Progressive Planet Solutions Inc.

Management's Discussion & Analysis
For the Three months Ended July 31, 2026

September 24, 2026

INTRODUCTION

Shares of Progressive Planet Solutions Inc. ("the Company", "Progressive Planet", or "PLAN") are listed for trading on the TSX Venture Exchange ("TSX-V") under the trading symbol PLAN, on the Frankfurt Stock Exchange under the trading symbol ARB3, and on August 17, 2022, were listed to trade on the OTCQB Venture Market under the trading symbol ASHXF.

The following management's discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for the Company and should be read in conjunction with the Company's condensed consolidated financial statements and the accompanying notes at and for the three-months ended July 31, 2025 (the "financial statements"), which were prepared using accounting policies consistent with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and are filed on the SEDAR website: www.sedarplus.ca.

All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described under "Risk Factors" and "Forward-Looking Statements" towards the end of this MD&A.

NON-IFRS AND OTHER FINANCIAL MEASURES

This MD&A contains financial measures not prepared in accordance with IFRS®, including non-IFRS measures (EBITDA and Adjusted EBITDA) and a supplementary financial measure (Gross Margin). These measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. Management believes these measures provide investors with useful supplemental information for analyzing the Company's results of operations, particularly in evaluating performance from period to period. Management uses these measures internally to make operating decisions and to compare the Company's performance to historical results and to competitors' results. These measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

Supplementary financial measure

Gross margin: Gross margin is calculated as gross profit divided by revenue for the period, expressed as a percentage. Both gross profit and revenue are presented in the Company's condensed consolidated statements of income and comprehensive income. Management uses gross margin to assess the profitability of the Company's sales, including the effect of changes in product mix, production costs and freight, from period to period.

Non-IFRS financial measures

EBITDA: EBITDA, or Earnings Before Interest, Taxes, Depreciation and Amortization, is an alternative measure of performance utilized by management to evaluate and analyze the Company's results. EBITDA is net income (or loss) excluding interest (finance costs), current and deferred income tax expense, amortization and depreciation expense, and depletion expense.

Adjusted EBITDA: Adjusted EBITDA is an alternative measure of performance utilized by management to evaluate and analyze the Company's results. Adjusted EBITDA is EBITDA excluding non-recurring or irregular revenues and expenses that, in the opinion of management, make the period-over-period comparison of results from operations less meaningful. Specifically, Adjusted EBITDA excludes gains and losses on disposal of property, plant and equipment ("PP&E"); gains or losses on investment in a private company; gains or losses on investments in public companies; and gains and losses on modification or settlement of lease liabilities.

EBITDA and Adjusted EBITDA have no standardized meaning and may not be comparable to other issuers' measures.

The following table reconciles the Company's net income to EBITDA and Adjusted EBITDA for the three-month periods ended July 31, 2026, and 2025:

	July 31, 2026	July 31, 2025
Net income	$ 1,109,931	$ 1,597,712
Finance costs	94,811	91,630
Current income tax expense	1,129	-
Deferred income tax recovery	(102,794)	(469,854)
Amortization and depreciation	241,520	220,835
Depletion	5,500	4,236
EBITDA	**$ 1,350,097**	**$1,444,559**
Loss on investments in public companies	117,476	565
Loss on investment in a private company	9,000	-
Loss (gain) on disposal of PP&E	4,761	(30,831)
Gain on settlement of lease liabilities	-	(14,166)
Adjusted EBITDA	**$ 1,481,334**	**$ 1,400,127**

OPERATIONAL AND FINANCIAL HIGHLIGHTS

As discussed further in the remainder of this MD&A and accompanying financial statements, the Company notes the following significant financial and operational results realized during the three months ended July 31, 2026 (compared to three months ended July 31, 2025, where appropriate):

- **Revenue** increased by 23% to $7,296,702 – the highest quarterly revenue achieved by the Company since inception

- **Gross profit** increased by 10% to $2,497,757

- **Gross margin** decreased to 34% compared to 39% for 2025

- **Income from operations** increased by 29% to $924,124

- **EBITDA** decreased to $1,350,097, compared to $1,444,559 for 2025 (a 7% decrease)

- **Adjusted EBITDA** increased to $1,481,334, compared to $1,400,127 for 2025 (a 6% increase)

- **Net income** decreased 31% to $1,109,931

- **Capital investment:** During the three-month period ended July 31, 2026, the Company invested $654,335 in **property, plant and equipment assets**, including $391,104 for a building extension and equipment to be utilized in the PozGlass™ pilot plant. Grant proceeds of $189,685 were recognized in relation to these pilot plant acquisitions, thereby reducing the cash outlay required by the Company.

- **Pilot Plant development:** During the current quarter, in addition to the building and equipment expenditures noted above, the Company incurred $469,679 of non-capital costs toward the development of the PozGlass™ pilot plant. Grant proceeds of $234,182 were recognized in relation to these expenditures, which reduced the cost incurred by the Company.

DESCRIPTION OF BUSINESS

Background

Progressive Planet, a manufacturing company operating out of Kamloops, British Columbia, is reimagining what is possible when we prioritize our planet's health. The Company's expertise lies in developing products using its own mineral assets and recyclable materials to create Products for a Healthy Planet™.

As a public company, we are listed on the TSX Venture as a Tier 1 company under the classification of both a manufacturing company and a non-metallic mineral extraction company. The specific industry classification is Industrial/Technology/Life Sciences – Clean Technology.

Progressive Planet's C-Quester™ Centre for Sustainable Innovation in Kamloops is proudly disrupting the cement industry and is home to the Company's cement lab that focuses on PozGlass SCM. A second lab on site is geared towards developing products for the agricultural and animal care industries. The second lab also functions as a quality control check for all products manufactured in Kamloops. The Company's product lines include patented and patent pending products which are developed with the express intent of promoting a healthy planet using naturally occurring minerals and the urban mining of recyclable materials.

Progressive Planet Alberta also operates a cement lab in Calgary, Alberta, which opened in March 2026. The lab employs two PhDs in Chemistry and serves a dual purpose: as an R&D centre supporting the parent company (PLAN.V), and as a fee-for-service laboratory offering CSA and ASTM-standardized testing for cement formulations and water reducing admixtures. The main focus right now is work on Planet LCD and an associated water reducing admixture to improve the flow of natural pozzolan-based supplementary cementing materials (SCMs). While establishing the lab and starting operations involved initial costs, the Company expects the lab to support ongoing development of its proprietary technologies and, over time, to become a profit centre in its own right.

Progressive Planet is a B2B manufacturer that ships over 2 million products a year. The Company ships to large retail chains, distributors of industrial absorbents and farm products, and directly to poultry feed mills where its mineral powders are used as a key ingredient in poultry feed. The Company's retail products ultimately end up in thousands of retail stores across North America.

Progressive Planet's current product development expertise lies in two distinct areas. The first area of expertise relates to developing critical low-carbon and carbon sequestering cement powders using the Company's own mineral assets and recyclable materials to create planet-friendly products that fight climate change and protect the planet's health.

The second area of expertise is in the development of agricultural, pet, and animal health products using the Company's mineral assets. Progressive Planet's flagship animal health product is a bedding additive called Activated Barn Fresh™. Activated Barn Fresh is an OMRI-listed poultry bedding amendment designed for use in organic broiler houses. It mitigates ammonia emissions, improving air quality for both poultry and farm workers. It has a US patent until 2033. With over six years remaining on its U.S. patent, Activated Barn Fresh continues to be a top seller.

While Progressive Planet continuously works on product development, we don't announce new product development initiatives until we have confirmed proof of demand for the products. Product development efforts continue to focus on low carbon cements and animal health and agricultural products.

Strategic Business Units

The Company comprises three strategic business units ("SBU"), with the common goal of developing and commercializing products to support a healthy planet, as follows:

1. **Vertically Integrated Manufacturing** – This is the core business, and this unit oversees the extraction and processing of natural minerals to create a range of high-quality products. Following the February 2022 acquisition of Absorbent Products Ltd., now known as Progressive Planet Products Inc. (PPP), the Company owns and operates diatomaceous earth, zeolite, and calcium bentonite quarries near its manufacturing operations in Kamloops. These minerals are transformed into products such as Activated Barn Fresh™, Red Lake Earth™ animal feed additive, WunderCat™ litter, CanDry™ chemical free industrial absorbent, and other products.

