

Terra Balcanica Resources Corp.

Management Discussion and Analysis

For the six months ended July 31, 2026 and July 31, 2025

The following discussion and analysis of the results of operations and financial condition of Terra Balcanica Resources Corp. (formerly 1250598 B.C. Ltd.) (the "Company") for the six months ended July 31, 2026, and 2025 and should be read in conjunction with the Company audited financial statements and related notes for the year ended January 31, 2026, and 2025. The Company financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Management is responsible for the preparation and integrity of the financial statements including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and this Management Discussion and Analysis document ("MD&A") is complete and accurate.

The Company financial statements, MD&A and all other continuous disclosure documents are filed with Canadian securities regulators and are available for review under the Company profile at www.sedar.com. This MD&A has been prepared effective as of September 28th, 2026.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward- looking statements. Forward-looking statements are usually identified by The Company's use of certain terminology, including "will", "believes", "may", "expects", "should", "seeks", "anticipates" or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause The Company's actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of The Company's business model; future operations, products and services; the impact of regulatory initiatives on The Company's operations; the size of and opportunities related to the market for The Company's products; general industry and macroeconomic growth rates; expectations related to possible joint or strategic ventures; and statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of The Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the actual results may vary materially from those expected, estimated or projected. Forward-looking statements in this MD&A are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, the reader of the information included herein is cautioned not to place undue reliance on such forward-looking statements. The Company disclosure of a technical or scientific nature has been reviewed and approved by Aleksandar Miskovic, PhD, P.Geo, a Qualified Person ("QP") under the definition of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

DESCRIPTION OF BUSINESS

The Company was incorporated on May 19th, 2020, under the laws of British Columbia. The registered office is located at 250 – 200 Burrard St, Vancouver, BC V6C 3L6, and its principal business address is Suite # 250 – 200 Burrard Street, Vancouver, BC, Canada, V6C 3L6.

On January 25th, 2021, the Company entered a definitive Share Purchase Agreement (the "Agreement") closed on March 19, 2021, for Terra Balcanica Resources Corp. (formerly 1250598 B.C. Ltd.) ("Terra Balcanica") to acquire a corporation existing under the laws of the Republic of Serbia which holds certain mineral property interests in Serbia and Bosnia.

In connection to the agreement the Company acquired two subsidiaries – Tera Balkanika d.o.o. Beograd in which it holds 100% interest and Drina Resources d.o.o in which it holds a 90% interest. Tera Balkanika d.o.o. Beograd is located at 33/II Kneza Mihaila Street, 11000 Belgrade, Serbia. Drina Resources d.o.o. is located at Marsala Tita bb, 75430 Srebrenica, Republic of Srpska, Bosnia and Herzegovina. Tera Balkanika d.o.o. Sarajevo in which the Company held 100% interest, and which was located at 14 Latička Street, 71000 Sarajevo, Bosnia and Herzegovina was dissolved as a Bosnian subsidiary on the 26th of June 2023. Finally, a 100% owned subsidiary named Energetski minerali d.o.o. Banja Luka was incorporated on the 16th of March 2023 and is located at 7 Nikole Tesle Street in Banja Luka 7800, Bosnia and Herzegovina.

The Company is a natural resource corporation principally engaged in the exploration and development of the Viogor-Zanik Project located in eastern Bosnia and Herzegovina. It also seeks to identify, investigate, evaluate and acquire other mineral property opportunities located in the Balkan region of Eastern Europe. It is the intention of the Company to build a portfolio of properties in the Balkans.

MINERAL PROPERTY INTEREST

Terra Balcanica Resources Corp., through its Bosnian subsidiary named “Drina resources doo Srebrenica”, has been granted three separate exploration licenses in Bosnia between 2018 and 2021. Mineral exploration licence for the localities of Ceoviste and Kaludra in Serbia have obtained through its Serbian subsidiary Tera Balkanka doo Beograd during 2020 and 2021, but both have been relinquished in Q4 2023, and Q1 2024 due to business re-prioritization and to cut costs. One of the three mineral exploration licences In Bosnia, specifically, the licence named Čauš, has also been relinquished in 2023 due to a lack of mineral prospectivity thus leaving only two active exploration licences remain after 2023 (Čumavići and Olovine). Additionally, the Company signed an option agreement with Fulcrum Metals Canada Ltd., a wholly owned subsidiary of the UK based Fulcrum Metals PLC, resulting in rights to 50 separate exploration claims or dispositions in northwestern Saskatchewan, Canada that are divided into 4 clusters (discussed below).

