TARANIS RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS,
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(Including subsequent events to August 7, 2025)

This Management Discussion and Analysis ("MD&A) is provided for the purpose of reviewing the performance of Taranis Resources Inc. ("Taranis" or "the Company") for the six months ended June 30, 2025 and comparing results with the previous year. It should be read in conjunction with the Company's audited financial statements and corresponding notes for the year ended December 31, 2024 which were prepared in accordance with International Financial Reporting Standards ("IFRS")

The Company's management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate systems, procedures, and internal controls, as well as for ensuring that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

Global issues, including recent geo-political conflicts have adversely affected workplaces, economies, supply chains, and financial markets worldwide. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations at this time.

The reader is encouraged to review the Company's statutory filings on www.sedarplus.ca and general information on its website www.taranisresources.com.

FORWARD LOOKING STATEMENTS

All statements in this report that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements represent the Company's intentions, plans, expectations, and beliefs and are subject to risks, uncertainties, and other factors of which many are beyond its control. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

OVERALL PERFORMANCE

As of August 7, 2025, the Company has sufficient funds to meet its fixed overhead commitments to the end of December 2025. See "Capital Resources and Liquidity" and "Financial Instruments and Capital Risk Management" for more information.

DESCRIPTION OF BUSINESS

The Company is principally engaged in the acquisition, exploration and, if results warrant, development of precious and base metal projects. It is currently actively exploring and developing one advanced-stage precious/base metal prospect in British Columbia, Canada.

All of the Company's exploration activities are overseen by John Gardiner, (P. Geo.), a Qualified Person under the meaning of Canadian National Instrument 43-101.

RESULTS OF OPERATIONS

The cumulative costs of Exploration and Evaluation Assets for the six months ended June 30, 2025 are as follows:

EXPLORATION AND EVALUATION ASSETS

	June 30, 2025	December 31, 2024
Thor Property		
Acquisition costs:		
Balance, beginning of period	$ 849,132	$ 843,401
Additions	57,211	5,731
Balance, end of period	906,343	849,132
Exploration costs:		
Balance, beginning of period	7,339,923	6,146,756
Assaying and metallurgy	8,851	112,182
Geological fees	27,546	114,219
Engineering	130,947	123,120
Drilling and trenching	7,837	843,646
	175,181	1,193,167
Exploration costs recovered	(179,268)	-
Balance, end of period	7,335,836	7,339,923
Total costs	$ 8,242,179	$ 8,189,055

Other Projects/Evaluations

Periodically, the Company evaluates other exploration opportunities that have either been directly identified by it or have been brought to its attention. These projects fall under the heading of Property Evaluation and typically include the cost of data evaluation and site visits. These costs are capitalized if the property is acquired; otherwise they are written off.

Thor Property, British Columbia, Canada

The Company's Thor property, located in the Revelstoke Mining District of British Columbia, includes 27 Crown Granted Mineral Claims and 31 Mineral Tenures covering approximately 5,441 hectares. The combined Crown Grants and Mineral Tenures form a contiguous 100% owned property over the known Thor precious and base metal deposit.

The Crown Grant claims at Thor are in good standing; they were issued between 1896 and 1914, and in various places convey surface, timber, and water rights to their holder. Most importantly, the Crown Grants convey title to the described "Parcel of Land, and all minerals, precious and base (save coal)" in fee simple.

As it relies on Crown Grant mining claims as well as Mineral Tenures to secure its property interest, Taranis is affected by ongoing discussions in British Columbia about Indigenous Title. In March of 2022, Taranis proactively contacted the Ministry of Indigenous Relations and Reconciliation ("MIRR") to fully understand whether the Thor project land package is a matter of contention among any First Nations groups. MIRR responded that the ongoing treaty negotiations with the Ktunaxa Nation do not contemplate any transfers of land title in the Trout Lake area. Furthermore, Taranis was assured "that the Province will continue to honour any pre-existing tenures, whether surface or subsurface".

The Thor deposit occurs within a major geological structure called the Silver Cup Anticline where it is transected by a north-northwest structure called the Thor Fault Zone ("TFZ"). The Silver Cup Anticline hosts almost all of the known precious-base metal deposits in the Silver Cup mining District. The Silver Cup mining district saw extensive mining development in the early 1900's and hosted several past producing mines including the Spider, Silver Cup, Triune and Nettie L. Mines.