   The Kamloops operations also produces SKUs of diatomaceous earth-based products where the diatomaceous earth is transported from a mine in eastern Oregon. Puffer bottles and jugs of the Pure DE brand which is sold in over 2,400 locations in the USA are produced in Kamloops. A third Pure DE SKU (a 20-pound bag) is toll processed by a third party in eastern Oregon. In addition, this same third party produces all bagged White Lake Earth SKUs that are sold in both Canada and the USA. Full trucks of White Lake Earth products are drop shipped directly to customers from eastern Oregon. In addition, full trucks of White Lake Earth product are shipped back to be warehoused in our Kamloops facilities for distribution to other customers where these SKUs are part of mixed loads that also contain other SKUs produced in Kamloops.

   Key features of this SBU include:
   - Production and distribution – PPP's manufacturing capabilities support the production of over two million units of product annually, serving customers across North America.
   - Financial backbone - The profitable operations of this SBU provide critical cash flow to support the development and commercialization efforts of the other two SBUs.
   - R&D efficiency - By leveraging the existing team, infrastructure, and equipment, PPP enables cost-effective research and development, facilitating innovation while maintaining production efficiency.

2. **Cement Replacement** – This SBU focuses on reducing the carbon footprint of the global cement industry by developing sustainable alternatives to traditional cement. The key initiative under this SBU is the development of PozGlass™ 100G ("PozGlass"). This is a proprietary technology that captures and stores CO2 from cement stack emissions. The resulting PozGlass™ product can then be used to partially replace cement in concrete, significantly lowering carbon emissions. Progressive Planet plans to license this technology globally, following the launch of a Kamloops-based pilot plant. On March 5, 2025, Progressive Planet announced grant funding of up to $4.6 million over 4 years from SDTC Canada in financial support to build the PozGlass™ pilot plant.

   On March 25, 2025, Progressive Planet announced a further grant funding of $1.14 million from the British Columbia Innovative Clean Energy (ICE) Fund.

   Amrize Canada Inc. (formerly Lafarge Canada Inc.) entered into an agreement with Progressive Planet (announced June 29, 2023), to purchase all PozGlass™ produced by the pilot plant (up to a maximum of 3,500 metric tonnes per year).

   The PozGlass Pilot Plant was still under construction at the end of Q1 (July 31, 2026).

   The plant is being developed in two phases. The first phase involves procuring and assembling the equipment to size reduce the glass while removing all the contaminants from the post-consumer glass (plastic and metal lids, aluminum necks on wine bottles, paper and glue from labels, etc.). All major components required for Phase 1 were installed by April 30, 2026.

Commissioning of the plant continued during the three-month period ended July 31, 2026.

During Q1, Progressive Planet began preliminary production of CanBlast™, a crystalline silica-free sand blasting media which Progressive Planet has sold for over a decade. CanBlast has historically been made by a third-party company using post-consumer glass. The production was only part of commissioning activities as the PozGlass Pilot Plant does not yet have its occupancy permit which will enable full scale production from the Pilot Plant. In addition, the plant requires final approval from Recycle BC to accept post-consumer glass controlled by Recycle BC.

Finally, the bagging equipment to enable bagging CanBlast™ in 50 lb bags was ordered during Q1. This equipment is enroute as of September 24, 2026, and is expected to be installed and operating in October 2026, subject to receiving an occupancy permit.

Phase 2 involves procuring and assembling the equipment to conduct wet grinding of coarse glass powder to create PozGlass™. Phase 2 construction of the wet grinding facility is expected to be completed in late 2026. The delays in completing Phase 1 have not currently resulted in any expected delays in completing Phase 2.

Phase 2 work commenced in the fourth quarter of the prior fiscal year and this work continued on schedule during the current quarter.

The pilot plant, when fully constructed, will serve multiple purposes:

- **Environmental assessment** – Evaluating greenhouse gas emissions associated with large-scale production of PozGlass™ by conducting a Life Cycle Analysis (LCA) and comparing it to the emissions from producing an equivalent amount of Portland cement. This assessment will provide a clear comparison of the carbon footprint between the two products.
- **Economic viability** - Assessing the cost-effectiveness of scaling PozGlass™ production to full commercial levels.
- **Product testing** - Producing PozGlass™ for testing by Amrize Canada (formerly, Lafarge Canada).
- **Technology demonstration** - Showcasing PozGlass™ technology to potential clients in the cement industry through site visits.

On September 29, 2025, Progressive Planet announced that Dr. Doug Brown had joined Progressive Planet Alberta as its President and CTO.

In conjunction with the hiring of Dr. Brown, Progressive Planet Alberta opened a new cement materials research lab in Calgary. The cement lab located in Kamloops remains fully functional and continues to operate as usual and continues to be the lab which supports the PozGlass™ Pilot Plant; it will perform all quality control testing of PozGlass™ produced at the pilot plant. The new Calgary lab will enable the PLAN Group of Companies to accelerate product development on multiple new, early-stage cementitious material initiatives including Planet LCD and Planet LCD Flow, a water reducing admixture for cement.

The grand opening of the Calgary lab occurred on March 26, 2026. In addition, Progressive Planet Alberta now employs a second PhD in Chemistry, Dr. Laurie Donnelly, at Progressive Planet Alberta. Dr. Donnelly was hired in February 2026.

On October 21, 2025, Progressive Planet announced that it has developed a second supplementary cementing material which it has named Gladiator SCM.

The Company filed a provisional patent in the USA for the composition of Gladiator SCM.

The name Gladiator SCM pays tribute to Roman Concrete, celebrated for its strength and longevity. A famous example is the Pantheon in Rome, whose nearly 2,000-year-old unreinforced concrete dome remains the largest of its kind and is still in remarkable condition.

Gladiator SCM contains multiple materials including PozGlass. It was developed to take advantage of the positive attributes of PozGlass, while also incorporating other materials that are even more abundant than post-consumer glass.

Gladiator SCM was invented by Steve Harpur, Dr. Doug Brown, and Michael Carrell, all full-time team members of Progressive Planet.

In March 2026, Progressive Planet announced that it had developed a third supplementary cement, Planet LCD Cement™. Planet LCD Cement is composed of diatomaceous earth, limestone, and gypsum. These three materials are widely available. Testing of the compressive strength of Planet LCD Cement has shown that it can replace up to 50% of Portland cement on a weight-for-weight basis and still offer compressive strength which exceeds the passing compressive strength as stated in ASTM C618.

3. **Agricultural and Animal Health Products and Product Quality Control** – This SBU is dedicated to creating sustainable alternatives to traditional agrochemicals, aiming to reduce the agricultural sector's carbon footprint while enhancing animal health and healthy soil. Progressive Planet's research and development efforts, both in-house and through collaborations with third-party laboratories, focus on using various silicate minerals to create eco-friendly products. A second lab at the Company's head office in Kamloops is also used for quality control testing of the over 2 million units of product produced on site while also serving as the location where we conduct lab-scale development of agricultural and animal health products.

   Key components of this SBU include:

   - Innovation Pipeline: Ongoing development of new products that promote environmental sustainability, with announcements planned once efficacy is confirmed through rigorous lab trials and primary approval of regulatory agencies such as the Canadian Food Inspection Agency (CFIA). In addition, the Company seeks to confirm demand for such products early in the development cycle.
   - Quality Control Testing: This SBU oversees all quality control testing and regulatory sample storage. As a manufacturer of retail products and animal health products, Progressive Planet is required to store samples of products produced for several years.

Innovation work in Q1 focused on the continued development of a new lightweight cat litter using our Red Lake Earth along with a patented recipe licensed from a publicly traded international sorbent company where Progressive Planet now pays a 3% royalty on net sales of lightweight cat litter. The licensed recipe enables Red Lake Earth to clump. Progressive Planet commenced sales of this lightweight cat litter in Q4 of the prior fiscal year.

Together, these three SBUs strategically position Progressive Planet to lead in developing sustainable, low-carbon solutions across diverse industries, supporting both environmental stewardship and business growth.

Progressive Planet has a continuous program of product development but does not discuss details of early-stage product development until it has confirmation of market traction of the products under development. Progressive Planet currently has other products in the early stages of development with a primary focus on cements and cement additives and water reducing agents. Progressive Planet has procured multiple pieces of equipment for its PozGlass lab in Kamloops that focus on producing and harvesting nano-particles of silica and precipitated calcium carbonate. A secondary focus is finding novel applications for these same particles for agricultural applications.