As of February and March 2026, Terra’s Bosnian subsidiary Drina resources doo Srebrenica has submitted the final technical reports summarizing the exploration activities within its two active exploration licence: Čumavići and Olovine. This step was required by the Bosnian Serb Republic Mineral Exploration Act (article 49) and served as a basis for relinquishment of the licences. The Company subsequently applied for a new 49.06 km² exploration licence named “Viogor” within the Srebrenica Magmatic Complex (April 2026). The new licence was applied for via Energetski minerali doo Banja Luka, a 100% owned subsidiary of the Company, and encompasses the key, previously defined exploration targets: Olovine, Brezani and Čumavići. Energetski minerali doo Banja Luka has been granted the new exploration licence by the Bosnian Serb Republic Ministry of Energy and Mines on the 20th of May 2026.

The Viogor-Zanik Project, Bosnia and Herzegovina

The “Viogor-Zanik Project” initially comprised 3 mineral exploration licences (Čumavići, Olovine, and Čaus) totalling 168 km². Subsequently it has been progressively reduced, first to two licences and then since May of 2026 to only one exploration permit named “Viogor Project.”. The project overlaps the 30.5 million years old Srebrenica Magmatic Complex as the northwesternmost extension of the Serbo-Macedonian Metallogenic Province of SE Europe. The Srebrenica district is hosted by Oligo-Miocene, intermediate to mafic subvolcanic rocks emplaced into Palaeozoic slates and covered by Neogene felsic pyroclastics. The district hosts three types of mineralization, including surficial gold-zinc-copper skarn, deeper porphyry style Cu-Mo and Pb-Zn-Ag bearing hydrothermal veins with variable additional concentrations of Sn and Sb. The Srebrenica district shares many mineralogical similarities to those of the Andean Ag-Sn belt, the Lavrion deposit in Greece, and the Baia Mare Metallogenic District of East Carpathians, in Romania.

Terra Balcanica has completed detailed surface geology work at Viogor-Zanik during fiscal 2020 and fiscal 2021 including geophysical analysis, geochemical analysis, surface mapping, and structural analysis and has identified several drill-ready targets. Additionally, the Company completed an 1,830 m maiden drilling program on the Cumavici and Olivine licences in January of 2022 to test high grade, vein hosted as well as skarn mineralization’s. This involved drilling 11 diamond drill holes at four separate locations. The Company executed a 1,900 m, Phase II drill campaign in the fiscal 2023 when 17 drill holes were completed at a dozen locations at Cumavici Ridge and Cumavici Crest (Cumavici license) and Brezani (Olovine licence) targets to advance the polymetallic assets. A discovery of an antimony-silver mineralization at 480 m depth beneath the surface at Brezani was announced in January of 2025. In addition to the Sb-Ag mineralization, the Brezani target situated at the Olovine licence also features an auriferous skarn zone from surface to dept of 88 m. Subsequently, Terra Balcanica has completed 797.8 m of the Phase III drill program at Brezani between August and November of 2025, Terra has further completed 576.3 m of the Phase III drill program at Čumavići between December 2025 and January of 2026.

The Fulcrum Metals PLC Optioned Portfolio, Saskatchewan, Canada

On June 2nd, 2024, the Company signed an option agreement with a wholly owned subsidiary of Fulcrum Metals PLC ("Fulcrum"). Pursuant to the Agreement, the Company will have an option (the "Option Agreement") to acquire a 100% interest in Fulcrum's Charlot-Neely, Fontaine Lake, Snowbird and South Pendleton uranium licenses (the "Licenses") located in northern Saskatchewan, Canada

The optioned Licences straddle the northern and southeastern edge of the Athabasca Basin and contain Paleoproterozoic rocks as portions of the Rae Subprovince in Saskatchewan. The flagship licence cluster named Charlot-Neely Lake is located within the Zemplin tectonic domain. The NE- SW trending Black Bay fault, 20 km of which outcrops along Charlot-Neely Lake, denotes the litho-structural contact between the Beaverlodge and Zemplin Domains. The optioned Licences hosts a variety of rock types, ranging from Archean basement granites and orthogneisses to the metasedimentary, mafic volcanic, and mixed supracrustal rocks. The flagship licence cluster of the optioned portfolio is located in the prolific Beaverlodge District, which is estimated to have historically produced approximately 70 million pounds of U₃O₈ at grades ranging from 0.18 to 0.43% U₃O₈. The historic Smitty and Lorado mine sites as well as the Beaverlodge and Gunnar are all located within 14 km. These deposits are the type-deposits for Beaverlodge-style mineralization, and historical exploration efforts focused on this deposit model. Charlot-Neely Lake has not been systematically explored for high- grade "unconformity-related" uranium mineralization, found elsewhere within the Athabasca Basin.

In consideration for the four-year option, the Company shall pay Fulcrum \$7,500 (Paid) for exclusivity on execution of signing of the LOI and pay Fulcrum \$25,000 less the \$7,500 (\$17,500 Paid) exclusivity payment on execution of closing of the Option Agreement.

