ATHA Energy Corp.

Management's Discussion and Analysis

For the three and six months ended June 30, 2026

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of ATHA Energy Corp. ("ATHA", "we", "our" or the "Company") has been prepared by management in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* as of August 26, 2026. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2026 and 2025 and the audited consolidated financial statements for the Company for the years ended December 31, 2025 and 2024, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards® ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. All financial information is reported in Canadian dollars, unless otherwise noted.

This MD&A is intended to help the reader understand ATHA and our operations, financial performance, current and future business environment and opportunities, risks and uncertainties. Such risks and uncertainties are set out in the "Business Risks and Uncertainties" section of this MD&A, but are not inclusive of all the risks and uncertainties to which the Company may be subject. In addition, certain statements in this MD&A incorporate forward-looking information and readers are advised to review the cautionary note regarding forward-looking information immediately below. The information provided in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company. Additional information relevant to our activities can be found on SEDAR+ at www.sedarplus.ca and ATHA's website at www.athaenergy.com. The results presented for the reporting period are not necessarily indicative of the results that may be expected for any future period.

FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information"), within the meaning of applicable securities legislation, which is based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. While this forward-looking information, and any assumptions upon which it is based, are made in good faith, and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. This forward-looking information includes, but is not limited to, information concerning the Company's:

- *exploration priorities, including the allocation of exploration expenditures;*
- *planned exploration programs, including the anticipated scope, timing and results of diamond drilling, geophysical surveys and geochemical sampling;*
- *expectations regarding the potential expansion of its uranium deposits, the discovery of additional zones of uranium mineralization, and the delineation of mineral resources on any of the Company's projects;*
- *exploration strategy, including prioritization of investment in its Nunavut projects while maintaining portfolio-wide exposure across the Athabasca Basin and Central Mineral Belt;*

- *the anticipated use of proceeds from its financings, including the expected incurrence and renunciation of qualifying exploration expenditures within required time periods;*
- *ability to obtain and maintain necessary permits, licenses, and community and regulatory approvals for its exploration activities;*
- *ability to secure third-party funding for its exploration properties through option agreements, earn-in arrangements, and joint ventures;*
- *success at completing future financings;*
- *ability to identify, successfully negotiate and/or finance the acquisition of mineral properties;*
- *ability to meet its financial obligations as they become due;*
- *positive cash flows and financial viability of new business opportunities;*
- *ability to manage growth with respect to new business opportunities;*
- *exposure to general business and economic conditions;*
- *tax position, anticipated tax refunds and applicable tax rate; and*
- *ability to service and satisfy its obligations under the convertible debentures issued to Queen's Road Capital Investment Ltd. ("QRC"), including the payment of interest (in cash and, where applicable, in common shares), the potential conversion of the debentures into common shares and the resulting dilution to existing shareholders, and the repayment of principal at maturity.*

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, such forward-looking information. Due to the risks, uncertainties, and assumptions inherent in forward-looking information, investors in securities of the Company should not place undue reliance on such forward-looking information. Forward-looking information in this MD&A is made as of the date of this MD&A, unless stated otherwise, and ATHA does not assume any obligation to publicly update or revise such forward-looking information to reflect new information, subsequent or otherwise, except as may be required by applicable law. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement.

CORPORATE OVERVIEW AND OUTLOOK

ATHA was incorporated under the British Columbia *Business Corporations Act* on January 14, 2021. The Company's head office and its registered and records office is located at 1240 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1.

The Company's common shares began trading on the Canadian Securities Exchange (the "CSE") under symbol "SASK" on April 6, 2023. On March 4, 2024, the Company's common shares were delisted from the CSE, and listed on the TSX Venture Exchange ("TSXV"). The Company's common shares continue to trade under the symbol "SASK". The Company's common shares also trade on the OTCQX Best Market in the United States under the symbol "SASKF", having been upgraded from the OTCQB Venture Market effective June 30, 2026, and are quoted on the Frankfurt Stock Exchange under the symbol "X5U".

The Company is principally engaged in the acquisition, exploration and evaluation of mineral resources in Canada in the Angikuni and Thelon Basins located in Nunavut, the Athabasca Basin located in Saskatchewan, and the Central Mineral Belt located ("CMB") in Newfoundland and Labrador. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for exploration and operations is expected to be raised primarily through share offerings.

On March 30, 2023, the Company completed the acquisition of a diversified portfolio of mineral exploration assets and carried interests in the Athabasca Basin from the New Saskatchewan Syndicate ("NSS").

On March 7, 2024, the Company completed the acquisition of Latitude Uranium Inc. ("LUR") and on April 11, 2024, the Company completed the acquisition of 92 Energy Limited ("92E"), pursuant to which the Company acquired all of the common shares of LUR and all of the ordinary shares of 92E, respectively (together, the "LUR/92E Acquisitions").

The Company's core objective is discovery and development of its portfolio of uranium focused projects. With the completion of the LUR/92E Acquisitions, ATHA's portfolio now totals approximately 6.7 million acres (2.7 million hectares) across Canada's three most prospective jurisdictions for uranium discovery and development. The Company's portfolio is diversified across the exploration risk curve with projects ranging from advanced exploration in Angilak—which hosts the Lac 50 Deposit—to post discovery projects in Gemini – which contains the Gemini Mineralized Zone ("GMZ"), a shallow, basement style, high-grade uranium discovery— to prospective greenfields projects with numerous uranium occurrences and high-priority de-risked geophysical targets. ATHA's exploration approach is designed to provide maximum exploration exposure by investing at scale in a large number of early-stage projects, de-risking those targets, and seeking to deliver advanced exploration upside through the expansion of known uranium deposits and additional discoveries. ATHA's exploration portfolio is further complemented by the Company's 10% carried interest on certain claims held by NexGen Energy Ltd. (TSX: NXE) and IsoEnergy Ltd. (TSXV: ISO).

GOING CONCERN

The financial statements to which this MD&A relates, have been prepared on the assumption that the Company will continue as a going concern. Continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future is assumed, at least, but not limited to, one year from June 30, 2026. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is material uncertainty that may raise significant doubt as to the Company's ability to continue as a going concern. There are no assurances that the Company's funding initiatives will continue to be successful.

Such financial statements do not reflect the adjustments that would be necessary if the going concern assumption was inappropriate. Adjustments to the carrying value of assets, liabilities, reported expenses and statements of financial position classifications could be material. To advance its exploration and development efforts, the Company will have to raise additional funds. While the Company has been successful in doing so in the past, there can be no assurances that it will be able to do so in the future.

(Expressed in Canadian dollars, unless otherwise noted)

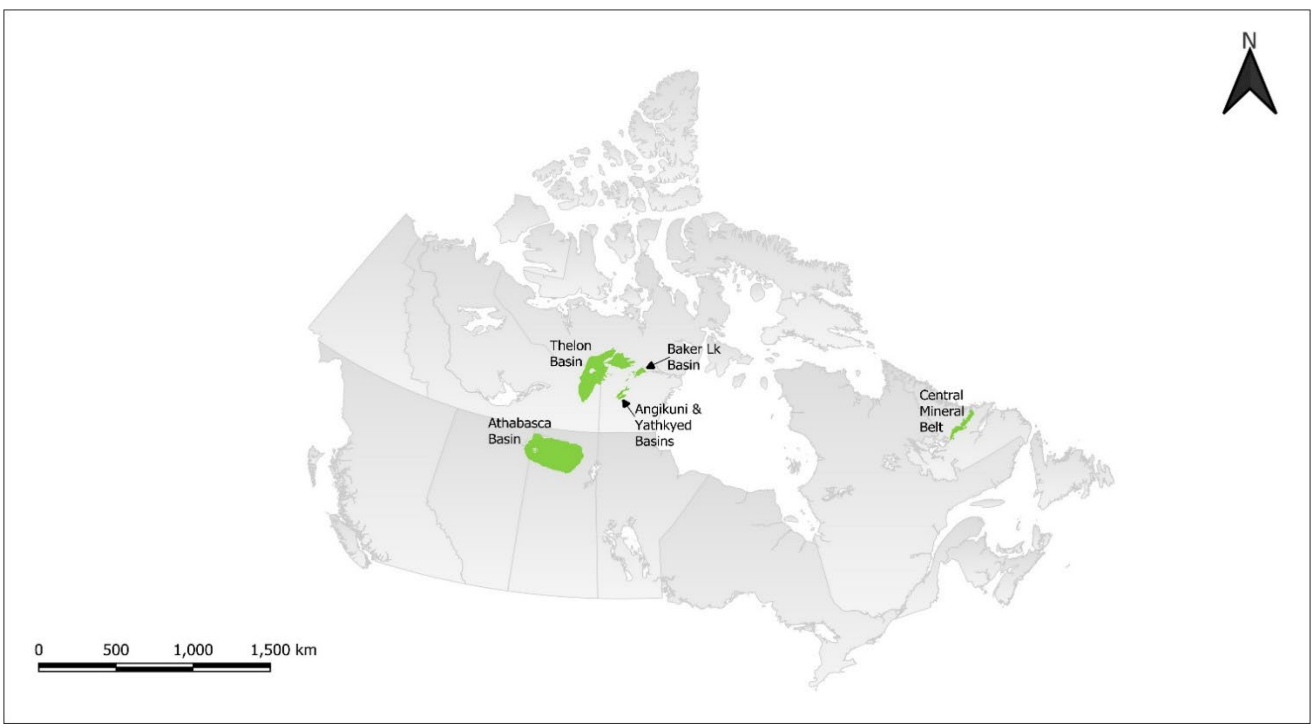
URANIUM PROPERTIES

ATHA owns mineral claims totaling approximately 6.7 million acres (2.7 million hectares) across Canada's three most prospective jurisdictions for uranium discovery and development globally, as well as a 10% carried interest on certain claims held by NexGen Energy Ltd. (TSX: NXE) and IsoEnergy Ltd. (TSXV: ISO).