Current Corporate Structure and Operational Overview

Progressive Planet operates as a parent company, overseeing four wholly owned subsidiaries that support its SBUs focused on cement replacement, agrochemical replacement, and vertically integrated manufacturing. The corporate structure and functions of each subsidiary are outlined below:

1. **Progressive Planet Products Ltd.** (PPP) – PPP is the operating company, based in Kamloops, BC, Canada. All of PPP's manufacturing operations are located at the Mount Paul Industrial Park, where it holds four long term industrial leases with the Tk'emlúps te Secwépemc (formerly known as the Kamloops Indian Band). The Kamloops site serves as the operational hub for the company's vertically integrated manufacturing SBU, transforming diatomaceous earth, zeolite, and calcium bentonite into various commercial products.

    - **C-Quester™ Centre for Sustainable Innovation** - This centre is located in Kamloops and equipped with an advanced cement and concrete testing laboratory with the focus on testing PozGlass SCM as well as working on nano-particles of amorphous silica and precipitated calcium carbonate. Progressive Planet continues to populate this lab with additional equipment. It plays a critical role in the Cement Replacement SBU by accelerating the development and data generation for PozGlass.

    - **AgTech and Product Quality Control Laboratory** – This laboratory supports the Agrochemical Replacement SBU. It oversees the development of products aimed at replacing agrochemicals for animal health and soil health and conducts quality control for the more than two million packaged products produced by PPP each year.

2. Progressive Planet Alberta Inc. ("PPA") – PPA operates out of Calgary, Alberta, Canada, and originally hosted much of the Company's research and development activities, which were moved back to the Kamloops headquarters. As stated above, PPA opened a new lab in Calgary and now employs two PhDs in Chemistry. The Calgary lab had its grand opening in March 2026 and is focused on developing various versions of Planet LCD Cement and Gladiator SCM along with a new plasticizer designed for Planet LCD Cement. In addition, the new lab will seek to provide services to third party clients in an effort to make this lab a new profit centre for the PLAN Group of Companies.

3. 0820443 B.C. Ltd. – This subsidiary owns various properties that are integral to PPP's mineral extraction and manufacturing operations, supporting the vertically integrated manufacturing SBU. The properties facilitate the mining of diatomaceous earth, zeolite, and calcium bentonite, which are essential raw materials for Progressive Planet's product lines.

4. Progressive Planet US LLC – This subsidiary is incorporated in Oregon, USA, and was initially set up to employ US-based sales personnel for PPP's product lines. However, Progressive Planet has since found it more cost effective to manage US sales operations from Canada. As a result, sales activities are now conducted by Canadian-based employees who serve a growing B2B customer base in the USA. Progressive Planet US LLC also acts as an agency of record for products we export to US markets.

OPERATIONS DEVELOPMENTS

During the three months ended July 31, 2026, there were a significant number of developments and activities as Progressive Planet executed on its strategy of being an established manufacturer commercializing critical low carbon and carbon sequestering solutions. The following is a summary by fiscal quarter:

Q1 2027 Summary (May 2026 to July 2026)

- **Appointed Dave Barnett to the Board:** Dave Barnett is a CFA charter holder with more than 25 years of experience in capital markets, enterprise risk, and business evaluation. Dave began his career at BMO Nesbitt Burns, before transitioning to the insurance industry where he held risk management roles, advising major Canadian corporations on enterprise risk, operational resilience, and capital preservation. Dave conducted independent risk and business evaluations across manufacturing, mining, construction, forestry, and industrial sectors before accepting the role of CEO at ZTEST Electronics in July of 2026. At the time of his appointment, Dave had beneficial control over 850,500 shares of Progressive Planet.

- **Disposed of the remaining shares in other publicly traded companies:** During the fiscal years F2025 and F2026, the Company acquired initial minority positions in two Canadian publicly traded companies with which it was interested in pursuing larger ownership positions. Both approaches were rebuffed, and the Company subsequently chose to exit both positions in full. A portion of the holdings were sold in Q4 F2026, and the remainder were sold in Q1 F2027.

  On a cash basis, the investments were profitable, as the combined proceeds from the sale of the shares ($1,115,986) and the dividends received while owning them ($74,713), exceeded the initial cost of the shares ($1,047,119) by $143,580.

FINANCIAL RESULTS

A comparison of the financial results for the three months ended July 31, 2026, to the three months ended July 31, 2025.

Income and comprehensive income

The Company recorded income and comprehensive income of $1,109,931 for the three months ended July 31, 2026 ("Q1 F2027"), compared to $1,308,298 for the three months ended July 31, 2025 ("Q1 F2026"). A brief explanation of the significant changes in revenue and expenses by category, that contributed to that change in profitability, is provided below:

- **Revenue** increased by $1,382,515 (23%) from $5,914,187 in Q1 F2026 to $7,296,702 in Q1 F2027. This increase was driven primarily by strong demand for the Company's products in its Agricultural and White Lake Earth product lines. Additional, more modest, growth was seen in sales of the Company's industrial absorbents, geothermal grout, and domestic animal products. In particular, sales of the three new Pure DE SKUs with one large US customer were recorded in Q1 and these SKUs did not exist in the prior year Q1.

- **Cost of sales** increased by $1,161,740 (32%) from $3,637,205 in Q1 F2026 to $4,798,945 in Q1 F2027. This increase was due to several factors in combination. There was more product sold in the quarter versus the prior year Q1. The Company's gross margin also decreased from 39% in Q1 F2026 compared to 34% in Q1 F2027 due to higher relative freight costs in the current quarter, as well as from growth in relatively lower margin product lines (i.e., White Lake Earth, which is currently toll-processed by a third party supplier). In respect to the freight costs, the substantially higher price of diesel in the current quarter was passed on to Progressive Planet by contractors that transport raw ore to the Company's facilities as well as by third-party freight companies that deliver finished products to the Company's customers.

- **Selling** expenses increased by $63,546 (17%) from $376,283 in Q1 F2026 to $439,829 in Q1 F2027. The Company expanded its sales team in F2026 in order to generate additional sales volume, which resulted in higher personnel costs in the current quarter, when compared to Q1 F2026. In addition, the Company disbursed increased commission to its sales staff in the current quarter as a result of the increase in revenue.

- **Research and development costs** increased to $472,982 (Q1 F2026 - $138,301). This significant increase was primarily the result of the following:

    - Over 50% of the $469,679 of non-capital expenses associated with the development of its PozGlass™ pilot plant incurred by Progressive Planet in Q1 F2027 were classified as research and development costs. The Company received grant funding which reimbursed 49.86% of these costs, reported as Grant Income. Under IFRS, development costs for a pilot plant can only be capitalized once a number of specific criteria are met. The Company has determined that these criteria have not yet been met, and accordingly non-capital pilot plant costs are expensed as incurred. As the Company accelerated work on the pilot plant, this resulted in higher research and development costs compared to the prior year.

- Subsequent to Q1 F2026, the Company hired a Chief Technical Officer and opened a cement materials research lab in Calgary. The operating costs of this lab, including the CTO's remuneration, are included in research and development costs.

- **General and administrative expenses** decreased to $660,822 in Q1 F2027 compared to $1,045,037 in Q1 F2026. The decrease was primarily driven by:

    - A $226,342 decrease in Share-based compensation expense. In Q1 F2026 the Company issued 2,860,000 options to employees, officers, directors and consultants, whereas as no options were issued in the current period. Periodically, the Company issues stock options to employees, consultants, officers and directors as a form of compensation. This is a non-cash expense.

    - A decrease of $98,444 in professional fees. In Q1 F2026, the Company incurred significant legal fees associated with the debt refinancing undertaken at that time. No debt refinancing was undertaken in the current quarter.

- **Grant income** was $234,182 in Q1 F2027, compared to $447,454 in Q1 F2026. The Company recognizes grant income in relation to the amount of eligible project costs incurred on the development of the PozGlass™ pilot plant for which SDTC and ICE grants were awarded in fiscal 2025. The combined grants reimburse 49.86% of eligible project costs. In Q1 F2027, the Company incurred $469,679 of eligible, non-capital project costs, and accordingly reported 49.86% of this amount as grant income.