On November 7, 2025, the Company completed a corporate reorganization transaction (the "Spin-Out Transaction") pursuant to which the Company transferred its Fulcrum Metals PLC Licenses to Terra North Resources Corp. ("Terra North"), a newly incorporated subsidiary of the Company. In consideration for the transfer, Terra North issued 15,000,000 common shares to the Company. After the transfer, Terra North completed several equity financings with third-party investors. As at July 31, 2026, the Company retained approximately 48% ownership of Terra North and retained control over Terra North in accordance with IFRS 10, Consolidated Financial Statements. Accordingly, Terra North continues to be consolidated in the Company's consolidated financial statements.

The transfer of the Fulcrum Metals PLC Licenses represented a transaction under common control and was accounted for at predecessor carrying value. No gain or loss was recognized on the transfer.

Terra North Resources Corp., the company in which Terra Balcanica holds 48.5% interest, shall pay Fulcrum cash according to the schedule below starting in July of 2026:

- \$75,000 on the second anniversary of closing of the Option Agreement (2026);
- \$75,000 on the third anniversary of closing of the Option Agreement (2027);
- \$75,000 on the fourth anniversary of closing of the Option Agreement (2028);

and issue Fulcrum shares of Terra North Resources Corp. at the 10-Day Volume Weighted Average Price ("VWAP") or the price of the last private placement financing, prior to the date of issuance as per the following schedule:

- \$500,000 on the second anniversary of closing of the Option Agreement (August 2026);
- \$650,000 on the third anniversary of closing of the Option Agreement (2027); and
- \$1,250,000 on the fourth anniversary of closing of the Option Agreement (2028).

Terra North Resources Corp. will also complete minimum work expenditures totalling \$3,250,000 prior to the fourth anniversary of the Option Agreement and grant Fulcrum a 1.0% Net Smelter Return ("NSR") on all claims with buydown option of 0.5% NSR for \$1,000,000. As part of the Option Agreement and for terminating the existing prior agreement (the "Prior Agreement") between Fulcrum and Global Energy Metals Corp. ("Global Energy"), Global Energy will be compensated with \$150,000 in shares in the Company on closing of the Option Agreement and a 0.5% NSR on all claims.

The issuance of shares by Terra North to third-party investors, while control was retained by the Company, was accounted for as an equity transaction in accordance with IFRS 10.23. The resulting third-party ownership interest has been reflected as non-controlling interest within equity in the consolidated financial statements

OVERALL PERFORMANCE AND RISK FACTORS

The Company does not own interests in any producing mines. At present, management is concentrating most of its efforts on advancing its exploration activity in Terra. See “Property Transactions and Exploration” for additional information.

SELECTED ANNUAL INFORMATION

	Year ended January 31, 2026	Year ended January 31, 2025	Year ended January 31, 2024
Revenues	Nil	Nil	Nil
Net (Loss)	(\$763,030)	(\$982,779)	(\$1,550,828)
Net (Loss) per Share - Basic and Diluted	(\$0.01)	(\$0.02)	(\$0.06)
Total Assets	\$4,867,161	\$3,230,430	\$2,639,152
Total Long-term Financial Liabilities	Nil	Nil	Nil
Cash Dividends Declared / Share	Nil	Nil	Nil

Total assets increased from January 31, 2024, to January 31, 2025, by approximately \$591,000, mainly due to proceeds received from equity financings, which have been advanced to Terra and spent on property acquisition and exploration.

Total assets increased from January 31, 2025, to January 31, 2026, by approximately \$1.6 million, mainly due to proceeds received from financings, which have been advanced to Terra and spent on property acquisition and exploration.

SUMMARY FINANCIAL INFORMATION

The following table shows the results for the last quarter compared to those from the previous eight quarters.

Period Ending	Revenues	Loss	Loss per Share
July 31, 2026	Nil	\$215,356	\$0.00
April 30, 2026	Nil	\$149,083	\$0.00
January 31, 2026	Nil	\$147,071	\$0.00
October 31, 2025	Nil	\$88,536	\$0.00
July 31, 2025	Nil	\$216,544	\$0.00
April 30, 2025	Nil	\$310,879	\$0.01
January 31, 2025	Nil	\$464,165	\$0.01
October 31, 2024	Nil	\$159,700	\$0.00

RESULTS OF OPERATIONS

The loss from operating expenses for the three months ended July 31, 2026, compared to three months ended July 31, 2025, decreased by approximately \$1,000. The activity for the three months ended July 31, 2026, was caused by decreases of approximately \$6,000 in professional fees.

LIQUIDITY AND CAPITAL RESOURCES

(a) Working Capital

The Company has a working capital deficiency in the amount of \$486,232 as of July 31, 2026.

On April 14, 2026, the Company closed the previously announced non-brokered private placement financing of units for gross proceeds of \$439,370. The Company issued 8,787,408 units of \$0.05 per unit. Each unit consists of one common share in the capital of the Company and one common share purchase warrant at an exercise price of \$0.10 until April 14, 2028. The Company incurred \$12,950 in finders' fees and an additional \$7,900 which related to the fair value of finders' warrants issued in connection with the offering.