Mineral Claims Owned by ATHA	Area (ac)	Area (ha)
ATHA Exploration		
Angilak (Angikuni Basin, Nunavut)	498,559	201,760
Cable Bay (Athabasca Basin)	418,845	169,501
East Rim (Athabasca Basin)	1,149,446	465,165
West Rim (Athabasca Basin)	797,204	322,617
Nunavut (Thelon and Baker Lake Basins)	2,752,024	1,113,705
North Rim (Athabasca Basin)	686,922	277,988
CMB – Labrador	249,656	101,032
Subtotal	**6,552,656**	**2,651,768**
Optioned to Third-Parties		
Stallion (Athabasca Basin)	177,394	71,789
Total	**6,730,050**	**2,723,557**

Mineral Claims to which ATHA has an Option to Acquire		
ATHA (Pasfield) (Athabasca Basin)	80,403	32,538

Mineral Claims to which ATHA has a 10% Carried Interest		
IsoEnergy (Athabasca Basin)	8,800	3,561
NexGen (Athabasca Basin)	202,795	82,068
Total	**291,998**	**118,167**



Uranium Properties - Figure 1

Nunavut - Angilak Project

The 100% owned Angilak Uranium Project was acquired in March of 2024 with the acquisition of LUR. The Company subsequently staked additional mineral claims proximal and contiguous with Angilak and the project now comprises a total area of 498,559 acres. Angilak is situated within the Angikuni Basin approximately 225 km southwest of Baker Lake in the Kivalliq Region of Nunavut and is host to the Lac 50 Uranium Deposit. The Angilak Project is subject to a 1% net smelter royalty ("NSR") granted by a predecessor owner of the project under a 2017 agreement, currently held by Royal Gold Inc. (as successor to Sandstorm Gold Ltd.), together with an associated right of first refusal in favour of the royalty holder.

In 2024, ATHA completed a highly successful maiden exploration program at Angilak comprised of diamond drilling, geophysics and soil sampling. Diamond drilling was focused within the Lac 50 Deposit area, successfully identifying several parallel mineralized corridors within the deposit area, denoted more specifically as the Lac 48, Lac 50, Lac 52 and Lac 54 mineralized trends (such trends are, collectively, referred to as "Lac 50 Deposit"). Cumulatively, approximately 24% of these mineralized trends have been drill tested to date, and the Lac 50 Deposit remains open along strike and at depth with the corridor remaining highly prospective for the discovery of additional parallel mineralized horizons.

In 2025, ATHA completed its second exploration campaign comprised of diamond drilling, ground and airborne geophysical surveys. The drilling program had several key objectives: to expand the mineralization footprint within the Lac 50 trend, specifically targeting the down-dip extension of the J4 and Ray Zones, and down-dip extension of surficial mineralization identified at the Mushroom Lake zone. Additionally, the 2025 campaign was designed to test high-priority targets at the KU and RIB regional areas located within the 31-km RIB-Nine Iron structural corridor.

The results of the 2025 and 2026 programs are discussed further below.

Saskatchewan – Alberta: Greenfields Exploration Properties

ATHA is the largest land holder within the Athabasca Basin, with projects encompassing all major producing, past producing and developing uranium mining camps within the Basin. In total, ATHA has 26 named exploration projects within four defined exploration districts: North Rim, East Rim, West Rim and Cable Bay. These projects are at the early stages of exploration; however, previous work has identified numerous prospective geophysical, geochemical, and structural anomalies across the project areas along with numerous uranium occurrences.

Historic exploration at the North Rim began in the early to mid 1900's with production ending at mines located near Uranium City, once the Eldorado mining and milling facility closed in the early 1980's. Uranium in the Beaverlodge mining district is structurally controlled with mineralization found in vein-filled fractures, breccias, and faults. The North Rim District remains highly prospective and is vastly under explored with modern exploration techniques. Furthermore, mining method innovation, proximity to surface, and the presence of existing infrastructure contribute to the prospectivity of this district.

The East Rim of the Athabasca Basin has seen intense exploration activity over the last fifty years, which has led to the discovery of numerous high-grade uranium deposits and the development of the largest high-grade uranium mines globally, such as Eagle Point, Cigar Lake and McArthur River. Of the more than one billion pounds of uranium produced or in reserve from the Athabasca Basin, the majority of those reserves are located on the eastern side of the Basin. Accordingly, the area has significant infrastructure in place to support mining and exploration activities. On the East Rim side of the Athabasca Basin uranium mineralization is typically found in two deposit types: crystalline basement-hosted or unconformity, with mineralization being structurally controlled in both occurrences.

The West Rim Exploration District is made up of 41 tenements across 797,204 acres (322,617 hectares) of ground over the Athabasca Basin in the northeast part of Alberta. Historically, exploration activities were focused on the outer edges of the Athabasca Basin as the basin morphology in this area is sloped steeply into the interior of the basin. The Alberta portion of the Athabasca basin has seen only limited exploration and has been dormant since the last uranium cycle in the early 2000's. In 2002-2003 the Maybelle River deposit was advanced from an early-stage unconformity related uranium showing.

The Cable Bay Exploration District derives its name from the Cable Bay Shear Zone ("CBSZ"), a crustal-scale structure that extends North to South across the Athabasca Basin. The CBSZ represents one of the last truly untested corridors in the Basin. During previous uranium cycles, only limited exploration activities were completed along the CBSZ. Exploration focused on the southern and northern margins of the Athabasca Basin where uranium mineralization was discovered. With the development of new technologies and a better understanding of controls on uranium mineralization the Cable Bay Exploration District has seen renewed interest, with a significant increase in exploration along the corridor. The CBSZ is highly prospective for the discovery of both unconformity and basement styles of uranium mineralization.

Nunavut - Thelon and Baker Lake Basins

The Company owns 2,752,024 acres (1,113,705 hectares) of prospective uranium mineral claims in the Thelon and Baker Lake Basins. The Company focused its claim staking on known uranium jurisdictions of the Thelon Basin, Baker Lake Basin, and Aberdeen (north and south). The Company owns mineral claims across five regions and is the largest land holder of prospective uranium mineral claims in the territory.

Newfoundland & Labrador – Central Mineral Belt (CMB)

The CMB Project is situated in Labrador and comprises a total of 249,656 acres (101,032 hectares). The CMB Project spans 125 km and is located adjacent to Paladin Energy Limited's Michelin Deposit (127.7 M lbs U_3O_8). The CMB Project hosts two uranium deposits with historic resources estimates totaling 14.5M lbs U_3O_8 at an average grade of 0.037% U_3O_8. These estimates are considered to be "historical estimates" under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and are not considered by the Company to be current mineral resources estimates. A qualified person has not done sufficient work to classify the historical estimate as current mineral resource estimates. Additionally, over 140 prospective targets have been identified during previous regional exploration campaigns.

EXPLORATION ACTIVITIES

Angilak Project, Nunavut

<u>2026 Program</u>

In late April 2026, ATHA announced the completion of mobilization to the Angilak Project site in Nunavut, Canada, and the commencement of its 2026 exploration program. The 2026 exploration program is the largest to date on the project, comprising two components: The first component is diamond drilling, which commenced operations on May 1, 2026 and is scheduled to continue through the end of September 2026, utilizing three diamond drill rigs. The second component involves aerial geophysics, comprising Expert's MobileMT survey, which commenced in June 2026, with resulting 3D Inversion Modeling expected to be completed by in the fall of 2026.

With diamond drilling the Company intends to test the following areas:

- Mineralized RIB Corridor: Additional discovery potential and expansion, following up on the highly successful 2025 program, which resulted in the four discoveries of uranium mineralization – including RIB North, where the maiden hole intersected 34.7 m of composite uranium mineralization with grades up to 8.16% U_3O_8 over 0.5 m;
- Lac 50 Deposit Corridor: Testing recently identified, highly prospective, 3D Inversion targets along strike from the main Lac 50 Deposit area, and expansion of the Lac 50 Deposit mineralization footprint which remains open and unconstrained; and
- KU-Nine Iron Corridor: Testing recently identified, highly prospective, 3D Inversion targets, which directly vector from uranium mineralization intersected in the 2025 KU and historic Nine Iron Discoveries.