EXPLORATION AND GEOLOGY

Geology of the Thor Project

Silver, gold, copper, lead, and zinc lodes are associated with the Thor Fault Zone ("TFZ"), a major geological structure that extends for upwards of 4 km on the property in a north-northwest direction. The TFZ dips moderately to the ENE and consists of individual segments that commonly overlap in an en-echelon fashion. The TFZ obliquely crosscuts the older northwest trending Silver Cup Anticline.

The TFZ contains all of the known precious/base metal zones on the property. These include (from south-southeast to north-northwest): Broadview, Great Northern, True Fissure, SIF, Blue Bell, and the Thunder zones. The recently discovered Thunder Zone is the only known mineral occurrence on the northeast side of the Silver Cup Anticline and occurs northeast of the Blue Bell Zone, which was historically the northernmost known mineralized zone on the Thor project.

Taranis has conducted substantial drilling (over 260 drill holes) within the TFZ that have defined a Mineral Resource. In addition, the Company has also conducted surface exploration on a deep underlying feature referred to as the 'Intrusive Target'. The Intrusive Target includes the Z-900/1300 and the **I-1** geophysical targets that are termed 'green rocks'; a name used by Company

geologists to describe the alteration typically associated with a porphyry-copper type setting. Based on analogues in British Columbia, the epithermal deposit at Thor could be sitting on top of an intrusive body hosted almost entirely within metasedimentary rocks that may contain large amounts (relative to TFZ-hosted mineralization) of lower grade intrusive-hosted mineralization.

Evolving the Exploration Model for Thor

The model that is used to describe the existing Thor deposit is an intermediate-sulfide epithermal model. The model is useful because it accounts for many of the features found in the epithermal deposit including vuggy, jarosite-altered, gold-bearing deposits (SIF Zone) at the top and periphery of the deposit, and a general progression toward increased base metal content at depth along the deposit. The Thor deposit exhibits many geological similarities to other epithermal deposits found near intrusive bodies which host porphyry deposits. Such systems are typically called "linked" porphyry-epithermal deposits.

The linked porphyry/intermediate-sulfide epithermal exploration model, now extensively applied at Thor, led to the discovery of the Thunder Zone in 2021. Three previously unexplored areas (discussed below) which are likely to host significant epithermal zones at Thor, bring the total possible number of discrete epithermal bodies at Thor to ten or more. Naturally, the successful application of this model to discover additional mineralized zones has created the impetus to explore for a large underlying porphyry/intrusive body that could be the origin of the epithermal deposits. A wealth of information exists to suggest the presence of a mineralized porphyry body at Thor, and this is the focus of much ongoing exploration activity.

P&E NI-43-101 Mineral Resource Estimate Update

Epithermal Mineralization

In April of 2024, the Company published an updated Mineral Resource Estimate ("MRE") that supersedes an earlier NI-43-101 MRE completed in 2013 by Roscoe Postle Associates. P&E Mining Consultants Inc. ("P&E") completed the latest NI 43-101 MRE. It is titled "*Technical Report and Updated Mineral Resource Estimate of The Thor Gold-Silver Project, Revelstoke Mining Division, British Columbia, Canada*", dated April 11, 2024.

The following table outlines the Thor updated MRE completed by P&E.

Thor Mineral Resource Estimate[1-6]

Resource Area	Classification	Cut-Off NSR/C$/t	Tonnes k	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au koz	Ag koz	Cu Mlb	Pb Mlb	Zn Mlb
Pit Constrained	Indicated	40	1,037	0.75	160	0.13	2.01	3.03	25.1	5,328	3.0	45.9	69.4
	Inferred	40	339	0.80	154	0.16	1.95	2.81	8.8	1,679	1.2	14.6	21.0
Out of Pit	Indicated	120	102	0.70	76	0.07	0.84	3.79	2.3	248	0.2	1.9	8.5
	Inferred	120	260	0.48	70	0.14	1.09	3.92	4.0	584	0.8	6.3	22.5
Total	Indicated	40 & 120	1,139	0.75	152	0.12	1.90	3.10	27.4	5,575	3.1	47.8	77.9
	Inferred	40 & 120	599	0.66	117	0.15	1.58	3.29	12.8	2,263	2.0	20.9	43.5