On August 12, 2025, the Company issued 3,025,810 units at a price of \$0.10 per unit for gross proceeds of \$302,581. Each unit consists of one common share in the capital of the Company and one-half of a common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.20 until August 12, 2028. The Company incurred \$7,000 in finders' fees and an additional \$3,800 which related to the fair value of finders' warrants issued in connection with the offering.

On July 11, 2025, the Company issued 8,149,141 units at a price of \$0.10 per unit for gross proceeds of \$814,914. Each unit consists of one common share in the capital of the Company and one-half common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.20 until July 11, 2028. The Company incurred \$28,000 in finders' fees and an additional \$20,000 which related to the fair value of finders' warrants issued in connection with the offering.

On February 26, 2025, the Company issued 4,420,000 units at a price of \$0.10 per unit for gross proceeds of \$442,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 until February 26, 2028. Pursuant to the Company's significant accounting policy, the Company determined that the residual value of the warrant component of the units sold was \$0.015 per unit, for a total of \$66,300. The Company incurred \$28,840 in finders' fees and an additional \$15,300 which related to the fair value of finders' warrants issued in connection with the offering.

On January 28, 2025, the Company issued 1,290,000 units at a price of \$0.10 per unit for gross proceeds \$129,000 which included 1,290,000 units for gross proceeds of \$129,000 being issued to principals of Paradox Public Relations Inc. ("Paradox") which provides the Company with investor relation services. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 until January 28, 2028. The Company incurred \$6,930 in finders' fees in connection with the offering, and an additional \$4,200 which related to the fair value of finders' warrants issued in connection with the offering using the Black-Scholes option pricing model with the following inputs: i) exercise price: \$0.15; ii) share price: \$0.095; iii) term: 3 years; iv) volatility: 120%; v) discount rate: 2.83%. Pursuant to the Company's significant accounting policy, the Company determined that the residual value of the warrant component of the units sold was \$0.005 per unit, for a total of \$6,450.

On October 30, 2024, the Company issued 381,250 units at a price of \$0.10 per unit for gross proceeds of \$38,125. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 until October 30, 2027. Pursuant to the Company's significant accounting policy, the Company determined that the residual value of the warrant component of the units sold was \$0.02 per unit, for a total of \$7,625.

On September 13, 2024, the Company issued 1,760,100 units at a price of \$0.10 per unit for gross proceeds of \$176,010. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 until September 13, 2027. The Company incurred \$1,750 in finders' fees in connection with the offering, and an additional \$1,100 which related to the fair value of finders' warrants issued in connection with the offering using the Black-Scholes option pricing model with the following inputs: i) exercise price: \$0.15; ii) share price: \$0.095; iii) term: 3 years; iv) volatility: 120%; v) discount rate: 2.86%. Pursuant to the Company's significant accounting policy, the Company determined that the residual value of the warrant component of the units sold was \$0.005 per unit, for a total of \$8,801.

On July 24, 2024, the Company issued a total 3,195,442 common shares at a price of \$0.11 per share to Fulcrum and Global Energy on closing of an option agreement.

On July 19, 2024, the Company issued 5,670,000 units at a price of \$0.10 per unit for gross proceeds of \$567,000, of which included 1,000,000 units for gross proceeds of \$100,000 being issued to Carl Fleury an individual which

provides the Company with business development services. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 until July 19, 2027. The Company incurred \$11,200 in finders' fees in connection with the offering, and an additional \$10,100 which related to the fair value of finders' warrants issued in connection with the offering 3.56%.

On June 17, 2024, the Company issued 2,057,500 units at a price of \$0.10 per unit for gross proceeds of \$205,750. Each unit consists of one common share in the capital of the Company (each a "common share") and one common share purchase warrant (each a "warrant"). Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 until June 17, 2027.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related party payables and transactions

The Company's related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence for the period ended July 31, 2026, and Directors receive no salaries, non-cash benefits, or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on a thirty-day advance notice.

Key management personnel and Directors can participate in the Company's stock option plan. No stock options were granted to related parties during the six months ended July 31, 2026, and July 31, 2025.

During the year ended January 31, 2025, two Directors of the Company subscription to unit offerings completed June 17, 2024, in which they were issued 257,500 units at \$0.10 per unit for gross proceeds of \$25,750. In addition, the CEO of the Company subscribed to the unit offering completed on October 30, 2024, in which 131,250 units were issued at \$0.10 per unit for gross proceeds of \$13,125.

During the year ended January 31, 2024, upon acquisition of Tera, Rockstone Group D.O.O. is wholly held by Aleksandar Ilić, who was the project vendor pursuant to the option agreements on mineral property interests. Mr. Ilić is a current director of the Company. Mr. Ilić was paid \$50,000 on March 4, 2021, for the option of the Kaludra License. (see Note 5) Mr. Ilić was also due another \$50,000 as a finder's fee for the Ceovishte License once granted by the Serbian Ministry of Energy and Mines within a calendar year following the licence grant. (see Note 6). Mr. Ilić was issued Company shares at the price of \$0.255 equivalent to \$50,000 as a finder's fee for the Ceoviste License during the year ended January 31, 2024. Furthermore, \$7,497 (9,750 BAM) is owed to Mr. Ilić as at October 31, 2025.