The geophysics portion of the program is designed to provide additional targets to the Company's portfolio and consists of full MobileMT coverage across the Angikuni Basin. The resulting survey data will then be used to develop a 3D inversion model of the entire Angikuni Basin, applying the same highly successful systematic approach ATHA utilized during its 2025 campaign and adding to ATHA's already extensive portfolio of regional targets.

2025 Program

Diamond Drill Program

In 2025, ATHA completed its second exploration campaign on the Angilak Project which was focused on continued expansion of the Lac 50 deposit mineralization footprint at the J4/Ray Zone, testing the down-dip continuity of mineralization identified on surface at the Mushroom Lake zone, and testing of high-priority regional targets within the KU and RIB areas located within the prospective RIB-Nine Iron corridor. As part of the 2025 campaign, a total of twenty-two diamond drill holes for a total 10,774 m of drilling was completed.

In the Lac 50 deposit area a total of three drill holes and 1,608 m were completed at the J4/Ray and Mushroom Lake zones. At the J4/Ray zone, drilling successfully extended mineralization down-dip by approximately 100 m and remains open both along strike and at depth. At Mushroom Lake, two drill holes were completed to test the depth extent of uranium mineralization identified in outcrop. Both drill holes successfully intersected uranium mineralization as identified by preliminary down-hole radiometric probe results and remain open at depth and along strike. Down-hole radiometric probe results were obtained using a Mount Sopris 40TGU-1000 Triple Gamma Geiger probe.

At the KU regional target area, a total of six drill holes and 3,427 m of drilling were designed to test stacked gravity and EM geophysical anomalies coincident with interpreted NW-SE and E-W trending structures within the 31-km RIB-Nine Iron corridor. All drill holes successfully intersected mineralized structures with elevated radioactivity, highlighted by drill hole KU-DD-001.

Final geochemical analytical results for the 2025 Lac 50 and KU drill core samples were received in late 2025. Final drill core samples assays for the Lac 50 and KU drill holes were publicly disclosed in a news release dated February 2, 2026. Drilling results in the KU area are highlighted by drill hole KU-DD-001 which intersected total composite mineralization of 15.1m, from 85.0 m down to a depth of 502.6m, including a shallow interval of uranium mineralization from 85.5 m to 86.0m with a grade of 1.56% U_3O_8. In the Lac 50 area, drilling results are highlighted by drill hole ML-DD-014 (Mushroom Lake) which intersected total composite mineralization of 2.5m, from 335.3 m to 364.2 m, including 1.10% U_3O_8 from 363.7 m to 364.2 m. Along the J4/Ray Zone of the Lac 50 Trend, one drill hole was completed which intersected total composite mineralization of 5.6 m from 42.4 m to a depth of 570.2m, including 1.47% U_3O_8 from 206.6 m to 207.1 m.

At the RIB regional target area, a total of thirteen drill holes and 5,739 m were completed to test stacked gravity and EM anomalies coincident with interpreted NE-SW, E-W and N-S trending structures along the regional RIB-Nine-Iron corridor. All drill holes successfully intersected mineralized structures associated with graphitic shears zones over an interpreted 12-kilometre conductive EM trend within the RIB area, with the most significant intersection coming from the RIB North area in drill hole RIBN-DD-001 which intersected 34.7m of total composite uranium mineralization within seven zones from 287.0 to 439.9m. The widest continuous intersection was encountered at a down-hole depth from 426.3 m to 439.9m, returning 13.6m of composite uranium mineralization grading 0.53% U3O8, including 1.1m grading 4.81% U3O8 with the highest-grade sample returning 8.16% U3O8 over 0.5 m.
Composite mineralization is calculated using 0.01% U3O8 cutoff with a maximum internal dilution of 1.5m. The Company considers high-grade mineralization to be any interval over 1% U_3O_8. Drill intercepts are core width and true thickness is yet to be determined.

Ground Geophysical Surveys

In May 2025, a ground fixed-loop TDEM survey was completed over the RIB area, to test a broad conductive anomaly identified from the 2024 airborne Mobile MT survey. This broad, conductive anomaly is considerably more conductive than other conductors measured on the Angilak property and is similar to the conductivities seen in the Athabasca Basin. The goal of the ground TDEM survey was to enhance the resolution of this target to support drill targeting. Overall, the survey was successful in characterizing the conductivity of the RIB area. A total of 7 plates were modelled, along with associated structural information, to guide initial drill targeting.

(Expressed in Canadian dollars, unless otherwise noted)

Ground gravity surveys were also completed in May, within three subareas of the Angilak property: Rib, Rib east and KU. The purpose of the survey was to test the density variations across the respective areas and potentially characterize alteration zones that may host uranium mineralization. The results characterized the basin contact and dip in the Rib area, however, also indicated a low dynamic range of densities across the three areas.

Airborne Geophysical Survey

A regional airborne gravity survey was completed in September 2025 covering the northern half of the Angikuni Basin and Lac 50 deposit area. The survey acquired Full Tensor Gravity (FTG) and high-resolution airborne magnetic data. Analysis and interpretation of this data is being utilized in current exploration programs.

Lac 50 Deposit Exploration Target Model

An exploration target for the Lac 50 Deposit, expressed as ranges of potential uranium quantity and grade as presented in the table below, has been developed based on verified diamond drill hole data, including results from the 2024 drilling program. These ranges were derived using vein wireframes, drill core assay data, grade interpolation, and the application of an uncertainty range. The stated potential quantity and grade is conceptual in nature, and there has not been sufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Lac 50 Tabulated Exploration Target Model Ranges

Lac 50 Exploration Target			
Cutoff (% U_3O_8)	**Tonnes (Mt)**	**Grade (% U_3O_8)**	**Metal Content (Mlbs U_3O_8)**
0.1	7.4 - 9.3	0.37 - 0.48	60.8 - 98.2

Note: An assumed cut-off of 0.1% U_3O_8 was used for the tabulation of the exploration target model.

Athabasca Basin Projects, Saskatchewan

<u>2026 Program</u>

2026 Exploration activities within the Athabasca Basin commenced in late January 2026 and continued through the six months ended June 30, 2026. During the six months ended June 30, 2026, airborne VTEM, MAG and MobileMT surveys were completed across the Athabasca Basin projects totaling approximately 12,891 line-kms of data acquisition, together with ground gravity and ground TDEM surveys. MobileMT surveys were completed across the Cable, Murphy, Clover, Terra, Summit and Beacon project areas, together with additional ground geophysical surveys and helicopter-supported fieldwork across the Athabasca Basin portfolio. The objective of these programs was to further characterize and de-risk prospective trends and corridors identified within these project areas in advance of drill testing.

<u>2025 Program</u>

The 2025 Athabasca Basin exploration program commenced in Q2 2025 with the completion of 13,979-line kilometers of airborne gravity surveys over the Company's Athabasca Basin projects. The objective of these surveys was to further de-risk the project, delineate prospective trends and corridors and add prospective targets to the Company's pipeline of high-priority project areas in advance of drill testing.

Gemini Project, Saskatchewan

The Gemini project is an unconformity-associated uranium exploration project located on the eastern margin of the Athabasca Basin, 27 km southeast of the McArthur River uranium mine. Gemini consists of 13 granted mineral claims with a total area of 445.3 km2 and hosts the GMZ, a shallow, basement-hosted, high-grade uranium discovery. During the six months ended June 30, 2026, activities at Gemini focused on camp establishment, equipment mobilization and site works in support of planned exploration programs.

Thelon Basin, Nunavut

The Company has completed its maiden exploration campaign at its Thelon Basin project, comprising a full-tensor gravity aerial survey (7,534 line-km). Results from the survey were analyzed and will be used to determine future exploration plans for the Thelon Basin project.

CMB Project

The Company has advanced the machine-learning (ML) prospectivity assessment across the CMB Project by incorporating the 2023 high-resolution airborne gravity, magnetics and radiometric survey (AGG) into the assessment. This included a revised regional scale litho-structural geology map of the CMB district interpreted from the high-resolution AGG dataset. The ML assessment has successfully identified numerous high-prospectivity trends across the project coincident with uranium and copper mineralization occurrences.

Qualified Person

The scientific and technical information contained in this MD&A report as it relates to the claims and projects, has been reviewed and approved by Cliff Revering, P.Eng., a "qualified person" as defined under NI 43-101.

ACQUISITION AND FARM-OUT ACTIVITIES

To accelerate the exploration and development of ATHA's land package, the Company continues to evaluate and discuss with arm's-length parties possible funding options via option agreements, earn-in/farm-outs and joint ventures.

Saskatchewan/ Alberta - Exploration Properties

On September 20, 2022, the Company entered into an agreement to acquire a diversified portfolio of mineral exploration assets and carried interests in the Athabasca Basin (the "NSS acquired Assets") from the NSS, which includes a 10% carried interest and 2% NSR on certain land owned and operated by NexGen Energy Ltd. and IsoEnergy Ltd.

Pursuant to an amending agreement entered into in December 2023, the Company agreed to grant to the NSS a 1% NSR and a 5% carried interest in and to the NSS Acquired Assets and agreed to issue 5,000,000 common shares to the NSS (issued on April 11, 2024). The NSS also retained a 5% interest in any additional prospective mineral exploration properties acquired by ATHA.