- **Loss on investments in public companies** was $117,476 in Q1 F2027, compared to $565 in Q1 F2026. During the current quarter, the Company disposed of its remaining common shares in two Canadian public companies, as described in the "Operations Developments" section above. The shares are measured at fair value through profit or loss, and their combined market value declined between April 30, 2026 and the dates of disposition, resulting in a loss in the current period. Over the full holding period, the investments were profitable on a cash basis: combined sale proceeds and dividends received exceeded the original cost of the shares by $143,580.

- **Deferred income tax recovery** decreased from $469,854 in Q1 F2026 to $102,794 in Q1 F2027. The current year recovery was primarily driven by recognition of an additional $88,000 of previously unrecognized deferred tax assets as a result of the Company's profitability in the current period.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

Results for the most recent eight quarters ending:

	For the Three Months Ended			
	July 31, 2026	April 30, 2026	January 31, 2026	October 31, 2025
Revenue	$ 7,296,702	$ 6,505,499	$ 5,816,709	$ 4,964,201
Income (loss) and comprehensive income (loss)	$ 1,109,931	$ (172,004)	$ (1,072,374)	$ 971,895
Basic and diluted income (loss) per share	$ 0.01	$ (0.00)	$ (0.01)	$ 0.01
Total assets	$ 29,507,661	$ 29,300,289	$ 27,596,144	$ 28,243,945
Loans payable	$ 5,601,790	$ 5,669,558	$ 5,719,346	$ 5,725,225

	For the Three Months Ended			
	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
	(Amended - note A)			
Revenue	$ 5,914,187	$ 4,598,639	$ 4,779,099	$ 5,468,559
Income (loss) and comprehensive income (loss)	$ 1,308,298	$ 557,891	$ 114,838	$ 623,498
Basic and diluted income (loss) per share	$ 0.01	$ 0.01	$ 0.00	$ 0.01
Total assets	$ 27,993,959	$ 27,979,126	$ 27,859,149	$ 26,185,863
Loans payable	$ 5,731,017	$ 6,143,856	$ 6,242,412	$ 6,294,416

The Company’s **revenue increased** by 12% in the current quarter, from $6,505,499 in Q4 F2026 to $7,296,702 in Q1 F2027, primarily driven by:

- Strength in agricultural product sales in the current quarter, as discussed in the Financial Results section above.
- Sales of the recently recovered diatomaceous earth product line (White Lake Earth) continued to accelerate in the Q1 F2027.
- Elevated sales of the Company’s other key product categories such as animal health and industrial absorbents.

The Company's **income and comprehensive income increased** from a loss of $172,004 for Q4 F2026 to income of $1,109,931 for Q1 F2027, primarily the result of:

- The 12% increase in revenue noted above.
- The Company's selling expenses decreased by $143,599 during Q1 F2027 as fewer promotional activities were completed during the current quarter.
- Research and development expense decreased by $175,713 primarily due to lower costs incurred on the development of the Company's PozGlass™ Pilot plant in the current quarter.
- Deferred income tax recovery increased from an expense of $475,846 in Q4 F2026 to a recovery of $102,794 in Q1 F2027. In the current quarter, the Company has recognized additional tax losses which are expected to be used to reduce taxable income in the subsequent twelve-month period.

Note A – Amendment to financial results for the three-month period ended July 31, 2025

The Company amended its financial results for the three-month period ended July 31, 2025, as a result of a change to the grant income reported therein. Originally, the Company identified $897,420 of expenditures incurred during the quarter as being eligible for reimbursement from its previously awarded SDTC Canada and BC ICE Fund grants. The Company recognized grant income of $447,454 in its consolidated statement of income and comprehensive income in relation to these expenditures based on the cumulative reimbursement rate of 49.86%.

Subsequently, the Company identified an additional $48,431 of expenditures incurred during the three-month period ended July 31, 2025, as being eligible for grant reimbursement. In addition, the Company determined that, of the total $945,851 eligible expenditures incurred during the quarter (i.e., the original identified amount of $897,420 plus the additional amount of $48,431), $72,580 were for equipment assets that had been capitalized as at July 31, 2025 and $556,303 were deposits for equipment assets that were included in prepaid expenses as at July 31, 2025. Accordingly, to be consistent with the Company's accounting policies, the grant reimbursement for these expenditures should have been reported as a corresponding reduction in the values of the equipment assets and the prepaid expenses balance, rather than reported as grant income.

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2026, the Company's shareholders' equity was $17,034,250.

The Company had the following cash flows during the quarter ended July 31, 2026:

i) **Operating Activities**: Cash used from operating activities of $127,931 (compared to $501,730 of cash generated in Q1 F2026) primarily resulted from:

   a. Changes in the Company's non-cash working capital consumed $1,610,594 of cash. The significant factors were a $423,867 decrease in deferred grant income, as funds were utilized to develop the PozGlass™ Pilot Plant, a $653,604 increase in inventory required to support the Company's higher sales levels as well as to stockpile raw materials ahead of winter conditions, and a $459,495 decrease in accounts payable and accrued liabilities.

   Partially offsetting the items above were the following:

   b. The Company generated net income of $1,109,931 during the current period.

   c. Non-cash expenses of $380,715 were included in income, with significant items including $241,520 in depreciation and amortization, and a $117,476 loss on investments in public companies.

ii) **Investing Activities**: Cash generated from investing activities of $457,169 during Q1 F2027 (compared to cash used of $656,444 in Q1 F2026). Significant contributions to this figure include:

   a. The Company generated $1,029,914 from the disposition of its remaining shares of other publicly traded companies in Q1 F2027.

   Partially offsetting the item above were the following:

   b. The Company invested a net $435,577 into property, plant and equipment assets, which included additional production equipment for its manufacturing operations as well as equipment and building extension costs for the PozGlass™ SCM Pilot Plant.

   c. The Company invested $137,168 in further development of its primary mineral properties, Red Lake Mine and Bud Mine.

iii) **Financing activities**: The Company used $32,890 for financing activities in Q1 F2027 compared with $530,851 for Q1 F2026. Significant contributions to this figure include:

   a. Loan repayments: Net loan repayments totalling $138,940, including interest and principal.

b. Lease obligations repayments: Net lease repayments of $70,291, including interest and principal.

Partially offsetting the items above were the following:

c. Proceeds from the exercise of stock options: The Company received $165,000 of proceeds from the exercise of certain outstanding stock options.

Subsequent to July 31, 2026, the Company accepted a letter of offer from the Business Development Bank of Canada ("BDC") for a $4,000,000 ten-year term loan to finance the acquisition of equipment. The loan will bear interest at BDC's floating base rate less 2.00% (an effective rate of 4.55% based on BDC's current base rate of 6.55%), and will be repayable in equal monthly principal installments of approximately $33,330, plus interest. The loan will be secured by a first-ranking security interest in the financed equipment, in addition to the security held by BDC under the Company's existing credit facilities. Disbursement is subject to the completion of security documentation. No amounts had been drawn on the loan as at the date this MD&A was authorized for issue.

MINERAL PROPERTIES

EXPLORATION AND EVALUATION PROPERTIES

Ferguson Creek Property, British Columbia

The Ferguson Creek Property is a group of pozzolan claims located near the town of Clinton in southwestern B.C.

On June 17, 2025, the Company entered into a purchase agreement to acquire a 100% interest in a pozzolan mineral property near Ferguson Creek, BC, for the following consideration:

i) $50,000 cash payment on June 17, 2025 (paid).
ii) $25,000 cash payment due within five days following the issuance of a bulk sample permit.
iii) $50,000 cash payment due within five days following the issuance of a mine permit.

The Ferguson Creek Pozzolan Property was the subject of historical drilling, bulk sampling and commercial testing by an international cement company which also received government approval to extract a bulk sample from the property. No Mine Permit has been issued to date on the property.

Progressive Planet conducted a series of cement tests on material procured from the property before signing the agreement. Testing included water demand and compressive strength. Progressive Planet has completed further testing, exploration and development work on the property since it announced procuring the mineral rights on June 25, 2025.

Progressive Planet has not yet applied for a Bulk Sample Permit or a Mine Permit. There is no assurance or guarantee that either or both permits will be issued or even applied for. Progressive Planet will provide further updates if and when further work is completed on this property.

Under the terms of the purchase agreement, the Company has until June 2028 to procure a bulk sample. Accordingly, the focus in Q1 remained on construction and commissioning of the PozGlass pilot plant versus allocating internal resources to developing the Ferguson Creek Property. However, samples of Ferguson Creek were delivered to a potential user of this material after the end of Q1.

