liabilities, lease liabilities and due from related party. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and cash equivalents, accounts payable and accrued liabilities and due to related party.

The warrant liability derivative is not traded in an active market, and the fair value is determined using valuation techniques. The estimates may be significantly different from those recorded in the consolidated financial statements because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market. All changes in the fair value are recorded in the consolidated statement of operations and comprehensive loss each reporting period. This is considered to be a Level 3 financial instrument.

The carrying values approximate the fair values due to the short-term maturity of these instruments. There were no transfers between fair value levels during the nine months ended July 31, 2026.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk on other receivables is negligible.

The Company's primary exposure to credit risk is its cash and cash equivalents of \$19,702,000 as at July 31, 2026. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote as it maintains accounts with highly rated financial institutions. Cash and cash equivalents are denominated in \$USD, \$CDN and Kazakh Tenge, and consist of guaranteed investment certificates with terms of less than 180 days acquired from a Canadian financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. As at July 31, 2026, the Company had net working capital of \$21,374,000 (October 31, 2025 – \$12,023,000) and cash and cash equivalents of \$19,702,000 (October 31, 2025 - \$10,401,000), and is not exposed to significant liquidity risk at this time. Furthermore, as the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through equity offerings.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

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The Company is not currently exposed to any significant interest rate risk or other price risk. The Company is exposed to foreign currency risk with respect to cash denominated in Canadian dollars. As at July 31, 2026 and October 31, 2025, a 10% strengthening (weakening) of the Canadian dollar against the United States dollar would have increased (decreased) the Company's comprehensive loss by approximately \$1,897,000 for the nine months ended July 31, 2026 (October 31, 2025 - \$706,000).

The Company also maintains a minimum cash balance of local currency in a bank account in Kazakhstan and the Company assessed such foreign currency risk as low.

The Company has not hedged any of its foreign currency risks.

Commodity Price Risk

The ability of the Company to raise funds to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of copper and gold. The Company monitors copper and gold prices to determine the appropriate course of action to be taken.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgment on matters which are inherently uncertain. Details of the Company's significant accounting policies can be found in note 3 of the condensed interim consolidated financial statements for the three and nine months ended July 31, 2026 and note 3 of the Company's annual consolidated financial statements for the year ended October 31, 2025 filed on SEDAR on February 26, 2026.

OUTSTANDING SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As of the date of this MD&A, the Company had 143,619,781 Common Shares and 2,950,000 stock options issued and outstanding.

QUALIFIED PERSON AND INFORMATION CONCERNING ESTIMATES OF MINERAL PROJECTS

All of the scientific and technical information contained in this MD&A has been reviewed and/or approved by Matthew Booth, Vice President of Exploration of Arras Minerals Corp., a member of the American Institute of Professional Geologists, and a "Qualified Person" for the purposes of National Instrument 43-101 - Standards of Disclosure for Minerals Projects.

RISKS AND UNCERTAINTIES

The Company's business, operations and future prospects are subject to significant risks. For details of these risks, refer to the risk factors set forth in the Company's final long form prospectus ("**Final Long Form Prospectus**"), filed on SEDAR on May 31, 2022.

Management is not aware of any significant changes to the risks identified in the Final Long Form Prospectus. Such risk factors could materially affect the Company's business, operations, prospects and share price and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations, prospects and share price of the Company. If any of the risks actually occur, the business of the Company may be harmed, and its financial condition and results of operations may suffer significantly.