Pursuant to a second amending agreement entered into in June 2026, (the "Second Amending Agreement"), the claims comprising the Gemini Mineralized Zone were released from the NSR and carried interest granted to the NSS and the royalty was extended to certain additional exploration properties of the Company. In consideration, the Company agreed to issue to the NSS 1,000,000 common shares and 1,000,000 common share purchase warrants, each exercisable to acquire one common share at a price of $1.05. The common shares and warrants were issued on July 16, 2026 (Note 20).

Stallion Discoveries Option

On May 16, 2023 the Company entered into a binding letter of intent ("LOI") with Stallion Discoveries Corp. ("Stallion"), and on July 18, 2023 the parties entered a definitive option and joint venture agreement (the "Stallion Agreement") providing Stallion an ability to earn an option (the "Option") to acquire a 70% interest in 47 of the

Company's mineral claims in Saskatchewan, Canada (the "Stallion Claims") by acquiring the requisite portion of the Company's current 90% interest, after meeting certain milestones.

Upon exercise of the Option, a joint venture agreement (the "Joint Venture Agreement") shall be entered into by the Company and Stallion, with Stallion and the Company (including the carried over interest of the legacy owner) holding a 70% and a 30% interest, respectively.

On May 31, 2024, Stallion provided ATHA with written notice that it reasonably anticipates that it will not have incurred the required expenditures related to the mineral claims under the Stallion Agreements. The amount of the deficiency between the required amount and the incurred amount for the period from June 13, 2023 to August 8, 2024 (inclusive) was $564,854. As such, pursuant to the Stallion Agreement, Stallion was obligated to issue to ATHA such number of shares equal to 150% of the amount of such deficiency.

On March 28, 2025, Stallion and ATHA executed a settlement agreement in respect of Stallion decreasing its land package from 438,000 acres to 255,000 acres and addressing the unrecovered refundable claim deposits. Subsequent to ATHA receiving from the Saskatchewan government $492,601 on Stallion's account, ATHA and Stallion agreed that the remainder of the deficiency, being $72,253, would be paid by Stallion issuing to ATHA shares equal to 150% of such remainder. On July 18, 2025, the Company received 802,809 common shares of Stallion at a deemed price of $0.135 as a settlement of the matter. The Company holds a total of 1,469,476 common shares of Stallion as at June 30, 2026.

Stallion has provided further notices in accordance with the Option that it has relinquished mineral claims decreasing its land package further to 177,394 acres (71,789 hectares).

Inspiration Energy Option Agreement

On April 24, 2024, the Company announced an agreement (the "IEC Option Agreement") with Inspiration Energy Corp. ("IEC") whereby it granted IEC an option to acquire an undivided 70% interest in each of the Company's Plateau and Ledge properties, subject to option considerations and work commitments outlined in the option agreement.

IEC issued a notice of non-compliance with the IEC Option Agreement during 2024, resulting in the termination of the agreement.

IEC issued a total of 4,330,228 common shares to the Company in accordance with the IEC Option Agreement. On June 27, 2024, IEC received Canadian Securities Exchange approval for consolidation of its shares on the basis of a one post-consolidated share for each five pre-consolidated shares. On a post-consolidated basis, the Company held 866,046 common shares of IEC as at December 31, 2025 and June 30, 2026.

Latitude Uranium Inc. and 92 Energy Limited Acquisitions

On December 7, 2023 the Company announced that, consistent with its growth strategy, it had entered into binding agreements to acquire all of the issued and outstanding shares of LUR by way of a court-approved plan of arrangement and to acquire all of the issued and outstanding fully-paid ordinary shares of 92E by way of a scheme of arrangement.

The LUR/92E Acquisitions had the potential to transition ATHA to a premier Canadian focused uranium company with exposure to the largest exploration acreage package in one of the highest-grade uranium districts in the world, with significant expansion potential across three major Canadian uranium districts.

The projects acquired through the LUR/92E Acquisitions are complementary to the Company's Athabasca Basin exploration portfolio and the 10% carried interest in key exploration claims operated by NexGen Energy Ltd. and IsoEnergy Ltd. within the Athabasca Basin. The LUR/92E Acquisitions also provide the Company with increased scale, providing greater access to capital, liquidity, research coverage, technical, management and board expertise, with the demonstrated track record in all facets of uranium exploration, development, operations and capital formation needed to drive growth in the uranium resource and build shareholder value.

The Company completed the acquisition of LUR and issued 64,444,004 common shares on March 7, 2024, pursuant to the terms of the arrangement and 4,000,000 common shares were issued on March 6, 2024 pursuant to the escrow release of subscription receipts conditional on the LUR acquisition. The Company completed the 92E acquisition and issued 64,101,404 common shares in connection with the completion of the 92E scheme on April 11, 2024, and issued 1,693,278 common shares to a sales agent on April 10, 2024, in connection with an elective selling scheme for ineligible foreign holders of 92E.

Riverboat Energy Option Agreement

On May 28, 2024, ATHA Energy announced a definitive option agreement, dated May 20, 2024, with Riverboat Energy Corporation ("Riverboat"), a privately held Canadian exploration company. The option agreement grants Riverboat an exclusive option to acquire an undivided 70% interest in ATHA's Vista property, situated within the Company's East Rim Exploration District, located in the Athabasca Basin, Saskatchewan. The option agreement is subject to Riverboat fulfilling the option considerations and exploration expenditures detailed below in the Vista Option.

In accordance with the terms of the Option Agreement, Riverboat can earn a 70% undivided interest (subject to underlying 2.0% NSR royalties on the property) in the Vista Property by making cash payments to ATHA, issuing common shares to ATHA and incurring and funding certain expenditures on the property, as described below. Riverboat may exercise the option on the property by satisfying all of the following conditions: making an aggregate of $600,000 in cash payments by the third anniversary of the Effective Date, issuing such number of common shares in the capital of Riverboat equal to the quotient by dividing $800,000 by the then price per share, and funding aggregate expenditures in the amount of $9,300,000 on the property over a three-year period.

Upon exercise of the option, a joint venture agreement shall be entered into by ATHA and Riverboat, with Riverboat and ATHA (including the carried over interest of the legacy owner) holding a 70% and a 30% interest, respectively.

The option agreement was terminated, and the property was returned to the control of the Company due to conditions set out above not being met.

Terra Critical Minerals Limited Option Agreements

On October 11, 2024, ATHA announced that the Company had executed a definitive option agreement with Terra Critical Minerals Limited (formerly, Terra Uranium Ltd.) (ASX: T92) ("T92") to earn an option to acquire a 70% interest in ATHA's Spire and Horizon properties (together, the "Spire Horizon Projects") and a definitive option agreement for ATHA to earn an option to acquire up to a 60% interest in T92's Pasfield Lake property (the "Pasfield Project").

The original Pasfield Option, dated October 11, 2024, was not met by December 31, 2025. ATHA and T92 agreed to an amended option agreement subsequent to year-end, dated January 15, 2026, for ATHA to earn an option to acquire an interest in T92's Pasfield Project.

Spire Horizon Option

Under the option agreement, ATHA granted to T92 the sole and exclusive right and option to acquire up to a 70% interest in the Spire Horizon Projects (the "Spire Horizon Option") in consideration for T92 incurring a minimum of $4,750,000 exploration expenditures on or before September 21, 2028.

Prior to December 20, 2024, T92 spent at least $750,000 of statutory exploration expenditures, which included the costs associated with the payment for a mineral exploration assessment report.

On September 18, 2025, T92 provided ATHA with a written notice that it will not have incurred the required expenditures related to the mineral claims under the Spire Horizon option agreement.

(Expressed in Canadian dollars, unless otherwise noted)

Pasfield Option

Under the amended option agreement, T92 granted to ATHA three exclusive and separate rights and options to acquire undivided legal and beneficial interests in the Pasfield Project (together the "Pasfield Options" and each, a "Pasfield Option") as follows:

(i) an undivided 30% interest in the Pasfield Project, which may be exercised by either:

- funding exploration expenditures totaling $2,000,000; or
- successfully completing two deep holes of at least 1,000 m into the geophysical target on or before December 31, 2026;

(ii) an undivided 15% interest for a total of 45% interest in the Pasfield Project, which may be exercised by either:

- funding exploration expenditures totaling $3,000,000; or
- successfully completing three deep holes of at least 1,000 m into the geophysical target on or before December 31, 2027;

(iii) an undivided 15% interest for a total of 60% interest in the Pasfield Project, which may be exercised by either:

- funding exploration expenditures totaling $4,000,000; or
- successfully completing four deep holes of at least 1,000 m into the geophysical target on or before December 31, 2028; and

Upon the satisfaction of the Third Option, the parties will be deemed to form a joint venture on the Pasfield Project with T92 holding an initial 40% participating interest in the joint venture and ATHA holding a 60% participation interest. ATHA will also have the sole and exclusive right to access and use all camp facilities located on the Pasfield Project for a daily fee to be negotiated between ATHA and T92.