OPERATING MINES

Red Lake Diatomaceous Earth Mine

The Red Lake Mine is approximately 60 kilometers from Kamloops, BC.

The Red Lake Mine is an operating mine producing a unique diatomaceous earth with calcium bentonite. To PLAN's knowledge, the Red Lake Mine is one of only two mines in the world with this type of red tinged diatomaceous earth (diatomite) with calcium bentonite - the other mine being located in Scandinavia.

The Red Lake Mine also contains a layer of leonardite sandwiched in between two different layers of diatomite. The leonardite is rich in carbon and sulfur.

During Q1, PLAN continued with extraction and hauling of diatomite from the mine to the plant for processing into three different categories of products – non-clumping cat litter, industrial absorbents, and animal husbandry products including our patented barn acidifier litter amendment, Activated Barn Fresh. Activated Barn Fresh controls ammonia and moisture to keep broiler house flocks healthier. A related product, Fresh Coop, is sold to back yard farmers and continues to see growth in sales.

The two different layers of diatomite are currently mined together and combined to produce all products.

The layer of leonardite is stockpiled and used for on-site reclamation.

The Company continues to be recognized for its efforts in reclaiming land. In doing so, the Company seeks to minimize the amount of disturbed land and to promote environmental stewardship. The Company's 1,000-acre ranch adjacent to its Red Lake Mine has been used for agricultural operations and the reclaimed land at the Red Lake Mine has demonstrated higher yields after reclamation using leonardite versus pre-reclamation.

The Company takes immense pride in the environmental integrity of its operations and products with many of its products being listed for use in organic production by the Organic Materials Review Institute ("OMRI"). PLAN has a strong focus on sustainable use of resources including mined materials, electricity, natural gas, or other resources. Furthermore, the Company has reduced its use of natural gas and electricity per tonne over the past five years and uses approximately 98% of the material that is transported from the mines to the processing facility in Kamloops.

Bud Bentonite Clay Mine

The Bud Mine is an operating mine in Princeton, BC, producing calcium bentonite. After extraction, the wet calcium bentonite is trucked to Kamloops where it is converted to sodium bentonite for the purpose of making multiple private label brands of cat litter for many of the "big box" stores in Canada while also producing our own in-house brand of clumping cat litter, WunderCat™.

Beginning in 2023, the Company began selling swelling bentonite powder (sodium bentonite) to customers for fertilizer production. In fiscal 2024, the Company began selling bentonite for use in geothermal systems. Both of these markets grew in fiscal 2025. In Q1 F2026, the Company signed a long-term agreement to supply a customer with this material for use as geothermal grout and sales of this product continued to be a meaningful source of revenue for the Company in fiscal 2026. After the current fiscal quarter ended, Progressive Planet received it largest purchase order to date for geothermal grout. The order was received at the beginning of Q2 which started in August 2026.

Bromley Creek Zeolite Quarry

In July 2022, PLAN amended its November 30, 2015 option agreement with International Zeolite Corporation ("IZ") to purchase a 50% interest in IZ's Bromley Creek Zeolite Mine ("Bromley Creek") located in Princeton, BC for total consideration of $725,000. PLAN's Bud Bentonite Clay Mine is also located in Princeton, BC.

Prior to the amendment, PLAN had already paid $102,000, resulting in an ownership interest of 7% in Bromley Creek. The amendment stipulated that the remaining $623,000 was to be paid in 20 equal quarterly installments beginning July 2022 and ending March 2027. In addition, the royalty payable by PLAN to IZ per metric tonne of product mined and removed from the mine was reduced from $9.00 to $4.50. PLAN remains the operator of Bromley Creek. The Company has made eight $31,150 payments between July 2022 and April 2024 which increased its ownership interest to 24.2% as of April 30, 2024.

Effective May 31, 2024, the Company gave notice to International Zeolite Corporation that it intended to cease making acquisition payments under the terms of the option agreement. The factors that influenced the Company to cease further acquisition of the Bromley Creek Zeolite deposit were outlined in a news release dated June 3, 2024, and included the following:

- A decline in annual sales of zeolite-based products,
- Notification from two international cement companies of their lack of intent to purchase zeolite in the current calendar year,
- The fact that PLAN has another permitted zeolite quarry closer to Kamloops,
- The funds saved could be diverted to fund an approved normal Course Issuer Bid also announced on June 3, 2024, and,
- PLAN decided to prioritize investment in developing PozGlass and PozPyro.

The minimum notice period to cease acquisition payments in the option agreement was six months and any acquisition payments scheduled during the notice period became due immediately. Accordingly, on May 31, 2024, the Company made two additional quarterly payments of $31,150 to International Zeolite Corporation, which resulted in the Company earning an additional 4.3% interest in the property. No further payments were made in fiscal 2025.

During the current quarter, the Company continued to sell products produced from Bromley Creek zeolite, although sales of zeolite-based products were a small component of the Company's product mix. The Company owned 32.1% of the Bromley Creek Mineral Property as at July 31, 2026.

COMMITMENTS AND CONTINGENCIES

The Company is committed to four equipment leases with combined annual lease payments totalling $78,855 for the twelve-month period following July 31, 2026. The expiry dates of these leases range between November 30, 2028, and June 30, 2029.

The Company is committed to one building lease with payments, including additional rent, totalling $45,614 for the twelve-month period following July 31, 2026. This lease expires January 31, 2031.

The Company is committed to four land leases with Tk'emlúps te Secwépemc and one lease with a private landowner with annual payments totalling $106,173. The leases contain clauses allowing the rental amount to be reviewed and adjusted every five years. The lease with the private landowner expires on June 30, 2031. Three of the leases with Tk'emlúps te Secwépemc expire on June 30, 2055 and one lease expires on August 31, 2055.

The Company is committed to a vehicle lease with annual payments totalling $10,455 for the twelve-month period following July 31, 2026. This lease expires on July 16, 2029.

The Company is committed to a non-revolving 23-year term loan payable to BDC in the amount of $5,574,470. Annual principal payments on this loan are $246,840 and the interest rate is equal to 5.05% per annum. The loan matures on November 23, 2049.

The Company is committed to a non-revolving 48-month term loan payable to TD Auto Finance in the amount of $27,320, with an annual interest rate of 5.99%. Annual combined principal and interest payments on this loan are $26,109. The loan matures on August 10, 2027.

Due to the nature of the Company's operations, various contingencies such as, but not limited to, environmental obligations, litigation, regulatory proceedings, and tax matters arise in the ordinary course of business. The Company accrues such items as liabilities when the amount can be reasonably estimated, and settlement of the matter is probable to require an outflow of future economic benefits from the Company.

The Company, by agreement with the Government of British Columbia, is responsible for any future site restoration costs on its mining properties. At this time, the need for, or the nature of, any future site restoration costs in addition to those already disclosed cannot be reasonably determined.

The Company is contingently liable with respect to financial letters of credit for $356,200 as at July 31, 2026 (April 30, 2026 - $356,200).

SHARE CAPITAL INFORMATION

As of September 24, 2026, the Company had the following outstanding:

Common shares – 111,501,943 outstanding

Stock options:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
100,000	25,000	0.29	20-Oct-28
2,665,000	2,665,000	0.18	14-Mar-29
2,610,000	2,610,000	0.18	09-May-30
5,375,000	5,300,000		

Warrants:

Warrants Outstanding	Exercise Price	Expiry Date
Nil	N/A	N/A

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprises the Company's Chief Executive Officer, Chief Financial Officer, President and Directors. The spouses of two of the Company's key management personnel are employed by the Company in sales or marketing positions.

Key management compensation for the three months ended July 31, 2026, and 2025 is comprised of the following, and includes amounts paid to both key management and certain of their spouses noted above:

	2026	2025
Selling expenses – Personnel	$ 35,587	$ 26,561
General and administrative expenses – Personnel	129,231	129,449
General and administrative expenses – Professional fees	26,496	25,875
Share-based compensation	-	162,800
	$ 191,314	$ 344,685

As at July 31, 2026, $14,511 (April 30, 2026: $14,699) is included in accounts payable and accrued liabilities which is comprised of amounts owed to a director and a corporation owned by the Company's CFO.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Please refer to the Company's accompanying consolidated financial statements for the three months ended July 31, 2026, located on www.sedarplus.ca.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

(a) Market risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

Interest rate risk:

The Company's long-term debt is not subject to short-term interest rate risk as its long-term debt carries a fixed interest rate for a five-year term.

