BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Nine Months Ended December 31, 2024

The following Management’s Discussion and Analysis (“MD&A”) has been prepared by management as of February 19, 2025, and should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes of Badlands Resources Inc. (formerly Mineral Mountain Resources Ltd.) (the “Company”) as at December 31, 2024 and for the nine months then ended, and the audited consolidated financial statements of the Company, together with the related notes thereto, as at March 31, 2024 and for the year then ended. The condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board. All amounts are stated in Canadian dollars, unless otherwise indicated.

Statements in this MD&A that are forward-looking statements (see **Forward-looking Statements**) are subject to various risks and uncertainties concerning the specific factors disclosed under the heading **Risk and Uncertainties**. Such information contained herein represents management’s best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update or revise any forward-looking statement, whether because of new information, future events or any other reason.

On December 1, 2023, the Company consolidated its common shares on a 10:1 basis. All shares shown in this MD&A are at their post-consolidated value.

OVERVIEW

Badlands Resources Inc. (formerly Mineral Mountain Resources Ltd.) was incorporated on September 1, 2006 under the laws of British Columbia, Canada, and maintains its head office at 1615 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. Its registered office is located at 2501 – 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. Effective December 1, 2023, the Company changed its name to Badlands Resources Inc. The Company is engaged in the acquisition, exploration and development of mineral properties in North America. The Company’s common shares are listed on the TSX Venture Exchange under the symbol “BLDS”, on the OTC Pink under the symbol “BDLNF” and on the Frankfurt Stock Exchange under the symbol “B7Q”.

The Company is engaged in the acquisition, exploration and development of mineral properties in North America, specifically South Dakota. As of the date of this report, the Company controls a 100% interest in 515 unpatented lode mineral claims totaling 8,636 acres (3,496 hectares) in the Rochford District and 9 patented claims totaling 67.45 acres (27 hectares) for a grand total of 8,703.45 acres (3,523.66 hectares) owned by the Company in the Rochford District.

MINERAL EXPLORATION ACTIVITIES

Standby Gold Project, Black Hills, South Dakota

The Rochford Gold District is situated within the Homestake Gold Trend 27 kilometres (16 miles) south-southwest of the Homestake Mine, one of the largest gold producers in North American history and the largest iron formation-hosted gold deposit of its kind in the world.

In August 2022, a geological mapping program combined with a grab sampling program was conducted in the King of the West Trend area and in the Standard Mine area, two of the Company’s highest priority gold targets. Several high grade gold grab samples were recorded and news released. In December 2022, the Company acquired a proprietary LiDAR (light detection and ranging) for the entire Black Hills further providing an advanced mapping tool.

In January 2023, the Company received the assay results for a grab sampling program conducted over the King of the West and Standard Mine trends. The sampling program confirmed a number of high grade gold samples along both trends. Importantly, age dating of the Standard Mine banded iron formation confirmed that the host rocks were the same age as the Homestake Mine deposit banded iron formations geology.

Management intends to re-evaluate exploration plans and conduct field programs in calendar 2025.

Qualified Person

The technical contents in this document have been reviewed and approved by R. Dale Ginn, P.Geo., a qualified person, as defined by National Instrument ("NI") 43-101 *Standards of Disclosure for Mineral Projects*.

ANNUAL FINANCIAL INFORMATION

The following table shows selected key financial information for the last three fiscal years:

	Year ended March 31, 2024 $	Year ended March 31, 2023 $	Year ended March 31, 2022 $
Total revenues	Nil	Nil	Nil
Loss for the year before taxes	(739,812)	(954,194)	(821,882)
Loss per share	(0.07)	(0.09)	(0.08)
Total assets	11,288,818	11,023,464	10,737,370
Long-term debt	Nil	Nil	45,467
Cash dividends	Nil	Nil	Nil

The Company has recorded losses in each of its three most recently completed fiscal years, and expects to continue to record losses until such time as an economic resource is identified, developed and brought into profitable commercial operation.

DISCUSSION OF OPERATIONS

The Company is an exploration stage company and has no operating revenue. Expenditures related to mineral exploration and evaluation assets are capitalized. During the nine months ended December 31, 2024, the Company incurred $174,197 (2023 - $405,003) in exploration expenditures, net of recoveries.