- (a) Stephen Brohman is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services (included within professional fees).
- (b) Alex Miskovic is a Company Director and the Company's CEO. He is a shareholder and has significant influence over Geotarget Solutions Inc. ("Geotarget Solutions") which is a geological consulting firm. Geotarget Solutions provides the Company with geological consulting services and CEO services (included within consulting and salaries).
- (c) Catherine Cox is the Company's Corporate Secretary. She has significant influence over CAT Corporate Services Inc. ("CAT Corporate Services") which is a consulting firm. She provides the Company with Corporate Secretary services (included within consulting fees).

	Transactions Six months ended July 31, 2026 \$	Transactions Six months ended July 31, 2025 \$	Balances outstanding at July 31, 2026 \$	Balances outstanding at January 31, 2026 \$
CAT Corporate Services	31,450	18,000	31,955	26,105
Geotarget Solutions	154,500	148,952	131,888	92,126
DBM CPA	29,887	30,600	25,806	20,025
Alex Miskovic	-	-	13,376	13,823
	215,837	197,552	203,025	152,079

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration

industry. Some of these risk factors include risks associated with land title, exploration and development, government and environmental regulations, permits and licenses, competition, fluctuating metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities. See "Risk Factors" in the Prospectus (as defined below).

Risks to Operations in the Bosnia and Herzegovina

The Company's exploration activities on the Viogor-Zanik Project may be affected by political instability, social unrest and government regulations relating to foreign investment, corporate activity, and the mining business in Bosnia and Herzegovina. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation. The License granted by the Government of the Bosnia and Herzegovina enables the Company to conduct exploration and development activities. Notwithstanding this arrangement, the Company's ability to conduct exploration and development activities or to later expand its operations will be subject to obtaining and/or renewing licenses, permits or concessions, changes in laws or government regulations or shifts in political attitudes beyond its control.

The laws and regulations on mining in Bosnia and Herzegovina have experienced continued growth and development since the nation's recovery from the Bosnian War and surrounding conflict during the 1990s. As a result of the continual changes to the law, some areas of the mining laws and regulations are unclear. This lack of certainty in the laws and regulations may impact the Company's ability to ensure compliance with the same.

Political Instability

The Bosnia and Herzegovina has experienced political difficulties in past years, including a civil war in the 1990s, with portions of the region still subject to hidden landmines including the area consisting of the Viogor-Zanik Project. Although the Company has retained demining consultants, there is no guarantee that the presence of landmines or other dangers resulting from the past civil war would not impede access, progress, or safety of operations.

The Company may consider carrying political risk insurance to cover its activities on the Viogor-Zanik Project. There can be no assurance that, if the Company chose to obtain it, political risk insurance would be available to it, or that particular losses the Company may suffer with respect to its foreign investments will be covered by any insurance that it may obtain in the future. Any such losses could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Governmental Regulations

The activities of the Company in connection with the Drina Licenses are subject to the Republic of Srpska, Bosnia and Herzegovina approvals, various laws governing development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances, and other matters. Although the Issuer believes that activities on the Viogor-Zanik Project are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or production. Amendments to current laws and regulations governing operations and activities of mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the Drina Licenses and any future licenses and permits may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses and permits. In the event of revocation, the value of the Company's investments in the Viogor-Zanik Project will decline. If the Reporting Issuer does not comply with the laws and regulations of Bosnia and Herzegovina, the Government could conduct a review into the activities of the Reporting Issuer and may issue decrees to revoke land use rights of the Company. The activities of the Company in connection with the Tera Balkanika doo Beograd License is subject to approvals, various laws governing development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances, and other matters of the Republic of Serbia. Likewise, the exploration activities of the Company in connection with the Saskatchewan uranium portfolio are subject to the approvals and are governed by the Crown Minerals Act (Saskatchewan) and the Mineral Tenure Registry Regulations (Saskatchewan), which are administered by the Saskatchewan Ministry of Energy and Resources. Mineral rights are owned by the Crown and are distinct from surface rights. The mineral tenures that constitute the optioned licences do not grant surface rights.

Regulatory Requirements in the Bosnia and Herzegovina

The proposed or future activities of the Company will require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes,

labour standards, occupational health, waste disposal, toxic substances, land and water use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on the Viogor-Zanik Project.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in development and production operations may be required to compensate those suffering loss or damage by reason of the development and production activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures and development costs or require abandonment or delays in the development of the Viogor-Zanik Project, the Ceovishte licence or the portfolio of optioned properties in Saskatchewan, Canada.