RESULTS OF OPERATIONS

The following table highlights our quarterly results for the eight most recently completed quarters:

	Three months ended			
	June 30, 2026 $	March 31, 2026 $	December 31, 2025 $	September 30, 2025 $
Total revenue	-	-	-	-
Net loss	(9,688,446)	(5,695,801)	(1,996,539)	(1,986,334)
Comprehensive loss	(10,152,456)	(4,351,543)	(2,208,357)	(1,366,760)
Basic loss per share	(0.03)	(0.02)	(0.01)	(0.01)
Diluted loss per share	(0.03)	(0.02)	(0.01)	(0.01)

	Three months ended			
	June 30, 2025 $	March 31, 2025 $	December 31, 2024 $	September 30, 2024 $
Total revenue	-	-	-	-
Net loss	(2,615,118)	(1,786,030)	(4,254,448)	(946,768)
Comprehensive loss	(2,577,201)	(1,709,360)	(4,984,644)	(669,903)
Basic loss per share	(0.01)	(0.01)	(0.02)	(0.00)
Diluted loss per share	(0.01)	(0.01)	(0.02)	(0.00)

Over the eight most recently completed quarters, the Company has evolved from a recently-merged junior explorer into a well-funded, district-scale uranium exploration company. It has generated no operating revenue, consistent with its exploration-stage status, and its quarterly net losses have been driven primarily by corporate and exploration-stage costs, share-based compensation on financing-related grants, and one-time items relating to acquisitions, financings, the convertible debentures, and flow-through expenditures. Comprehensive loss has diverged from net loss in certain quarters due to items recognized in other comprehensive income (loss), principally translation adjustments arising from translation of the Company's Australian subsidiary, 92E, into Canadian dollars, fair value movements on marketable securities classified at fair value through other comprehensive income ("FVOCI") and, beginning in 2026, changes in the fair value of the convertible debentures attributable to the Company's own credit risk. These items reduced comprehensive loss relative to net loss by $1,344,258 in the three months ended March 31, 2026, and increased it by $464,010 and $730,196 in the three months ended June 30, 2026 and December 31, 2024, respectively.

The three months ended September 30, 2024 produced the lowest net loss of the window ($946,768), reflecting normalized post-acquisition costs and the conclusion of the maiden 2024 Angilak program. The three months ended December 31, 2024 produced a net loss of $4,254,448, the third-largest, reflecting year-end share-based compensation, partially offset by a flow-through premium recovery of $2,816,261.

The three months ended March 31, 2025 recorded a net loss of $1,786,030 as the major 2024 option grants had largely vested. Net losses of $2,615,118, $1,986,334 and $1,996,539 in the second, third and fourth quarters of 2025 reflected share-based compensation of $1,035,370, $711,196 and $569,891 respectively, each partially offset by flow-through premium recoveries; during the year the Company closed a $10,000,000 flow-through placement in April and an $11,499,928 special-warrant financing in September and reported new high-grade discoveries at the KU, RIB and Mushroom Lake targets.

The three months ended March 31, 2026 produced a net loss of $5,695,801, the second-largest in the window, driven mainly by $2,924,364 of share-based compensation on grants tied to two financings totaling approximately $63 million — a US$25,000,000 convertible debenture issued to QRC and a $28,750,230 flow-through placement under the listed issuer financing exemption ("LIFE") — together with $979,166 of financing expense and $627,367 of convertible-debenture interest, partially offset by a flow-through premium recovery of $936,230.

The three months ended June 30, 2026 produced a net loss of $9,688,446, the largest in the window. During the quarter the Company filed its 2025 annual financial statements, MD&A and Annual Information Form, satisfied its QRC convertible-debenture interest through the issuance of common shares, and commenced diamond drilling under the 2026 exploration program, its largest fully-funded program to date. The loss was driven mainly by a non-cash fair value loss of $5,473,662 on the convertible debentures, reflecting the appreciation in the Company's share price during the quarter, $1,455,733 of share-based compensation, $1,976,706 of deferred income tax expense, and $1,040,600 of debenture interest, partially offset by a flow-through premium recovery of $1,866,143 and interest income of $290,407.

(Expressed in Canadian dollars, unless otherwise noted)

Results for the three months ended June 30, 2026 and 2025

The following table presents information about the results of our operations during the reporting periods:

Three months ended		June 30, 2026		June 30, 2025	Variance $	Variance %
Operating Expenses						
Business development		103,979		28,577	75,402	264%
Consulting and advisory fees		116,951		137,999	(21,048)	-15%
Depreciation		62,287		84,876	(22,589)	-27%
Director fees		70,595		63,930	6,665	10%
Marketing and shareholder relations		201,254		219,028	(17,774)	-8%
Office and administration		239,250		167,388	71,862	43%
Professional fees		262,878		317,899	(55,021)	-17%
Rent expense		14,114		10,700	3,414	32%
Salaries and wages		228,544		228,817	(273)	0%
Share-based compensation		1,455,733		1,035,370	420,363	41%
Transfer agent and filing fees		157,529		150,693	6,836	5%
Travel		95,152		92,395	2,757	3%
Total Operating Expenses	**$**	**(3,008,266)**	**$**	**(2,537,672)**		
Other expenses						
Foreign exchange loss		(294,472)		38,179	(332,651)	-871%
Interest on convertible debentures		(1,040,600)		-	(1,040,600)	100%
Fair value loss on convertible debentures		(5,473,662)		-	(5,473,662)	100%
Interest income		290,407		42,807	247,600	578%
Other expense		(51,290)		(1,621)	(49,669)	3064%
Loss before taxes		**(9,577,883)**		**(2,458,307)**		
Flow-through premium recovery		1,866,143		1,153,696	712,447	62%
Deferred income tax expense		(1,976,706)		(1,310,507)	(666,199)	51%
Net loss		**(9,688,446)**		**(2,615,118)**		
Translation adjustment		293,328		(29,373)	322,701	-1099%
Unrealized gain (loss) on marketable securities		(366,586)		67,290	(433,876)	-645%
Change in fair value of convertible debentures attributable to credit risk		(390,752)		-	(390,752)	100%
Total comprehensive loss	**$**	**(10,152,456)**	**$**	**(2,577,201)**		

During the three months ended June 30, 2026, total operating expenses increased to $3,008,266 from $2,537,672 in the three months ended June 30, 2025, an increase of $470,594 (19%). The increase was driven principally by share-based compensation of $1,455,733 (Q2 2025 - $1,035,370), up $420,363 (41%), recognized in connection with stock options and restricted share units granted in conjunction with the Company's financings, higher office and administration costs of $239,250 (Q2 2025 - $167,388), up $71,862 (43%), and increased business development of $103,979 (Q2 2025 - $28,577), up $75,402. These increases were partially offset by lower professional fees of $262,878 (Q2 2025 - $317,899), down $55,021 (17%), depreciation of $62,287 (Q2 2025 - $84,876), down $22,589 (27%), and consulting and advisory fees of $116,951 (Q2 2025 - $137,999), down $21,048 (15%).

Net loss for the three months ended June 30, 2026 was $9,688,446 compared to $2,615,118 for the three months ended June 30, 2025. The increase was driven primarily by a $5,473,662 loss on the fair value re-measurement of the convertible debentures (Q2 2025 - $nil), reflecting the appreciation in the Company's share price during the quarter, and $1,040,600 of interest on the QRC convertible debentures (Q2 2025 - $nil), neither of which was present in the comparative period. The Company also recognized a foreign exchange loss of $294,472 (Q2 2025 - gain of $38,179), reflecting primarily USD-CAD movements on the USD-denominated convertible debentures and other USD-denominated monetary balances, and higher other expense of $51,290 (Q2 2025 - $1,621). These were partially offset by higher interest income of $290,407 (Q2 2025 - $42,807), up $247,600, earned on higher cash balances, and a higher flow-through premium recovery of $1,866,143 (Q2 2025 - $1,153,696), up $712,447 (62%). Also contributing to the increase was a higher deferred income tax expense of $1,976,706 (Q2 2025 - $1,310,507), up $666,199 (51%).

(Expressed in Canadian dollars, unless otherwise noted)

Other comprehensive income (loss) for the three months ended June 30, 2026 included a translation adjustment gain of $293,328 (Q2 2025 - loss of $29,373) arising from translation of the Company's Australian subsidiary, 92E, into Canadian dollars, an unrealized loss on marketable securities of $366,586 (Q2 2025 - gain of $67,290) reflecting share-price movements in equity instruments classified at FVOCI, and a loss of $390,752 on the change in fair value of the convertible debentures attributable to the Company's own credit risk (Q2 2025 - $nil).

Total comprehensive loss for the three months ended June 30, 2026 was $10,152,456 compared to $2,577,201 for the three months ended June 30, 2025.