Currency risk:

The Company is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. There has been an increase to the Company's currency risk during the three-month period ended July 31, 2026, because US denominated revenues have increased compared with the prior year period.

The summary quantitative data about the Company's exposure to currency risk is as follows:

	July 31, 2026, USD	April 30, 2026, USD
Cash	$ 401,801	$ 97,322
Trade receivables	671,353	701,774
Accounts payable	(334,439)	(182,582)
	$ 738,715	$ 616,514

If the US dollar had strengthened by 10% against the Canadian dollar, with all other variables held constant, net income before tax for quarter ended July 31, 2026, would have increased by approximately $104,000 (Three-month period ended July 31, 2025: $187,000), as a result of the retranslation of USD-denominated monetary assets and liabilities summarized above. Conversely, a 10% weakening of the US dollar would have resulted in an equal and opposite impact.

(b) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Company deals with creditworthy counterparties to mitigate the risk of financial loss from defaults.

Cash and cash equivalents

The Company held cash and cash equivalents of $2,544,068 at July 31, 2026 (April 30, 2026 - $2,247,720). The balance as at July 31, 2026, included $1,099,763 in a Government of Canada T-Bill, which bears interest at 2.2% per annum and matures on August 26, 2026.

Accounts receivable

The Company monitors the credit risk of customers through credit rating reviews. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 90 days.

In management's opinion, the maximum amount of credit risk is the carrying value of those assets. There has not been a change in who the Company extends credit to. The Company uses a provision matrix to analyze impairment of its trade receivables at the end of each reporting date. During the three-month period ended July 31, 2026, the Company recognized an impairment loss allowance on trade receivables of $Nil (April 30, 2026 - $112,627).

The Company’s aged trade receivables and related expected credit loss allowance are as follows:

As at July 31, 2026	Geographic location				
	Canada	US	Total	ECL allowance	Credit impairment
Current (not past due)	$ 717,117	$ 907,074	$ 1,624,191	$ -	No
1 – 30 days past due	104,211	27,651	131,862	-	No
31 – 60 days past due	1,112	17,052	18,164	-	No
Over 60 days past due	19	-	19	-	No
	$ 822,459	$ 951,777	$ 1,774,236	$ -	

As at July 31, 2026, $741,581 of the Company’s trade receivables were due from three customers (April 30, 2026: $845,347).

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements and prepares budget and cash forecasts to ensure it has sufficient funds to fulfil its obligations. In addition, the Company maintains an operating line of credit facility that can be drawn on to meet short-term financing needs.

A summary of the Company’s prospective undiscounted contractual cash flows (i.e., including known or estimated interest costs) that existed as at July 31, 2026, is as follows:

As at July 31, 2026		Undiscounted contractual cash flows			
	Carrying amount	Remaining Fiscal 2027	Fiscal 2028	Fiscal 2029	Fiscal 2030 and thereafter
Accounts payable	$ 2,442,267	$ 2,442,267	$ -	$ -	$ -
Lease liabilities	1,795,896	153,412	225,479	217,745	2,586,735
Loans payable	5,601,790	412,939	521,806	500,823	7,357,667
Asset retirement obligation	340,669	20,000	20,000	20,000	385,449
	$ 10,180,622	$ 3,028,618	$ 767,285	$ 738,568	$ 10,329,851

(d) Fair value disclosure

The Company’s financial instruments consist of cash and cash equivalents, accounts receivable, investment in a public company, lease receivable, investment in a private company, accounts payable and accrued liabilities, and loans payable. The fair values of cash and cash equivalents, accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature.

The lease receivable and the loans payable have been valued using the discounted cash flow method. This valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. Management determined the fair values of the lease receivable and the loans payable approximate their respective carrying values as at July 31, 2026, and as at April 30, 2026.

Investments in public companies and investment in a private company are carried at fair value.

The following table presents the Company's financial assets measured at fair value on a recurring basis, categorized within the fair value hierarchy, as at July 31, 2026:

	Level 1	Level 2	Level 3	Total
Investments in public companies	$ -	$ -	$ -	$ -
Investment in a private company	-	-	459,000	459,000
	$ -	$ -	$ 459,000	$ 459,000

Investments in public companies

The investment in public companies is classified as Level 1, as it is measured using the quoted closing market price in an active market at the reporting date, with no adjustments made to that price. The Company had disposed of the remaining portion of its investments in public companies during the three-month period ended July 31, 2026.

Investment in a private company

The investment in a private company (see Note 8) is classified as Level 3. The fair value is based on the transaction price for the same class of shares the Company received during a private placement that was completed during July 2026. As this date does not exactly coincide with the Company's reporting date of July 31, 2026, management has assumed no significant change in fair value occurred between the closing of the private placement and July 31, 2026. This assumption is a significant unobservable input, as it is not corroborated by observable market transactions or data for the intervening period, and accordingly the investment is classified as Level 3 within the fair value hierarchy.

(e) Capital management:

The Board’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors capital using a ratio of “net debt” to equity. For this purpose, net debt is defined as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Equity comprises all components of equity. Net debt to equity is not a measure recognized under IFRS and does not have a standardized meaning. It may not be comparable to similarly titled measures presented by other companies.

The Company’s net debt to equity ratio at the end of the reporting period was as follows:

		July 31, 2026		April 30, 2026
Total liabilities	$	12,473,411	$	13,543,428
Less: cash and cash equivalents		(2,544,068)		(2,247,720)
Net debt		9,929,343		11,295,708
Total equity	$	17,034,250	$	15,756,861
Net debt to equity		0.58		0.72

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company’s technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedarplus.ca.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks. The risks and uncertainties described below are significant risks that management of the Company is aware of and believes to be material to the business and results of the Company. When reviewing forward-looking statements and other information contained in this MD&A, readers should carefully consider these factors, as well as other uncertainties, potential events and industry and Company-specific factors that may adversely affect the Company's financial status. New risk factors may emerge from time to time, and it is not possible for the Company's management to predict all risk factors or the impact of such factors on the Company. The Company assumes no obligation to update or revise these risk factors or other information contained in this MD&A to reflect new events or circumstances, except as may be required by law.

Risks Related to the Company and its Operations

Uncertainty of Future Revenues

The Company's future growth and prospects will depend on its ability to maintain and potentially expand the Company's current operations and gain additional revenue streams, while maintaining effective cost controls. Any failure to do so will likely have a material adverse effect on the Company's business, financial condition and results.

Changes in the Company's capital costs and operating costs are likely to have an impact on its profitability. The Company's main planned production expenses include mining costs, transport costs, processing and treatment costs and other overheads. Changes in costs of the Company's mining and processing operations can occur as a result of unforeseen events and could result in changes in profitability or resource estimates, including rendering certain mineral reserves uneconomic to mine. Many of these changes may be beyond the Company's control. Material increases in costs could have a material adverse effect on the Company's future cash flows, profitability, results of operations and the financial condition.

Dependence on Key Personnel

The Company has a small management team and the loss of a key individual could have an adverse effect on the future of its business or cause delay in its plans. The Company's future success will also depend in large part upon its ability to attract and retain appropriate personnel. There can be no assurance that the Company will be successful in attracting and retaining such personnel and an inability to do so could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects.

Workforce and Labour Risks

Certain of the Company's operations may be carried out under potentially hazardous conditions. While the Company intends to operate in accordance with relevant health and safety regulations and requirements, the Company is susceptible to the possibility that liabilities might arise as a result of accidents or other workforce-related misfortunes, some of which may be uninsurable or beyond the Company's control.

The Company's operations may be affected by labour-related problems in the future, such as unionization. There can be no assurance that work stoppages or other labour-related developments will not adversely affect the results of the Company's operations or the financial condition.

During periods of growth in the mining industry, there is increased competition for the services of suitably qualified and/or experienced sub-contractors, such as mining and drilling contractors, assay laboratories, metallurgical test work facilities and other providers of engineering, project management and mineral processing services.