The Company may encounter regulatory and/or permitting delays. The Company will utilize its best efforts to ensure timely application for any government permits necessary for conducting its operations in Bosnia and Herzegovina. However, its past ability to obtain all necessary permits in a timely fashion is not a guarantee of future results as events like bureaucracy and minor changes in legislation that are beyond the Company's control could substantially impede the timing of receiving essential permits and delay or stall the Company's exploration efforts.

Environmental Risks

The Company's exploration and development activities on the Bosnian, Serbian and Canadian Licences are, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

If the environmental laws and regulations relating to the Company's activities were to change, or the enforcement of such laws and regulations were to become more rigorous, the Company could be required to incur significant expenditures to comply, which could have a material adverse effect on its future cash, flows, earnings, results of operations and financial condition, its ability to develop projects further, and increase its reserves and resources.

The Company may also be required to establish a decommissioning and reclamation plan for the Viogor-Zanik Project. Provision made for the cost of decommissioning and reclamation can be significant and are subject to change. It cannot be predicted what level of decommissioning and reclamation may be required in the future by regulators.

If the Company is required to comply with significant additional regulations or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

The Company conducted a comprehensive baseline environmental study in May of 2021 to establish the initial environmental parameters across the three licences which constitute the Viogor-Zanik project in Bosnia.

Canadian Regulatory Requirements

The Company will also be subject to Canadian regulations while operating in Bosnia and Herzegovina, specifically the Corruption of Foreign Public Officials Act (the "Anti-Corruption Legislation"). The Anti-Corruption Legislation will prohibit the Company or any officer, director, employee or agent of the Company or any shareholder of the Company acting on its behalf from paying, offering to pay, or authorizing the payment of anything of value to any foreign government official, government staff member, political party, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The Anti-Corruption Legislation also requires Canadian public companies to make and keep books and records that accurately and fairly reflect their transactions and to devise and maintain an adequate system of internal accounting controls.

The Company's operations in Bosnia and Herzegovina may create the risk of unauthorized payments or offers of payments by the Company's employees, consultants or agents. Any failure by the Company and its subsidiaries to adopt appropriate compliance procedures and ensure that its employees and agents comply with the Anti-Corruption Legislation and applicable laws and regulations in foreign jurisdictions could result in substantial penalties or restrictions on the Reporting Issuer's ability to conduct business in certain foreign jurisdictions, which may have a material adverse impact on the Reporting Issuer and its share price.

License of the Viogor-Zanik Project

The Company owns the licenses (the "Drina Licenses") in respect of the Viogor-Zanik Project through its subsidiary corporation, Drina Resources doo Srebrenica. The Company's right to maintain and exercise the Drina Licenses will require payments to the government pursuant to the terms of the Drina Licenses. There is no assurance that such rights provided for by the Drina Licenses will not be revoked or significantly altered to the detriment of the Company. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties, including local governments. Though the Company may not be aware of any uncertainties in the Drina Licenses, there is no assurance that such uncertainties will not arise and result in future losses or additional expenditures, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

The two licenses that comprise the Drina Licenses expire on October 2, 2026 for Olovine and February 5, 2027 for Čumavići. The Company intends to obtain new licenses on substantially the same terms as soon as practicable following each expiry date for the Drina Licenses. The process for obtaining new licenses is not automatic and requires the Company to meet certain requirements under the laws of Bosnia and Herzegovina. There is no guarantee that the Company will be able to obtain new licenses or that obtaining the new licenses will be delayed. If the Company is unable to obtain new licenses, the Company may lose its interest in the Viogor-Zanik Project and the Company may be forced to cease exploration and development activities on the property, which may have a material adverse effect on the Company's business, financial condition and results of operations.

Substantial Capital Requirements and Liquidity

The Company will have limited financial resources and no revenues. If the Company's exploration and development of the Viogor-Zanik Project is successful, substantial additional funds will be required for the purposes of further development and future operations. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities on acceptable terms or at all. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope and/or amend the timing of its development plans and/or operations.

No Mineral Resources or Reserves

The Viogor-Zanik Project and Terra's Serbian mineral exploration licence Ceovishte are jointly considered to be in the early exploration and development stage. As of the date of this Prospectus, no 43-101 compliant mineral resources have been defined at the Viogor-Zanik or Serbian Project. There is no certainty that further exploration and development will result in the definition of indicated, or measured resources, or probable or proven reserves, at the Viogor-Zanik Project, the Ceovishte Project, or any mineral exploration project that the Company pursues, or that if any mineral resources or reserves are defined at such projects that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

Development and Operating Risks

The development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals which may be disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods evaluated in pilot conditions. Mineral development and production are speculative in nature.

The Company's operations will be subject to all of the hazards and risks normally encountered in the development and production of mineral properties. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Reliance on Management and Dependence on Key Personnel

The success of the Company is currently largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

The Company may also experience difficulty acquiring visas for foreign workers and key personnel which could have a material adverse effect on the Company and its operations.