Results for the six months ended June 30, 2026 and 2025

The following table presents information about the results of our operations during the reporting periods:

Six months ended	June 30, 2026	June 30, 2025	Variance $	Variance %
Operating Expenses				
Business development	190,695	210,948	(20,253)	-10%
Consulting and advisory fees	197,701	240,998	(43,297)	-18%
Depreciation	123,929	176,111	(52,182)	-30%
Director fees	134,720	129,477	5,243	4%
Marketing and shareholder relations	399,989	458,051	(58,062)	-13%
Office and administration	431,442	412,360	19,082	5%
Professional fees	462,673	725,016	(262,343)	-36%
Rent expense	26,014	18,780	7,234	39%
Salaries and wages	461,173	475,952	(14,779)	-3%
Share-based compensation	4,380,097	1,039,083	3,341,014	322%
Transfer agent and filing fees	334,132	203,349	130,783	64%
Travel	166,127	234,300	(68,173)	-29%
Total Operating Expenses	**$ (7,308,692)**	**$ (4,324,425)**		
Other expenses				
Foreign exchange loss	(845,221)	(26,063)	(819,158)	3143%
Financing expense	(979,166)	-	(979,166)	100%
Interest income	497,507	93,994	403,513	429%
Interest on convertible debentures	(1,667,967)	-	(1,667,967)	100%
Fair value gain (loss) on convertible debentures	(5,546,665)	-	(5,546,665)	100%
Other expense	(65,209)	(20,795)	(44,414)	214%
Loss before taxes	**(15,915,413)**	**(4,277,289)**		
Flow-through premium recovery	2,802,373	1,153,696	1,648,677	143%
Deferred income tax expense	(2,271,207)	(1,277,379)	(993,828)	78%
Net loss	**(15,384,247)**	**(4,400,972)**		
Translation adjustment	866,683	(4,323)	871,006	-20148%
Unrealized gain (loss) on marketable securities	(101,550)	118,910	(220,460)	-185%
Change in fair value of convertible debentures attributable to credit risk	115,115	-	115,115	100%
Total comprehensive loss	**$ (14,503,999)**	**$ (4,286,385)**		

During the six months ended June 30, 2026, total operating expenses increased to $7,308,692 from $4,324,425 in the six months ended June 30, 2025, an increase of $2,984,267 (69%). The increase was driven principally by share-based compensation of $4,380,097 (June 30, 2025 - $1,039,083), up $3,341,014 (322%), recognized in connection with stock options and restricted share units granted in conjunction with the Company's financings, and higher transfer agent and filing fees of $334,132 (June 30, 2025 - $203,349), up $130,783 (64%), reflecting filings completed in connection with the financings. These increases were partially offset by management's continued optimization of corporate costs, including lower professional fees of $462,673 (June 30, 2025 - $725,016), down $262,343 (36%), travel of $166,127 (June 30, 2025 - $234,300), down $68,173 (29%), marketing and shareholder relations of $399,989 (June 30, 2025 - $458,051), down $58,062 (13%), and consulting and advisory fees of $197,701 (June 30, 2025 - $240,998), down $43,297 (18%). Depreciation of $123,929 (June 30, 2025 - $176,111) also decreased $52,182, reflecting the termination of the Company's Toronto office lease and the derecognition of the associated right-of-use asset in July 2025. Notwithstanding the increases recognized in the three months ended June 30, 2026, business development of $190,695 (June 30, 2025 - $210,948) decreased $20,253 (10%) for the six-month period, and office and administration costs of $431,442 (June 30, 2025 - $412,360) increased $19,082 (5%), as lower spending in the first quarter of 2026 relative to the comparative period offset the second-quarter increases in both categories.

(Expressed in Canadian dollars, unless otherwise noted)

Net loss for the six months ended June 30, 2026 was $15,384,247 compared to $4,400,972 for the six months ended June 30, 2025. The increase reflected a $5,546,665 loss on the fair value re-measurement of the convertible debentures (June 30, 2025 - $nil), $1,667,967 of interest on the QRC convertible debentures (June 30, 2025 - $nil), and $979,166 of financing expense (June 30, 2025 - $nil), none of which were present in the comparative period, together with a foreign exchange loss of $845,221 (June 30, 2025 - $26,063) on USD-denominated balances, a higher deferred income tax expense of $2,271,207 (June 30, 2025 - $1,277,379), up $993,828 (78%), and higher other expense of $65,209 (June 30, 2025 - $20,795). These were partially offset by an increased flow-through premium recovery of $2,802,373 (June 30, 2025 - $1,153,696), up $1,648,677 (143%), recognized as eligible Canadian exploration expenditures were incurred, and higher interest income of $497,507 (June 30, 2025 - $93,994), up $403,513, earned on higher post-financing cash balances.

Other comprehensive income (loss) for the six months ended June 30, 2026 included a translation adjustment gain of $866,683 (June 30, 2025 - loss of $4,323) arising from translation of the Company's Australian subsidiary, 92E, into Canadian dollars, an unrealized loss on marketable securities of $101,550 (June 30, 2025 - gain of $118,910), and a gain of $115,115 on the change in fair value of the convertible debentures attributable to the Company's own credit risk (June 30, 2025 - $nil).

Total comprehensive loss for the six months ended June 30, 2026 was $14,503,999 compared to $4,286,385 for the six months ended June 30, 2025.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2026 the Company had working capital of $43,970,758 (December 31, 2025 - $3,106,435). This balance includes cash and cash equivalents of $47,647,717 (December 31, 2025 - $3,512,094) to settle current liabilities of $5,367,420 (December 31, 2025 - $2,318,773).

The Company has not pledged any of its assets as security for loans or otherwise and is not subject to any debt covenants.

In connection with its flow-through share financings, the Company is committed to incurring qualifying Canadian exploration expenditures, of which $18,748,498 remained to be incurred as at June 30, 2026 (required to be incurred by December 31, 2027).

The following table summarizes our sources and uses of cash during the six months ended June 30, 2026 and 2025:

		Six months ended		
Cash provided by (used in):		**June 30, 2026**		**June 30, 2025**
Operating activities	$	(2,999,640)	$	(2,513,848)
Investing activities		(14,356,400)		(6,901,966)
Financing activities		60,162,907		9,043,314
Increase (decrease) in cash	**$**	**42,806,867**	**$**	**(372,500)**

(Expressed in Canadian dollars, unless otherwise noted)

Operating Activities

Cash flows used in operating activities of $2,999,640 during the six months ended June 30, 2026 (June 30, 2025 - $2,513,848) reflected the Company's exploration-stage corporate cost base — primarily professional fees, salaries and wages, marketing and shareholder relations, business development, office and administration, and director fees — adjusted for non-cash items including the fair value loss on convertible debentures of $5,546,665, share-based compensation of $4,380,097, foreign exchange loss of $845,221, interest expense of $1,678,153 (predominantly related to the QRC convertible debentures), depreciation of $123,929, and a flow-through premium recovery of $2,802,373. Changes in non-cash working capital during the period included a decrease in receivables of $335,227 and an increase in accounts payable and accrued liabilities of $298,699, offset by an increase in prepaid expenses of $317,661.

Investing Activities

Cash flows used in investing activities of $14,356,400 during the six months ended June 30, 2026 (June 30, 2025 - $6,901,966) consisted of $14,504,350 in exploration and evaluation expenditures on the Company's uranium properties (primarily the 2026 exploration program), and $166,661 to acquire property and equipment, partially offset by $314,611 received as a refund of claim deposits. The comparative period reflected $6,879,938 in exploration and evaluation expenditures and $22,028 to acquire property and equipment.

Financing Activities

Cash flows from financing activities of $60,162,907 during the six months ended June 30, 2026 (June 30, 2025 - $9,043,314) reflected the closing of the Company's $63 million financing package on February 5, 2026, comprising $34,190,000 of gross proceeds from the issuance of unsecured convertible debentures to Queen's Road Capital Investment Ltd. (less $979,166 of transaction costs on the convertible debt) and $28,750,230 of gross proceeds from a brokered LIFE private placement of flow-through common shares (less $2,035,757 of share issuance costs). These amounts were partially offset by $643,661 of interest paid on the QRC convertible debentures. The Company also received $281,217 from the exercise of stock options and $668,944 from the exercise of warrants, and made lease obligation payments of $84,000.

In addition to the cash flows above, on May 8, 2026 the Company settled US$236,111 of interest payable in kind under the convertible debentures through the issuance of 354,521 common shares.

In the comparative period (six months ended June 30, 2025), financing activities comprised $10,000,000 of gross proceeds from a flow-through private placement (less $859,254 of share issuance costs) and lease obligation payments of $97,432.

<u>*Proceeds from Financing*</u>

Date	Type	Intended Use	Actual Use
April 22, 2025	$10,000,000 – 3,475,000 Charity and 16,766,490 traditional flow through common shares.	Uranium mineral exploration in Nunavut and Saskatchewan	Funds used as intended
September 18, 2025	$11,499,928 – 5,756,820 NFT Special Warrants, 6,257,430 Charity Special Warrants and 5,111,888 Flow through Special Warrants.	Uranium mineral exploration in Nunavut and Saskatchewan, as well as for general corporate purposes	Funds used as intended
February 5, 2026	$28,750,230 – 28,186,500 Charity flow through common shares	Uranium mineral exploration in Nunavut and Saskatchewan	Funds to be used as intended
February 5, 2026	$34,190,000 – US$25,000,000 unsecured convertible debentures issued to Queen's Road Capital Investment Ltd.	Uranium mineral exploration in Nunavut and Saskatchewan, as well as for general corporate purposes	Funds to be used as intended

(Expressed in Canadian dollars, unless otherwise noted)

OUTSTANDING SHARE DATA

The authorized capital of ATHA consists of an unlimited number of common and preferred shares without par value. As at August 26, 2026, the Company had the following outstanding:

- 353,482,570 common shares;
- 28,957,374 incentive stock options to purchase common shares;
- 3,500,000 restricted common share units ("RSUs"); and
- 18,054,798 warrants to purchase common shares.