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
2. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration, however there is no certainty an upgrade to the Inferred Mineral Resource would occur or what proportion would be upgraded to an Indicated Mineral Resource.
3. The Mineral Resources in this estimate were calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines (2014) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council and CIM Best Practices Guidelines (2019).
4. The following parameters were used to derive the NSR block model C$/tonne cut-off values used to define the Mineral Resource:
   - January 2024 Consensus Economics long term forecast metal prices of Au US$1900/oz, Ag US$23/oz, Pb US$1.00/lb, Zn US$1.40/lb
   - Exchange rate of US$0.75 = C$1.00
   - Process recoveries of Au 90%, Ag 90%, Cu 85%, Pb 90%, Zn 90%
   - Open pit C$40/t cut-off derived from C$30/t processing and C$10/t G&A
   - Out-of Pit C$120/0/t cut-off derived from C$80/t mining, C$30/t processing and C$10/t G&A
   - Pit slopes were 50 degrees.
5. Totals may not sum due to rounding.
6. The MRE was undertaken by Fred Brown, P.Geo. and Eugene Puritch, P.Eng., FEC, CET of P&E Mining Consultants Inc.

Some of the conclusions in the report include:

- "The Property benefits significantly from excellent access and close proximity to the City of Revelstoke, Town of Nakusp, and Community of Trout Lake. All of the existing Mineral Resource occurs on fee-simple land that Taranis owns 100%."

- "The Authors are of the opinion that the current Mineral Resource Estimate meets the reasonable prospect of eventual economic extraction. The Authors have experience with other similar projects and are of the opinion that the NSR $/t cut-off value and cost assumptions are reasonable."

The report is a summary of the Mineral Resource that was found in the epithermal portion of the deposit, and considerable opportunity remains to expand this Mineral Resource through continued exploration and drilling.

10,000 tonne Bulk Sample

The Company has completed substantial scheduling and engineering planning to undertake a 10,000 tonne bulk sample that would process material that is representative of the Mineral Resource at Thor. This engineering work is being coordinated by Novus Engineering of Vancouver, British Columbia.

Detailed estimates of Capital Expenditures and Operating Expenditures have been collected using estimates from several contractors in the Trout Lake area, and other firms that have engineering expertise required to construct and operate the project.

RECLAMATION AND ISSUED NOTICE OF WORK PERMITS

Active Notice of Work Permits

Taranis has three active NoW Permits on the Thor property. The first of these is a drilling permit that allows Taranis to construct drill trails and drill sites to access the Thunder Zone, Horton and the Intrusive Targets. The second active permit is related to a 10,000-tonne Bulk Sample permit to construct, operate and reclaim a plant designed to gain metallurgical information pertaining to the epithermal deposit. These permits are discussed briefly below:

Issuance of 5-year MYAB NoW Deep Drilling Permit

On August 30, 2022, the Company submitted a 5-year NoW application for exploration drilling that would include deep drilling of several airborne anomalies identified by the 2022 MT/Mag survey. Taranis received notification on March 25, 2024 that the NoW permit was approved after a lengthy 573-day government review period. As result of the issuance of the permit under favorable conditions, the Company informed MCM that it had dropped its legal Petition filed in the Supreme Court of British Columbia seeking timely issuance of the NoW permit.

Issuance of a 5-Year NoW Deep Drilling Permit that Enables the Company to drill from the Main Access Road at Thor

Late in January 2025, Taranis submitted a NoW through front Counter B.C. On February 7th, 2025, MCM finalized its preliminary review of the NoW application and provided comments to Taranis. On February 11th, 2025 the Company perfected its NoW application that proposed amendments to the Issued Deep drilling permit. Taranis acquired additional property at Thor that was deemed important to be able to drill a deeply buried target called Z-900/1300 and an underlying suspected intrusive geophysical feature called **I-1**. This permit was issued in May of 2025, and the Company posted a reclamation bond before the permit was issued.