For the Nine Months Ended December 31, 2024

Net loss for the nine months ended December 31, 2024 was $785,847, compared to a net loss during the nine months ended December 31, 2023 of $570,863. The significant differences include:

- Consulting fees of $nil (2023 - $16,342) decreased due to a reduction in the use of consultants compared to the prior period;
- Depreciation of $nil (2023 - $32,367) decreased, as the lease liability associated with the right-of-use asset ended during the end of the 2024 fiscal year;
- Interest and accretion of $27,077 (2023 - $7,590) increased due to the use of bridge loans during the current period;
- Management fees of $517,500 (2023 - $288,500) increased due to a change in management from the prior period;
- Media and news dissemination of $83,049 (2023 - $12,978) increased as a result of marketing expenses;
- Office and miscellaneous of $57,134 (2023 - $44,855) increased due to an increase in shared office expenses;
- Professional fees of $45,663 (2023 - $69,389) decreased due to a reduction in accounting fees compared to the prior period;
- Rent of $25,698 (2023 - $37,542) decreased due to the Company paying month-to-month rent rather than a capitalized office lease, as in the prior period, as well as a rental credit received during the period that related to the prior premises lease;
- Share-based payments of $nil (2023 - $110,584) decreased, as there were no stock options granted or vesting during the current period, whereas there were 15,000 stock options granted with vesting conditions during the comparative period;
- Transfer agent and filing fees of $7,609 (2023 - $36,669) decreased due to a decrease in corporate activity during the period;
- Foreign exchange loss of $62,117 (2023 - gain of $20,127) increased due to a high amount of US dollar denominated payables with a strengthening US dollar during the period;
- Gain on sale of exploration and evaluation assets of $40,000 (2023 - $50,000) was related to the sale of the Straw Lake claims and decreased due to amending the final payment from $50,000 to $40,000; and
- Other income of $nil (2023 - $14,999) decreased as a result of settlement of accounts payable during the comparative period.

For the Three Months Ended December 31, 2024

Net loss for the three months ended December 31, 2024 was $337,331, compared to a net loss during the three months ended December 31, 2023 of $258,320. The significant differences include:

- Depreciation of $nil (2023 - $10,722) decreased, as the lease liability associated with the right-of-use asset ended during the end of the 2024 fiscal year;
- Interest and accretion of $11,447 (2023 - $4,012) increased due to the use of bridge loans during the current period;
- Management fees of $172,500 (2023 - $180,000) were comparable to the prior period;
- Media and news dissemination of $40,358 (2023 - $9,373) increased as a result of increased marketing expenses;
- Office and miscellaneous of $20,469 (2023 - $9,399) increased due to an increase in shared office expenses to the prior period;
- Professional fees of $15,654 (2023 - $34,268) decreased due to a reduction in accounting fees compared to the prior period;
- Rent of $12,000 (2023 - $12,514) was comparable to the prior period;
- Share-based payments of $nil (2023 - $2,048) decreased, as there were no stock options granted or vesting during the current period, whereas there was share-based payments related to the vesting of stock options during the comparative period;
- Transfer agent and filing fees of $219 (2023 - $18,665) decreased due to a decrease in corporate activity during the period; and
- Foreign exchange loss of $64,684 (2023 - gain of $22,158) increased due to a high amount of US dollar denominated payables with a strengthening US dollar during the period.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ended on December 31, 2024.

	For the Three Months Ended							
	Fiscal 2024				Fiscal 2023			
	Dec. 31, 2024 $	Sept. 30, 2024 $	June 30, 2024 $	Mar. 31, 2024 $	Dec. 31, 2023 $	Sept. 30, 2023 $	June 30, 2023 $	Mar. 31, 2023 $
Total revenues	-	-	-	-	-	-	-	-
Loss from continuing operations	(337,331)	(238,688)	(209,828)	(168,949)	(258,320)	(191,261)	(121,282)	(404,902)
Net loss	(337,331)	(238,688)	(209,828)	(168,949)	(258,320)	(191,261)	(121,282)	(404,902)
Loss from continuing operations per share – basic and diluted	(0.03)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)	(0.01)	(0.04)
Loss per share – basic and diluted	(0.03)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)	(0.01)	(0.04)

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2024, the Company had a cash balance of $2,066 (March 31, 2024 - $6,833). The Company spent $115,396 (2023 - $198,904) in operating activities and $87,137 (2023 - $167,611) on its mineral exploration project, and received $40,000 from the sale of Straw Lake claims (2023 - $50,000). During the nine months ended December 31, 2024, the Company did not receive any (2023 - $146,480) net proceeds from issuance of common shares. The Company did not pay any (2023 - $40,968) lease liability during the nine months ended December 31, 2024.

The Company had working capital deficiency of $2,963,873 as at December 31, 2024 compared to $2,005,356 as at March 31, 2024.

At present, the Company does not have sufficient capital resources to meet its anticipated operating and capital requirements for the next twelve months. On July 30, 2024, the Company announced a private placement of up to $3,000,000. During the nine months ended December 31, 2024, the private placement was cancelled.