There are voluntary and TSXV-imposed resale restrictions on certain of these securities.

Share-Based Payment Reserve and Contributed Surplus

On January 20, 2023, the Company adopted a new equity incentive plan (the "Equity Incentive Plan"). The Equity Incentive Plan is a 10% rolling plan that allows the Company to grant incentive stock options, deferred share units ("DSUs"), performance share units ("PSUs"), and RSUs (collectively, "Awards").

Pursuant to the Equity Incentive Plan, the Company can grant Awards to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Equity Incentive Plan is limited to 10% of the issued common shares of the Company at any time. The vesting period for all incentive stock options is at the discretion of the Board of Directors of the Company. The exercise price of incentive stock options will be set by the Board of Directors of the Company at the time of grant and cannot be less than the discounted market price of the Company's common shares. The maximum term for all incentive stock options is 10 years.

The Equity Incentive Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all Awards held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All incentive stock options granted under the Equity Incentive Plan will expire not later than the date that is ten years from the date that such options are granted. Incentive stock options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) 90 days from the date of death or disability. Incentive stock options granted under the Equity Incentive Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

(a) During the three and six months ended June 30, 2026 and 2025, the Company recognized the following share-based compensation:

	Three months ended		Six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Stock Options (a)	$ 1,148,879	$ 990,818	$ 3,721,837	$ 994,531
RSUs (b)	306,854	44,552	658,260	44,552
Total share-based compensation	**$ 1,455,733**	**$ 1,035,370**	**$ 4,380,097**	**$ 1,039,083**

(Expressed in Canadian dollars, unless otherwise noted)

a. Stock options

The following is a summary of changes in stock options:

		Weighted average exercise price per stock option	Number of options
As at December 31, 2024	**$**	**1.23**	**13,945,510**
Granted (i)	$	0.47	9,448,750
Exercised	$	0.47	(33,333)
Expired (ii)	$	1.13	(5,707,596)
Forfeited (iii)	$	0.47	(99,167)
As at December 31, 2025	**$**	**0.83**	**17,554,164**
Granted (iv)	$	0.61	10,150,000
Exercised	$	0.47	(598,333)
Expired (v)	$	1.45	(998,457)
As at June 30, 2026	**$**	**0.73**	**26,107,374**
Vested and exercisable as at June 30, 2026	**$**	**0.75**	**19,340,700**

(i) On June 2, 2025 the Company granted a total of 9,448,750 stock options including 4,513,750 and 3,310,000 stock options granted to key management personnel ("KMP") and employees of the Company respectively. The remaining 1,625,000 stock options were granted to consultants of the Company for corporate advisory services. Each option entitles the holder to acquire one common share of the Company at a price of $0.47 per common share until June 2, 2030. All the stock options granted have the same vesting terms: 1/3 of the options vest immediately on grant date, 1/3 vest six months from grant date, and the remaining 1/3 vest twelve months from grant date. The options granted to KMP, employees, and consultants of the Company during the year ended December 31, 2025 were fair-valued using the Black-Scholes option pricing model.

The weighted average inputs used in the Black-Scholes model were as follows:

Share price on grant date	$	0.46
Exercise price	$	0.47
Expected life of options (years)		5.00
Expected annualized share volatility		64.28%
Expected dividend yield		0%
Risk-free interest rate		2.82%
Fair value of stock option	**$**	**0.25**

(ii) During the year ended December 31, 2025, 5,707,596 stock options expired unexercised as follows:
   (a) 4,174,263 stock options from the LUR acquisition, with exercise prices of $0.62, $1.02, $1.09, $1.27, and $2.53, expired unexercised;
   (b) 33,333 stock options, previously granted on June 2, 2025 and with an exercise price of $0.47; and
   (c) 1,500,000 stock options previously granted in prior years to consultants of the Company with exercise prices of $1.01 (450,000 options), $1.34 (50,000 options) and $1.44 (1,000,000 options). The options were fully-vested and share-based payments related to the options had been fully recognized in prior fiscal years.

(iii) During the year ended December 31, 2025, 99,167 stock options from the June 2, 2025 stock option grant with an exercise price of $0.47, were forfeited.

(iv) On January 2, 2026 the Company granted a total of 10,150,000 stock options including 6,500,000 and 3,400,000 stock options granted to KMP and employees of the Company respectively. The remaining 250,000 stock options were granted to consultants of the Company for corporate advisory services. Each option entitles the holder to acquire one common share of the Company at a price of $0.61 per common share until January 2, 2031. All the stock options granted have the same vesting terms: 1/3 of the options vest immediately on grant date, 1/3 vest six months from grant date, and the remaining 1/3 vest twelve months from grant date.

(Expressed in Canadian dollars, unless otherwise noted)

The options granted to KMP, employees, and consultants of the Company during the six months ended June 30, 2026 were fair-valued using the Black-Scholes option pricing model. The weighted average inputs used in the Black-Scholes model were as follows:

		June 30, 2026
Share price on grant date	$	0.67
Exercise price	$	0.61
Expected life of options (years)		5.00
Expected annualized share volatility		66.89%
Expected dividend yield		0%
Risk-free interest rate		3.00%
Fair value of stock option	**$**	**0.40**

(v) During the six months ended June 30, 2026, 998,457 stock options previously granted in prior years to consultants of the Company expired unexercised, with exercise priced of $1.27 (27,690 options), $1.34 (50,000 options), $1.44 (900,000 options) and $2.53 (20,767 options). The options were full-vested and share based payments related to the options had been fully recognized in prior fiscal years.

Stock options outstanding as at June 30, 2026 and December 31, 2025 have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Stock Options at June 30, 2026	Stock Options at December 31, 2025
August 29, 2022	August 29, 2027	$0.50	687,500	687,500
April 20, 2023	April 20, 2033	$1.44	2,800,000	3,700,000
June 30, 2023	June 30, 2033	$1.34	1,500,000	1,550,000
December 6, 2023	December 6, 2033	$1.01	1,150,000	1,150,000
March 7, 2024	November 28, 2028	$0.62	304,590	304,590
March 7, 2024	June 19, 2028	$1.02	553,800	553,800
March 7, 2024	January 6, 2028	$1.27	138,450	166,140
March 7, 2024	February 22, 2027	$2.53	138,450	159,217
June 2, 2025	June 2, 2030	$0.47	8,684,584	9,282,917
January 2, 2026	January 2, 2031	$0.61	10,150,000	-
Total outstanding			**26,107,374**	**17,554,164**
Total exercisable and outstanding			**19,340,700**	**14,137,081**
WA remaining contractual life of stock options o/s (in years):			**4.63**	**5.28**

b. Restricted share units

The Company has implemented a restricted share unit plan (the "RSU Plan") whereby the board of directors may, from time to time, grant RSUs to employees, consultants, officers or directors of the Company. The board of directors may determine the time during which the RSUs shall vest and the method of vesting, or that no vesting restriction shall exist. The following is a summary of changes in RSUs:

(Expressed in Canadian dollars, unless otherwise noted)

	Number of RSUs
Balance, December 31, 2024	**3,950,000**
Granted (i)	1,175,000
Exercised	(1,250,000)
Balance, December 31, 2025	**3,875,000**
Granted (ii)	1,300,000
Exercised	(2,800,000)
Balance June 30, 2026	**2,375,000**

(i) On June 2, 2025 the Company granted a total of 1,175,000 RSUs including 625,000 and 450,000 RSUs granted to key management and employees of the Company respectively. The remaining 100,000 RSUs were granted to a consultant of the Company for corporate advisory services. All the RSUs granted will vest on June 2, 2026. At the time of grant, the RSUs had a fair-value of $0.46 per RSU, equal to the market share price of the Company on the date of grant.

(ii) On January 2, 2026 the Company granted a total of 1,300,000 RSUs including 850,000 and 450,000 RSUs granted to key management and employees of the Company respectively. All the RSUs granted will vest on January 2, 2027. At the time of grant, the RSUs had a fair-value of $0.67 per RSU, equal to the market share price of the Company on the date of grant.

c. Warrants

The following is a summary of changes in warrants during the six months ended June 30, 2026:

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2024	**9,245,663**	**$**	**1.45**
Special Warrants issued on private placement	17,126,138		0.00
Exercise of Special Warrants	(17,126,138)		0.00
Share warrants issued on exercise of Special Warrants	17,126,138		0.65
Broker warrants issued on private placement	957,805		0.65
Expired	(4,229,018)		1.08
Balance, December 31, 2025	**23,100,588**	**$**	**0.89**
Exercised	(1,029,145)		0.65
Expired	(5,016,645)		1.76
Balance, June 30, 2026	**17,054,798**	**$**	**0.65**

Warrants outstanding as at June 30, 2026 have the following expiry dates and exercise prices:

Number of Warrants Outstanding	Number of Warrants Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
17,054,798	17,054,798	$0.65	September 18, 2028	2.22

RELATED PARTY TRANSACTIONS AND BALANCES

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.