Health and Safety Risks

The Company must comply with the health and safety laws, regulations, guidelines and permitting requirements in Bosnia and Herzegovina and Serbia. These laws are in place to protect the health and safety of employees while working at the Viogor-Zanik Project. The possibility of more stringent laws or more rigorous enforcement of existing laws could have a material adverse effect on the Company's exploration activities and the viability of the Viogor-Zanik Project.

Limited Operating History

The Company will be a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objectives.

Fluctuating Mineral Prices

The economics of mineral development are affected by many factors beyond the Company's control including, commodity prices, the cost of operations, and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is uneconomic to continue the Company's activities on the Viogor-Zanik Project.

Mineral prices are prone to fluctuations, and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any metals which may be identified on the Viogor-Zanik Project.

Currency Fluctuations

Currency fluctuations may materially affect the financial position and results of the Company. The Company's earnings and cash flow may also be affected by fluctuations in the exchange rate between the Canadian dollar and other currencies, such as the Bosnian mark, the Serbian dinar, and the Euro. The Company will not engage in currency hedging to offset any risk of currency fluctuations.

Supply Chain Interruptions

Due to limited suppliers of equipment, materials, supplies and services available in the Bosnia and Herzegovina and in Serbia, any disruption at supplier facilities could result in curtailment or suspension of activities. Any disruption in the transportation of or restriction in the flow of these goods or the imposition of customs clearance requirements may result in production delays.

The Company is also exposed to price volatility in respect of key inputs, such as fuel. Increases in global fuel prices can materially increase operating costs, erode operating margins and project investment returns, and potentially reduce viable reserves. Conversely, a significant and sustained decline in world oil prices may offset other costs and improve returns.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Risks of Foreign Operations

The Company operates in countries with varied political and economic environments. Any changes in regulations or shifts in the political environment are beyond the control of the Company and may adversely affect its operations.

Within Canada, the Company's activities may be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. Beyond Canada's borders, the Company's foreign operations are subject to certain risks including extreme fluctuations in currency, political and economic instability, risks of war or civil unrest, labour unrest, expropriation and nationalization, acts of terrorism, illegal mining and mineral exploration, government regulations that favour or require the country's domestic contractors, suppliers or resources, opposition from environmental or other non-governmental organizations and renegotiation or nullification of existing concessions, licenses, permits and contracts, all of which may affect the Company and its operations in varying degrees.

The Drina Licenses pertain to the Viogor-Zanik Project which is located in Bosnia and Herzegovina. The Company's activities may be adversely affected by laws and policies of Canada affecting foreign trade, taxation, and investment. In the event of a dispute arising in connection with the Company's operations in Bosnia and Herzegovina, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's development activities on the Viogor-Zanik Project could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company.

The Company has a license application with respect to an additional exploration project in Serbia pending before the Ministry of Mines and Energy of the Republic of Serbia and will in the future acquire resource properties and operations outside of the Bosnia and Herzegovina as part of its strategy to develop a portfolio of properties in the Balkan region. Such expansion may present challenges and risks that the Company has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Company.

Conflicts of Interest

Certain of the proposed directors and officers of the Company engage in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.

Uninsurable Risks

Development and production operations of mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes, and other environmental occurrences. It is not always possible to obtain insurance against all such risks, and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company Shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Dividends

To date, the Company has not generated any earnings and or paid any dividends on their outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions. If the Company generates earnings in the foreseeable future, it expects that they would be retained to finance growth.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments – fair value

The Company's financial instruments consist of cash, receivables, accounts payable and accruals, and due to related parties.

The carrying value of receivables, accounts payable and accruals, due to related parties and advances payable approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

The Company's financial assets and liabilities are carried at amortized cost and belong to Level 2 of the fair value hierarchy. During the period ended July 31, 2026, there were no transfers between the level of fair value hierarchy.

Financial instruments – risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

(a) Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company has minimal receivables exposure as its refundable credits are due from the Serbian government.

(b) Interest rate risk

The Company is not exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. The Company's contractual cash outflows of its financial liabilities are approximate their carrying values and due within 0 to 12 months as of July 31, 2026 and July 31, 2025.

(d) Currency risk

As of July 31, 2026, of the Company's cash was held either in Canadian dollars, Bosnian Mark or Serbian Dinar. The Company incurs expenditures in Canada, Bosnia and Serbia, and as such is exposed to currency risk associated with these costs.

A change in the value of the Bosnian Mark and Serbian Dinar by 10% relative to the Canadian dollar would not have a significant impact on the Company's working capital and net loss for the period ended July 31, 2026, and July 31, 2025.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant and future accounting policies are detailed in Note 2 to the audited financial statements for the year ended January 31, 2026.

INVESTOR RELATIONS

All investor relations functions are performed by the Company management, employees and the consulting firm Paradox PR from Montreal based on the IR contract dated June 20th, 2022.