On August 25, 2023, the Company entered into a bridge loan agreement with a company controlled by the chair and director of the Company. Under the terms of the agreement, the Company borrowed $113,188. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of February 25, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000. The loan is past due as of December 31, 2024.

On October 12, 2023, the Company entered into a bridge loan agreement with a company controlled by the chief financial officer of the Company. Under the terms of the agreement, the Company borrowed $20,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of April 12, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000. The loan is past due as of December 31, 2024.

On February 1, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed $70,143. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of August 1, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000. The loan is past due as of December 31, 2024.

On March 14, 2024, the Company entered into a bridge loan agreement with a company controlled by the chief executive officer of the Company. Under the terms of the agreement, the Company borrowed $54,808. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of September 14, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000. The loan is past due as of December 31, 2024.

On July 1, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed $20,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of January 1, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000.

On August 23, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed $137,766. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of February 23, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000.

Going Concern

The Company is an exploration stage company. At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. To continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. The annual and interim consolidated financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. The Company is not subject to material externally imposed capital constraints.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Amounts due to related parties of $1,139,941 (March 31, 2024 - $595,175) were for services rendered to the Company by its directors and officers or companies controlled by its directors and officers, and are unsecured, non-interest-bearing and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the nine months ended December 31, 2024 and 2023 is as follows:

		2024		2023
Management fees	$	450,000	$	213,500
Professional fees		-		7,554
Share-based payments		-		82,902
Total	$	450,000	$	303,956

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the nine months ended December 31, 2024:

a) Incurred management fees of $nil (2023 - $60,000) to a company controlled by a director (and formerly the president).

b) Incurred management fees of $nil (2023 - $15,000) to a company controlled by a former director.

c) Incurred management fees of $nil (2023 - $21,000) to a former director.

d) Incurred management fees of $nil (2023 - $12,500) to the former chief financial officer.

e) Incurred professional fees of $nil (2023 - $7,066) and other fees of $nil (2023 - $488) to a company with the corporate secretary in common with the Company.

f) Incurred management fees of $135,000 (2023 - $45,000) to a company controlled by the chief executive officer.

g) Incurred management fees of $135,000 (2023 - $45,000) to a company controlled by the executive chair.

h) Incurred management fees of $67,500 (2023 - $15,000) to a company controlled by the chief financial officer.

i) Incurred management fees of $67,500 (2023 - $nil) to a company controlled by the corporate secretary.

j) Incurred management fees of $45,000 (2023 - $nil) to a company controlled by a close family member of the chief executive officer.

During the year ended March 31, 2022, the Company entered into three agreements with a company controlled by a current director, a now former director and a company controlled by a now former director for management and corporate consulting services for a total monthly fee of $22,000. These agreements were for a one-year term and continued thereafter on a month-to-month basis and could be terminated with six months' notice or a termination payment equal to six months' remuneration. These agreements were terminated during the year ended March 31, 2024, with two of the parties agreeing to write-off a portion of the balances owing in exchange for payment within five business days of the Company completing a private placement of not less than $2,000,000. During the year ended March 31, 2024, the Company recorded a gain on settlement of balances owing of $102,350 and $141,500 to reduce balances owing of $149,350 and $181,500 to $47,000 and $40,000, respectively.

On February 1, 2024, the Company entered into consulting agreements with the chief executive officer, executive chair, chief financial officer and corporate secretary. The agreements include termination and change of control clauses. In the case of termination, the parties are entitled to an amount equal to a multiple (ranging from one to two times) of the annual base fee payable. In the case of a change of control, the parties are entitled to an amount equal to a multiple (ranging from one to two times) of the sum of the annual base fee and minimum incentive fee payable. As at December 31, 2024, the total annual base fee payable to the parties is $540,000 and the minimum incentive fee payable on a change of control would be $135,000.

During the nine months ended December 31, 2024, the Company incurred $22,500 (2023 - $nil) in office and miscellaneous and $36,000 (2023 - $nil) in media and news dissemination to a company controlled by the executive chair.

During the nine months ended December 31, 2024, the Company incurred $30,000 (2023 - $nil) in rent to a company with a common officer.