KMP include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

(Expressed in Canadian dollars, unless otherwise noted)

The remuneration of directors and other members of KMP during the three and six months ended June 30, 2026 and 2025 are as follows:

	Three months ended		Six months ended:	
Nature	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Exploration and evaluation expenditures (i)	$ 38,030	$ 423,283	$ 209,580	$ 439,583
Consulting fees (ii)	52,500	30,000	82,500	75,000
Director fees (iii)	70,595	63,930	134,720	129,477
Salaries and wages (iv)	134,499	120,750	268,998	241,500
Share-based payments (v)	912,077	512,600	2,753,110	512,600
Total	**$ 1,207,701**	**$ 1,150,563**	**$ 3,448,908**	**$ 1,398,160**

(i) Exploration and evaluation expenditures paid to the legal entity controlled by a director of the Company.
(ii) Consulting fees paid to the legal entity controlled by an officer of the Company.
(iii) Director fees paid to legal entities controlled by officers or directors of the Company, and director fees paid to the members of the Board of Directors.
(iv) Salaries paid to officers of the Company.
(v) Non-cash expense related to graded vesting of stock options and RSUs granted to directors and officers of the Company.

As at June 30, 2026, the following balances were owed to related parties:

- $1,050 (December 31, 2025 - $1,050) due to Mike Castanho (Chairman of the Board) for expense reimbursement;
- $13,500 (December 31, 2025 - $7,500) of accounts payable owed to Doug Engdahl (Director) for director fees;
- $nil (December 31, 2025 - $8,707) due to Axis Capital Ventures Corp. (entity controlled by Mike Castanho) for expense reimbursement;
- $25,500 (December 31, 2025 - $11,250) of accounts payable owed to Erinn Broshko (Director) for director fees; and
- $18,900 (December 31, 2025 - $7,500) of accounts payable owed to Suraj Ahuja (Director) for director fees.

BUSINESS RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring mineral properties. It is exposed to several risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue. The Company relies primarily on equity financings to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

An investment in the Company's common shares should be considered highly speculative due to the nature of the Company's existing business and operations.

The Company requires financing in order to maintain and continue its operations

The Company's ability to continue will largely be reliant on its continued attractiveness to equity investors and its ability to obtain additional financing to maintain and grow operations. Failure to obtain sufficient financing may result in delaying, scaling back, elimination of, or indefinite postponement of, the exploration schedule and its current or future programs. Additionally, should the Company require additional capital to continue, failure to raise such capital could result in the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

From time to time, the Company may issue new shares, seek debt financing, dispose of assets, or enter transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards.

Convertible Debentures and Indebtedness

On February 5, 2026, the Company raised US$25,000,000 (approximately C$34,190,000) through the issuance of unsecured convertible debentures (the "Debentures") with QRC. The Debentures mature on February 5, 2031 and bear interest at a rate of 12% per annum, payable quarterly, of which two-thirds (8% per annum) is payable in cash and, subject to the approval of the TSXV, one-third (4% per annum) is payable in common shares of the Company. The principal amount of the Debentures is convertible, in whole or in part, at the option of QRC, into common shares of the Company at a price per share of C$0.85, subject to adjustment in certain events. As a result of the issuance of the Debentures, the Company is exposed to risks associated with indebtedness that it has not historically carried. The Company will be required to generate or raise sufficient funds to satisfy its obligations under the Debentures, including the payment of interest and the repayment of principal at maturity, and there can be no assurance that it will have sufficient funds to do so, particularly as the Company currently has no source of revenue other than interest income. Any conversion of the Debentures, and any payment of interest in common shares, would result in dilution to existing shareholders, which could be substantial. A failure by the Company to satisfy its obligations under the Debentures could result in a default that may have a material adverse effect on the Company's financial condition.

Exploration and Development

Mineral exploration and development is a speculative business, characterized by several significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production. All the mineral claims in which the Company has a right to acquire an interest are in the exploration stages only and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favourable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Operating Hazards and Risks

Mining operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. During exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding, and earthquakes, may occur. Operations in which the Company has a direct or indirect interest are subject to all the hazards and risks normally incidental to exploration, development, and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage, and possible legal liability for any or all damage. Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

Supplies and Infrastructure

The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surface access, skilled labour, fuel, and power at an economic cost cannot be assured.

These are integral requirements for exploration, production, and development facilities on mineral properties. Power may need to be generated onsite.

Metal Prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced, even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production, and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that it can be mined at a profit.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements, transfers or native claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety, and other matters. Environmental legislation provides restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers, and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations. The current operations of the Company require permits from various Canadian authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters. The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. However, there can be no assurance that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms, a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future. The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Economic Conditions

Unfavourable economic conditions may negatively impact the Company's financial viability. Unfavourable economic conditions could also increase the Company's financing costs, decrease net income, or increase net loss, limit access to capital markets and negatively impact the availability of credit facilities to the Company.

Properties held under option

Certain of the Company's mineral exploration properties are currently held under option. The Company has no ownership interest in its properties until all required property expenditures and cash payments have been made. If the Company is unable to fulfill the requirements of the option agreement, it is likely that the Company would be considered in default of the agreement and the option agreement could terminate resulting in the complete loss of all expenditures and option payments made on the property to that date.

Lack of Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence on Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required. The loss of one or more key individuals, or the inability to attract and retain qualified management, technical and exploration personnel, could have a material adverse effect on the Company's business and its ability to advance its exploration and development activities.

FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to the same financial risks, including currency risk, credit risk, liquidity risk and commodity price risk as disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2025.

Fair value hierarchy

The Company applied the following fair value hierarchy for financial instruments that are carried at fair value. The hierarchy prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:

> Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
>
> Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at June 30, 2026, the Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, marketable securities and accounts payable, accrued liabilities, and convertible debentures. These financial instruments are classified as amortized cost other than convertible debentures (which is classified as fair value through profit and loss ("FVTPL") and measured using level 2 inputs) and marketable securities (which is classified as a financial asset at fair value through other comprehensive profit and loss ("FVOCI") and measured using level 1 inputs). The fair value of financial instruments other than marketable securities approximate their carrying values because of their short-term nature.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with IFRS® requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

Convertible debentures

The Company uses a model based on a system of two coupled Black-Scholes equations to determine the fair value of the convertible debentures. This model involves five key inputs to determine the fair value of the convertible debentures: risk-free interest rate, credit spread, market price at valuation date, expected dividend yield and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. For other details please refer to Note 11 of the interim financial statements to which this MD&A relates.

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Stock options and warrants

Determining the fair value of stock options and warrants requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

Provision for environmental rehabilitation

Liabilities for environmental provisions are recognized at the time of environmental disturbance, in amounts equal to the discounted value of expected future reclamation. The provision for environmental rehabilitation represents management's best estimate of the present value of the future cash outflows required to settle the liability.

Factors that affect the final cost of remediation include estimates of the extent and costs of rehabilitation activities, the expected timing, technological changes, cost increases and changes in discount rates. Changes in the above factors can result in a change to the asset retirement obligation. This liability is reassessed and re-measured at each reporting date.

Critical Accounting Judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

Exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves.

Additionally, there are numerous geological, economic, environmental, and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided in the unaudited consolidated interim financial statements and the accompanying MD&A is the responsibility of management. Management is required to make a number of judgments, assumptions and estimates when preparing these financial statements and MD&A, including estimates to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on prudent judgments and have been properly reflected in the accompanying financial statements, but actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Management is responsible for the internal controls over the operations and financial reporting, including internal controls related to maintaining records that reflect the transactions, acquisitions, and dispositions of the assets of the Company. As all controls and processes are subject to certain limitations, management acknowledges that the internal controls may not prevent or detect all misstatements due to error or fraud.

EVENTS AFTER THE REPORTING PERIOD

- On July 13, 2026, the Company issued a total of 2,850,000 stock options to key management, employees, and consultants of the Company. All the options have an exercise price of $1.11 and expire on July 13, 2031. The options will vest as follows:
    - 1/3 immediately on grant date;
    - 1/3 vesting six months from grant date; and
    - 1/3 vesting twelve months from grant date

- On July 13, 2026, the Company issued a total of 2,200,000 RSUs to key management and employees of the Company. All the RSUs will be fully vested and exercisable on July 13, 2027.

- On July 13, 2026, the Company issued 1,075,000 common shares on the exercise of restricted share units.

- On July 16, 2026, the Company issued 1,000,000 common shares and issued 1,000,000 warrants priced at $1.05 to the NSS pursuant to the Second Amending Agreement.

- On August 10, 2026, the Company issued 340,136 common shares to QRC to settle $350,350 of interest expense on the Convertible Debenture.