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FORWARD-LOOKING STATEMENTS

Certain statements, other than statements of historical fact, contained in this MD&A constitute "forward-looking information" within the meaning of certain securities laws, including the *Securities Act* (British Columbia) and are based on expectations, estimates and projections as of the date on which the statements are made in this MD&A. Forward-looking statements include, without limitation, statements with respect to:

- The sufficiency of our existing cash resources to enable us to continue our operations as a going concern;
- the prospects of entering the development or production stage with respect to the Elmes Project;
- the Company's planned activities at the Elmes Project in 2026 and beyond;
- the Company's ability to obtain and hold additional concessions in the Elmes Project area;
- the Company's planned activities at its exploration licenses in 2026 and beyond;
- the sufficiency of the Company's surface rights in respect of the Elmes Property if a mining operation is determined to be feasible;
- the potential acquisition of additional mineral properties or property concessions;
- the impact of recent accounting pronouncements on the Company's financial position, results of operations or cash flows and disclosures;
- the Company's ability to raise additional capital and/or pursue additional strategic options, and the potential impact on its business, financial condition and results of operations of doing so or not; and
- the impact of changing foreign currency exchange rates on the Company's financial condition.

The words "plans", "expects", "scheduled", "budgeted", "projected", "estimated", "timeline", "forecasts", "anticipates", "suggests", "indicative", "intend", "guidance", "outlook", "potential", "prospects", "seek", "strategy", "targets" or "believes", or variations of such words and phrases or statements that certain future conditions, actions, events or results "will", "may", "could", "would", "should", "might" or "can", or negative versions thereof, "be taken", "occur", "continue" or "be achieved", and other similar expressions, identify forward-looking statements. Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this MD&A, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect.

In addition to the various factors and assumptions set forth in this MD&A, the material factors and assumptions used to develop the forward-looking information include, but are not limited to:

- the future prices of metals and other commodities;
- the ability to raise any necessary additional capital on reasonable terms to advance exploration and development of the Elmes Project and the Company's other exploration licenses;
- the demand for and stable or improving price of metals and other commodities;
- general business and economic conditions will not change in a material adverse manner;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the accuracy of budgeted exploration costs and expenditures;
- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel and directors;
- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms;
- obtaining required renewals for existing approvals, licenses and permits on favourable terms;
- requirements under applicable laws;
- sustained labour stability;
- stability in financial and capital markets; and
- availability of equipment.

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By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking information in this MD&A. Such factors include, without limitation, the following, which are discussed in greater detail in the "Risk Factors" section of the Final Long Form Prospectus:

- the Company's ability to continue as a going concern;
- uncertain whether the Company will be able to maintain sufficient cash to accomplish its business objectives;
- exploration activities require significant amounts of capital that may not be recovered;
- the Company's ability to meet its current and future capital requirements on favorable terms or at all;
- the Company being an exploration stage mining company with no history of operations;
- the Company having no commercially mineable ore body;
- the reliability of Mineral Resource estimates;
- the Company's ability to acquire additional mineral properties or property concessions;
- inherent risks in the mineral exploration industry;
- risks relating to fluctuations of metal prices;
- risks relating to competition in the mining industry;
- risks relating to the title to the Company's properties;
- risks relating to the Company's option and joint venture agreements;
- risks associated with joint ventures;
- ability to obtain required permits;
- timing of receipt and maintenance of government approvals;
- compliance with laws is costly and may result in unexpected liabilities;
- success depends on developing and maintaining relationships with local communities and other stakeholders;
- risks relating to social and environmental activism;
- risks relating to evolving corporate governance and public disclosure regulations;
- risks relating to foreign operations;
- risks relating to worldwide economic and political events;
- risk of political and economic instability in Kazakhstan;
- the Company's financial condition could be adversely affected by changes in currency exchange rates;
- risks relating to the Company's "foreign private issuer" status;
- risks relating to the Company's possible status as a passive foreign investment company;
- risks relating to volatility in the Company's share value;
- further equity financings leading to the dilution of the Company's Common Shares;
- the Company's Common Shares continuing not to pay dividends;
- risks relating to information systems and cybersecurity;
- the Company's ability to retain key management, consultants and experts necessary to successfully operate and grow its business;
- the Company's overlapping officers and directors with Silver Bull may give rise to conflicts of interest;
- the Company's reliance on international advisors and consultants;
- risks relating to changes in tax laws; and
- risks relating to changes in regulatory frameworks or regulations affecting the Company's activities.

These risk factors are not intended to represent a complete list of the factors that could affect the Company and investors are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

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. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new

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information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.