As a result, the Company may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors. The loss or diminution in the services of suitably qualified and/or experienced sub-contractors or an inability to source or retain necessary sub-contractors or their failure to properly perform their services could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company is unable to predict the risk of insolvency or other managerial failure by any of the contractors or other service providers currently or in the future used by the Company in its activities. Any of the foregoing may have a material adverse effect on the Company's results of operations or financial condition. In addition, the termination of these arrangements, if not replaced on similar terms, could have a material adverse effect on the Company's results of operations or the financial condition.

Competition

The Company faces potential competition from other companies in connection with the acquisition of mineral assets, or from other innovation companies in connection with the development of competitive technologies or applications, as well as for the recruitment and retention of qualified employees. Larger companies, in particular, may have access to greater financial resources, operational experience and technical capabilities than the Company, which may give them a competitive advantage.

Future Acquisitions and Joint-Ventures

The Company may evaluate opportunities to acquire and/or joint venture additional assets and businesses as part of its business objectives. These acquisitions or joint ventures may be significant in size, may change the scale of the Company's business and may expose it to new geographic, operating, financial and geological risks. The Company's success in its acquisition and/or joint venture activities will depend on its ability to identify suitable acquisition and/or joint venture candidates and partners, acquire or joint venture them on acceptable terms and integrate their operations successfully with those of the Company. Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of the Company's present shareholders or of its interests in its subsidiaries or assets as a result of the issuance of shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

Dependence on Third Party Services

The Company currently relies and will continue to rely on products and services provided by third parties. If there is any interruption to the products or services provided by such third parties, the Company may be unable to find adequate replacement services on a timely basis or at all.

The Company is unable to predict the risk of insolvency or other managerial failure, or the failure to otherwise deliver such products and services, by any of the contractors or other service providers currently or in the future used by the Company.

Reliance on Strategic and Commercial Relationships

In conducting its business, the Company relies and will continue to rely on continuing existing strategic and commercial relationships, and forming new relationships with other entities and also certain regulatory and governmental departments. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed, and the loss of these relationships could have a material adverse effect on the results of the Company's operations or the financial condition.

Project Risks

The Company manages and participates in a variety of projects in the conduct of its business. The Company's ability to execute projects and market its products will depend upon numerous factors beyond its control, including: the availability of processing capacity; the availability of storage capacity; the supply of and demand for pozzolanic materials; the availability of equipment; unexpected cost increases; accidental events; currency fluctuations; changes in regulations; the availability and productivity of skilled labour; and the regulation of the industry by various levels of government and governmental agencies.

Because of these factors, the Company could be unable to execute projects on time, on budget or at all, and may not be able to effectively market products that it produces. The existence of these factors may delay expected revenues from operations and cause cost estimates not to be accurate, which may result in significant cost over-runs that could make the Company's ventures uneconomical, either of which would have a material and adverse effect on the Company's business, financial condition and results of operations.

Compliance with Laws

The Company's operations are, and will going forward be, subject to various laws and regulations relating to the protection of the environment (including regular environmental impact assessments and the obtaining of appropriate permits or approvals by relevant environmental authorities), worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species, Indigenous communities' rights and other matters.

Any such legislation, and environmental legislation in particular, can, in certain jurisdictions, comprise numerous regulations which might conflict with one another and which cannot be consistently interpreted. Such regulations typically cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Compliance with these laws and regulations is costly and time intensive and the

Company’s complete compliance with all such laws and regulations cannot be guaranteed given the nature and complexity of such laws and regulations.

Any failure to comply with relevant environmental, health and safety and other laws and regulatory standards may subject the Company to extensive liability and fines and/or penalties and have an adverse effect on the Company’s business, results of operations, or prospects.

In particular, a violation of environmental health and safety laws relating to a mine or other plant or a failure to comply with the instructions of the relevant environmental or health and safety authorities could lead to, among other things, a temporary shutdown of all or a portion of the mine or other plant, a loss of the right to mine or to use other plant, or the imposition of costly compliance procedures. If health and safety authorities require the Company to shut down all or a portion of a mine, or other plant or to implement costly compliance measures, whether pursuant to existing or new environmental or health and safety laws and regulations, such measures could have a material adverse effect on the Company’s results of operations or financial condition. Furthermore, the future introduction or enactment of new laws, guidelines and regulations could serve to limit or curtail the growth and development of the Company’s business or have an otherwise negative impact on its operations. Any changes to, or increases in the current level of regulation or legal requirements may have a material adverse effect upon the Company in terms of additional compliance costs.

Mining operations have inherent risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Laws and regulations involving the protection and remediation of the environment and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. As a result, there are certain risks inherent in the Company’s activities and those which it anticipates undertaking in the future, such as, but not limited to, risks of accidental spills, leakages or other unforeseen circumstances, that could subject the Company to potential liability. The Company cannot give any assurance that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results from operations.

First Nations

The Company operates in some areas presently or previously inhabited or used by First Nations peoples. There are many laws, rules and regulations that address the rights of First Nations peoples. Some mandate governmental consultation with First Nations regarding actions which may affect First Nations people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under these laws, rules and regulations continue to evolve and be defined.

The Company’s current and future operations are subject to a risk that one or more First Nations may oppose continued operation, further development, or new development of the Company’s projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company’s activities. Opposition by First Nations to the Company’s operations may require modification of or preclude operation or development of the Company’s projects or may require the Company to enter into agreements with First Nations with respect to the Company’s projects, which may impact the Company’s business, operations and financial condition.

Exploration and Development

Some of the Company's mineral assets are in exploration or development stage, and further development may only follow upon obtaining continuing satisfactory exploration results and being able to obtain sufficient financing to continue the development and eventual commercial production. Mineral exploration and development are speculative in nature and involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any additional discoveries of reserves or that the current reserves or resources will be developed to production or be commercially viable. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish resources and reserves through drilling and development and for mining and processing facilities and infrastructure. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Calculation of Reserves and Resources

Mineral Reserves and Mineral Resources are based on estimates of mineral content and quantity derived from limited information acquired through drilling and other sampling methods and require judgmental interpretations of geology, structure, grade distributions and trends, and other factors. These estimates may change as more information is obtained. No assurance can be given that the estimates are accurate or that the indicated level of mineral product will be produced. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change.

In addition, the Mineral Reserve and Mineral Resource estimates are subject to updates from time to time as the geological and technical information on the mineralization increases. These Mineral Reserve and Mineral Resource updates may result in reclassification of resources from one category of resources to another and these reclassifications may have a follow-on impact on reserves. To the extent that these reclassifications of resources are from a higher category to a lower category, there may be a resulting negative impact on related Mineral Reserves. Any reduction of reserves resulting from reclassification of resources may ultimately impact on project economics, including net present values and internal rates of return. For future projects, these reductions may impact adversely on production decisions. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. It cannot be assumed that all or any part of declared Mineral Resources constitute or will be converted into reserves. Market price fluctuations of minerals as well as increased production and capital costs, reduced recovery rates or technical, economic, regulatory or other factors may render proven and probable reserves unprofitable to develop at a particular site or sites for periods of time or may render Mineral Reserves containing relatively lower grade mineralization uneconomic. Successful extraction requires safe and efficient mining and processing. Moreover, short-term operating factors relating to the Mineral Reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore types, may cause Mineral Reserves to become uneconomic. Estimated reserves may have to be recalculated based on actual production experience. Any of these factors may require the reduction of the Mineral Reserve and Mineral Resource.

There is also no assurance that the Company will achieve indicated levels of recovery or obtain the prices for production assumed in determining the amount of any reserves. Anticipated levels of production may be affected by numerous factors, including mining conditions, labour availability and relations, weather and supply shortages.

Permits and Government Approvals

The operations of the Company require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that are required to carry out exploration and development at its properties. Regulations and policies relating to licenses and permits may change or be implemented in a way that the Company does not currently anticipate and permits and licenses may take significantly greater time to obtain than anticipated by the Company. These licenses and permits are subject to numerous requirements, including compliance with the environmental regulations, which may be difficult, time consuming, expensive or impossible for the Company to fulfill. The failure of the Company to obtain necessary licenses and permits on the timeline required, or at all, or the revocation or suspension of the permits or licenses obtained by the Company, could have a material adverse effect on its business, financial condition and results of operations.

Reclamation

There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of the waste rock or tailings and/or revisions to government regulations. Therefore, additional funds, or reclamation bonds or other forms of financial assurance may be required over the tenure of the Company’s mineral projects to cover potential risks. These additional costs may have a material adverse impact on the Company’s financial condition and results.