EVENTS AFTER THE REPORTING DATE

a) Subsequent to December 31, 2024, 20,000 stock options expired unexercised.

b) Subsequent to December 31, 2024, a civil claim was filed against the Company by a company controlled by a former director for unpaid debt. The amount of the claim is included amounts due to related parties at December 31, 2024. As of February 19, 2025, the Company has not responded to the claim or paid the debt.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options and agent warrants using stock pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

SIGNIFICANT JUDGMENTS

The preparation of these condensed consolidated interim financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments include:

i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these assets. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests have been prepared involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount.

ii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

iii) The classification of financial instruments.

iv) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows: cash is classified as subsequently measured at amortized cost; and accounts payable and accrued liabilities, amounts due to related parties and loans payable, as subsequently measured at amortized cost financial liabilities. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal, as it is held with high-credit quality financial institutions. Management does not expect counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure there is sufficient cash available to fund its projects and operations. As at December 31, 2024, the Company had a cash balance of $2,066 and current liabilities of $3,017,772. The Company's financial liabilities include accounts payable and accrued liabilities, which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants, as well as loans from related parties. Despite previous success in completing these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk to the extent of cash maintained at financial institutions. The interest rate risk on cash is not considered significant due to the short-term nature and maturity. The interest rate risk on loans payable is minimal, as the loans have fixed interest rates.

Foreign exchange rate risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. At December 31, 2024, the Company had financial assets of $367 and financial liabilities of $1,078,336 denominated in United States dollars. A 10% strengthening of the US dollar would affect net loss by approximately $108,000. The Company does not hedge its foreign exchange risk.

CONTINGENCIES

The Company establishes liabilities for litigation and contingencies when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. During the year ended March 31, 2024, the Company was subject to two legal claims for unpaid debt. Of the two legal claims, one matter was paid during the year ended March 31, 2024, and the other was paid both during the year ended March 31, 2024 and nine months ended December 31, 2024. Based on information currently known to management, the liability established for the outstanding portion of the claim at December 31, 2024 is sufficient.

OUTSTANDING SHARE DATA

The Company had the following common shares, stock options and warrants outstanding:

	February 19, 2025	December 31, 2024	March 31, 2024
Common shares	11,307,265	11,307,265	11,307,265
Stock options	522,500	542,500	705,000
Warrants	-	-	365,751
	11,829,765	11,849,765	12,378,016

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New accounting standards

The Company has reviewed future new and amended IFRS pronouncements and determined that there are no standards that are not yet effective that would be expected to have a material impact on the Company's condensed consolidated interim financial statements.

RISK AND UNCERTAINTIES

Operating hazards and risks

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, any of which could result in work stoppages, damage to persons or property or the environment, and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs. In addition, certain properties of the Company are located within areas that may include Indigenous asserted traditional territories, and the exploration and development of these properties may affect or be perceived to affect asserted Indigenous rights and titles, which may cause permitting delays or opposition by Indigenous groups.

Environmental factors

The Company currently conducts exploration activities in South Dakota, USA. Such activities are subject to various laws, rules and regulations governing the protection of the environment. Such legislation imposes rigorous standards on the mining industry to reduce or eliminate the effects of waste generated by extraction and processing operations and subsequently deposited on the ground or emitted into the air or water.

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulations, if any, will not adversely affect the Company's operations. The cost of compliance with changes in governmental regulations has the potential to preclude entirely the economic development of a property.

The Company can conduct its explorations within the provisions of the applicable environmental legislation without undue constraint on its ability to carry on efficient operations. The estimated annual cost of environmental compliance for all properties held by the Company in the exploration stage is minimal and pertains primarily to carrying out diamond drilling, trenching or stripping. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, that have been caused by previous or existing owners or operators of the properties.

Governmental regulation

Exploration activities on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Changes in such regulations could result in additional expenses and capital expenditures, restrictions on the availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

The Company is at the exploration stage on all its properties. Exploration on the Company's properties requires responsible best exploration practices to comply with Company policy, government regulations, maintenance of claims and tenure. All mining activities in South Dakota, regardless of the private or public status of the land on which they occur, are regulated through the South Dakota *Mined Land Reclamation Act* and the South Dakota Mined Land Reclamation Regulations. The South Dakota Department of Environment and Natural Resources ("DENR") administers the state mining laws; mining-related environmental permits are issued by the DENR and its governor-appointed citizen boards.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters.

Additional Funding Requirements

Further exploration on and development of the Company's projects will require additional resources and funding. The Company currently does not have sufficient funds to fully develop these projects. In addition, any positive production decision, if achieved, would require significant funding for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through debt financing, equity financing, joint venturing of projects or other means. There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets", "may", "will" and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is developed. The forward-looking statements reflect the current beliefs of the management of the Company and are based on currently available information. Readers are cautioned not to place undue reliance on these statements, as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the chief executive officer and chief financial officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under NI 52-109 *Certification of Disclosure in an Issuer's Annual and Interim Filings*, the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR+ at www.sedarplus.ca and on the Company's website at https://badlandsresources.com/.

APPROVAL

The Board of Directors of Badlands Resources Inc. has approved the contents of this management discussion and analysis on February 19, 2025.