PROPERTY TRANSACTIONS AND EXPLORATION

The Company is focused on growth through the acquisition and systematic advancement of established mineral exploration projects. The Company is a natural resource corporation principally engaged in the exploration and development of the Viogor-Zanik Project located in eastern Bosnia and Herzegovina. The Company also seeks to identify, investigate, evaluate and acquire other mineral property opportunities located in the Balkan region of Eastern Europe. The Company previously held mineral licence interests in Serbia through its Serbian subsidiary, including the Ceovishte licence; however, the Ceovishte licence was relinquished in December 2024, and the Company is in the process of liquidating the Serbian subsidiary. Accordingly, the Company does not currently hold an active mineral property interest in Serbia.

The Company also has exposure to an optioned portfolio of uranium-focused mineral claims in northern Saskatchewan, Canada through Terra North Resources Corp. ("Terra North"), a subsidiary over which the Company retained control as at July 31, 2026. The Saskatchewan portfolio was optioned from Fulcrum Metals plc of Birmingham, UK and comprises mineral claims prospective primarily for uranium, as well as gold, rare earth elements, nickel and copper.

Pursuant to the Fulcrum option agreement, Terra North is required to complete minimum work expenditures totalling \$3,250,000 prior to the fourth anniversary of the option agreement. Upon exercise of the option, Terra North will grant Fulcrum a 1.0% net smelter returns royalty ("NSR") on all claims, with a buy-down option for half of the NSR, being a 0.5% NSR, for a cash payment of C\$1,000,000.

Terra North will target attributes that are favourable for the formation of Beaverlodge-style and basement-hosted uranium mineralization. Key geological factors include uranium-enriched metamorphic or intrusive bedrock, reactivated and graphitized structures, Athabasca Supergroup sandstone and favourable basement rock competency contrasts. Uranium mineralization is locally comprised of uranium oxides, with subordinate uranium silicates and secondary uranyl oxyhydroxides.

TECHNICAL REVIEW

Technical information disclosed in this MD&A has been approved by the Aleksandar Miskovic, PhD., a "Qualified Person" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

SHARE CAPITAL INFORMATION

The authorized share capital of The Company consists of the following classes of shares:

An unlimited number of common shares and preferred shares without par value.

As of July 31, 2026, the Company issued share capital consisted of 77,907,930 common shares. As of September 28th, 2026 the Company issued share capital consisted of 77,907,930 common shares.

Stock Options

As of July 31, 2026 and September 28th, 2026, the Company had 4,800,000 stock options outstanding.

Warrants

As of July 31, 2026 the Company had 31,650,005 warrants outstanding. As of September 28, 2026 the Company had 31,041,182 warrants outstanding.

SUBSEQUENT EVENTS

On September 21, 2026, the Company announced the extension the closing date of the non-brokered private placement announced on June 24, 2026 to October 8, 2026 for gross proceeds of up to \$750,000 through the issuance of up to 15,000,000 units at a purchase price of \$0.05 per unit. Each unit will be comprised of one common share and a common share purchase warrant to purchase an additional one common share of the Company at an exercise price of \$0.10 for a period of 24 months from the closing date of the private placement.

On September 21, 2026, the Company entered into an agreement to acquire the remaining 10% equity interest in Drina Resources doo Srebrenica ("Drina") from the two arm's length minority shareholders of Drina. As consideration for the acquisition, the Company has agreed to issue an aggregate of 6,331,400 common shares to the vendors. The acquisition remains subject to approval of the Canadian Securities Exchange and completion of the applicable transaction documentation and, accordingly, had not been completed as of the date of these financial statements.

Subsequent to July 31, 2026, Terra North Resources Corp. ("Terra North") issued 5,600,000 common shares to Fulcrum Metals (Canada) Ltd. at a deemed price of \$0.10 per share pursuant to a second amending agreement dated August 6, 2026 relating to the mineral property option agreement. As a result of the share issuance, the Company's ownership interest in Terra North decreased from approximately 48% on July 31, 2026 to approximately 39.5%. The second anniversary cash payment payable by Terra North to Fulcrum Metals (Canada) Ltd. was also deferred to the earlier of the 13th trading day following completion of a going-public transaction by Terra North and October 31, 2026.

Management has assessed the Company's continuing involvement in Terra North following the dilution and concluded that the Company continues to control Terra North in accordance with IFRS 10, *Consolidated Financial Statements*. Accordingly, Terra North continues to be accounted for as a consolidated subsidiary of the Company.

CORPORATE INFORMATION

Dr. Aleksandar (Alex) Miskovic, P.Geo., Montreal, QC
 Kim Oishi, Vancouver, BC
 Aleksandar Ilic, Serbia
 Catherine Cox, Vancouver, BC
 Stephen Brohman, Port Moody, BC

President, Chief Executive Officer and Director
 Director
 Director
 Corporate Secretary
 Chief Financial Officer

Auditors

Kreston GTA LLP
 8953 Woodbine Avenue
 Markham, Ontario L3R 0J9