Litigation

The Company may be subject to litigation arising in the normal course of business and may be involved in disputes with other parties, including governments and its workforce, in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price, failure to comply with disclosure obligations or labour disruptions at the Company’s projects. The results and costs of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favorably, it may have a material adverse impact on the Company’s financial performance, cash flow and results of operations.

Government Regulation and Political Risk

The Company’s operating activities are subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters. Future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company’s current operations or planned development projects. Where required, obtaining necessary permits and licenses can be a complex, time consuming process and the Company cannot assure whether any necessary permits will be obtained on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with any future exploration or development of its properties, which could have a material adverse impact on the Company’s ongoing or planned operations or ongoing or planned development projects.

Operating Risks

The Company’s activities are subject to all of the hazards and risks normally incidental to exploring and developing natural resource projects. These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geological formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and mineral recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God or unfavourable operating conditions and losses.

Should any of these risks and hazards affect the Company’s exploration, development or mining activities, it may cause the cost of production to increase to a point where it would no longer be economic to produce mineral resources from the Company’s properties, require the Company to write-down the carrying value of one or more mineral projects, cause delays or a stoppage of mining and processing, result in the destruction of mineral properties or processing facilities, cause death or personal injury and related legal liability; any and all of which may have a material adverse effect on the Company.

Uninsured Hazards

The Company may be subject to substantial liability claims due to the inherently hazardous nature of its activities or for acts and omissions of contractors, sub-contractors or operators. Any indemnities the Company may receive from such parties may be limited or may be difficult to enforce if such contractors or sub-contractors or operators lack adequate resources.

The Company can give no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover expenses relating to losses or liabilities. The Company is also subject to the risk of unavailability, increased premiums or deductibles, reduced cover and additional or expanded exclusions in connection with its insurance policies and those of operators of assets it does not itself operate. Accordingly, the Company might become subject to liability for which it is completely or partially uninsured, or for which it elects not to insure because of unavailability, premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon the financial condition and/or results of operations of the Company.

Weather Conditions and Climate Change

It may not be possible to fully insure against adverse weather conditions, and should such events occur, liabilities may arise which could reduce or eliminate any future profitability, result in increasing costs or the loss of the Company’s assets and a decline in the value of its securities. The Company acknowledges climate change and that increased environmental regulation resulting therefrom may adversely affect its operations.

There is no assurance that the response of the Company to the risks posed by climate change and the corresponding legislation and regulation will be effective and the physical risks of climate change will not have an adverse effect on its operations and profitability.

Transportation Delays

The Company is reliant upon public and privately owned transportation infrastructure to transport its products offsite. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations. Any such issues arising in respect of the supporting infrastructure or on the Company's worksites could materially and adversely affect the Company's results of operations or financial condition. Furthermore, any failure or unavailability of the Company's operational infrastructure (for example, through equipment failure or disruption to its transportation arrangements) could adversely affect the production or distribution of its products.

Intellectual Property

The Company has several research and development projects ongoing, through which new intellectual property assets may develop. Any infringement of the Company's rights in such intellectual property assets may affect the Company's operations and results.

Further, the Company may face allegations that it has infringed the trademarks, copyrights, patents or other intellectual property rights of third parties, including from its competitors. Infringement and other intellectual property claims, with or without merit, can be expensive and time-consuming to litigate, and the results are difficult to predict. The Company may not have the financial or human resources to defend against any infringement suits that may be brought. As a result of any court judgement or settlement, the Company may be obligated to cancel the continued research and development of new products or applications, the launch of a new product or application offerings, pay royalties or significant settlement costs, purchase licenses, or modify the Company's products and applications, or develop substitutes.

Potential Conflicts of Interest

Certain of the Company's directors and officers also serve as directors and officers of other public and private companies or have significant shareholdings in other public and private companies. Consequently, there exists the possibility that such individuals will be in a position of a conflict of interest in the ordinary course of the Company's business in dealings between these companies and the Company. While applicable corporate law requires any decision made by directors and executive officers to be made in accordance with applicable laws and the duties and obligations of such individuals to act honestly, in good faith and in the best interests of the Company, the Company does not have any agreements mandating the Company's directors and officers act in the best interests of the Company and there can be no assurance that any such conflicts will be resolved in favour of the Company. If any such conflicts are not resolved in favour of the Company, it may be adversely affected.

Debt

The Company has obtained loan and credit facilities from banks. The Company's debt burden could have important consequences, including: increasing its vulnerability to general adverse economic and industry conditions; limiting flexibility in planning for, or reacting to, changes in its business and industry; requiring the dedication of a substantial portion of any cash flows from operations for the payment of principal and interest on our indebtedness, thereby reducing the availability of cash flow to fund operations, growth strategy, working capital, capital expenditures, future business opportunities, and other general corporate purposes; restricting the Company from making strategic acquisitions or causing it to make non-strategic divestitures; limiting its ability to obtain additional financing for working capital, capital expenditures, research and development, acquisitions and general corporate or other purposes; limiting its ability to adjust to changing market conditions; and placing it at a competitive disadvantage relative to competitors who have lower levels of debt. Further, if and when the Company has borrowings at floating rates of interest, it could expose us to the risk of increased interest rates with respect to those borrowings.

Cyber and Cloud Security Risk

The Company's exposure to cybersecurity risks arises from the ever-increasing reliance on internet and cloud technologies, coupled with the remote or hybrid work environment for certain employees and consultants. Heightened geopolitical tensions are also contributing to elevated global exposures to cybersecurity risks. These risks include the threat of data loss resulting in potential exposure of customer or employee information, identity theft and fraud. Ransomware or denial of service attacks could result in system failure and service disruption. Threat campaigns are becoming better organized and more sophisticated, with reported data breaches, often through third-party suppliers, that can negatively impact the Company's brand and reputation.

Risks Related to the Company's Common Shares

Share Price Volatility

The market price of the Company's common shares may be subject to wide price fluctuations in response to many factors, including variations in the Company's operating results, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects of the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic political conditions, could adversely affect the market price for the Company's common shares.

Dividends

It is not anticipated that the Company will pay dividends on its shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Market Perception

Market perception of smaller mining companies may change which could impact on the value of investors' holdings and impact on the ability of the Company to raise further funds by issue of further common shares. Future issues or sales of the common shares could cause the share price to decline. If the Company issues equity or debt securities in the future or if shareholders sell a substantial number of the Company's common shares in the public market, or if there is a perception that these sales or issuances might occur, the market price of the Company's common shares could decline.

Dilution

The Company may sell additional equity securities (including through the sale of securities convertible into common shares) and may issue additional debt or equity securities to finance operations, exploration, development, acquisitions or other projects. The Company is authorized to issue an unlimited number of common shares. Management cannot predict the size of future sales and issuances of debt or equity securities or the effect, if any, that future sales and issuances of debt or equity securities will have on the market price of the Company's common shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the common shares. With any additional sale or issuance of equity securities, shareholders will suffer dilution of their voting power and may experience dilution in earnings per share.

Liquid Trading Market for the Common Shares

Shareholders of the Company may be unable to sell significant quantities of common shares into the public trading markets without a significant reduction in the price of the Company's common shares, or at all. There can be no assurance that there will be sufficient liquidity of the Company's common shares on the trading market, and that the Company will continue to meet the listing requirements of the TSX-V, OTCQB or achieve listing on any other public listing exchange.

QUALIFIED PERSON

The technical content of this MD&A with respect to the mineral properties has been reviewed and approved by Agnes Koffyberg, P.Geo., a qualified person as defined in Canadian Securities Administrators National Instrument 43-101, and is a member of the Association of Professional Engineers and Geoscientists of British Columbia.

FORWARD-LOOKING STATEMENTS

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including with respect to the Company's products) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) successful integration of APL into the Company's business; (ii) assumptions about operating costs and expenditures; (iii) assumptions about management and personnel; (iv) assumptions about competition; (v) assumptions regarding third party service providers; (vi) assumptions regarding legal and regulatory risks; (vii) assumptions regarding the Company's intellectual property assets; (viii) assumptions about the Company's debt burdens; (ix) assumptions about future production and recovery; (x) that there is no unanticipated fluctuation in foreign exchange rates; and (xi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things, those described in the "Risk and Uncertainties" portion of this MD&A.

Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.