Thor 10,000 tonne Bulk Sample Permit and Engineering

Taranis has engaged Novus Engineering ("NOVUS") of Vancouver, British Columbia to complete the final engineering documentation prior to construction of the Bulk Sampling Plant at Thor. Novus has been working directly with Gekko Systems of Ballarat, Australia in the preparation of the final design specifications for the plant. This final engineering documentation involves estimation of the OPEX and CAPEX costs for the Bulk Sampling Plant.

Once Novus has completed the final engineering documents in consultation with some of the leading experts in the design of similar plants, the documents will be submitted to various organizations for comment and review. Taranis will complete several consultations with local community, government and First Nations to ensure adequate engagement prior to procurement of the Gekko Plant and before onsite constructions begins.

Commencement of Diamond Drilling from the Main Access Road at Thor

Taranis issued tenders to several drilling companies to conduct deep drilling from the main access road at Thor, pursuant to the permit being issued in May of 2025. Taranis selected Flamingo Diamond Drilling to undertake the deep drilling program, and the drill was mobilized to the property on June 15th, 2025.

SUMMARY OF QUARTERLY RESULTS

	June 30 2025	Mar 31, 2025	Dec 31, 2024	Sept 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023	Sept 30, 2023
	$	$	$	$	$	$	$	$
Net Income (Loss)	(62,826)	(31,954)	(83,553)	(89,822)	(40,206)	(75,699)	76,520	(118,793)
Earnings (loss) per share								
Basic	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

The Company has experienced quarterly losses over the last two years. This is a result of the fact that as a mineral exploration company the Company does not have a regular revenue stream. The majority of the Company's expenditures are for capitalized exploration costs which are not accounted for as operation expenses. Differences in quarterly losses can generally be attributed to the variations in share-based payments and the periodic write-off of Exploration and Evaluation Assets.

OUTSTANDING SHARE DATA

Authorized

Unlimited common shares without par value
Unlimited class A preferred shares with a par value of $1

Issued and outstanding as at August 7, 2025
102,421,487 common shares

As at the date of this MD&A the following incentive stock options and share purchase warrants were outstanding:

	Number of Shares	Exercise Price	Expiry Date
Options	1,150,000	$0.10	September 14, 2026
	2,500,000	$0.17	February 17, 2028
	2,000,000	$0.26	July 15, 2030
Regular Warrants	7,333,333	$0.15	July 24, 2026
	1,373,888	$0.35	July 3, 2026
	666,666	$0.35	October 1, 2026
	454,546	$0.50	November 13, 2026
	2,072,693	$0.25	July 21, 2027

TRANSACTIONS WITH RELATED PARTIES

During the six months ended June 30, 2025 the Company entered into the following transactions with related parties:

a) paid or accrued $8,700 (2024 - $7.000) to a director and CFO, Gary McDonald, for accounting services;

b) paid or accrued $15,000 (2024 - $17,500) for legal services to a corporation controlled by Glenn R. Yeadon, a director and the Secretary of the Company;

c) paid or accrued administrative costs and deferred exploration costs of $25,380 (2024 - $31,040) to a corporation controlled by John J. Gardiner, a director, and CEO of the Company.

Amounts included in accounts payable and accrued liabilities of $412,690 (2024 - $319,576) are due to a director, and companies controlled by directors of the Company. These amounts are without interest and have no specific repayment terms.

OFF BALANCE SHEET ARRANGEMENTS

Taranis does not utilize off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As at August 7, 2025 the Company has no proposed transactions.

CAPITAL RESOURCES AND LIQUIDITY

On July 21, 2025 the Company issued 2,072,693 units at a price of $0.18 per unit each unit consisting of one common share and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of $0.25 until July 21, 2027.

On July 3, 2024 the Company issued 1,353,888 units at a price of $0.27 per unit for gross proceeds of $365,500 with each unit consisting of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of $0.35 until July 3, 2026.

On July 3, 2024 the Company issued 20,000 flow-through units at a price of $0.30 per unit for gross proceeds of $6,000 with each unit consisting of one flow-through common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of $0.35 until July 3, 2026.

On October 1, 2024 the Company issued 666,666 flow-through units at a price of $0.30 per unit for gross proceeds of $200,000 with each unit consisting of one flow-through common share and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of $0.35 until October 1, 2026.

On November 13, 2024 the Company issued 454,546 flow-through units at a price of $0.55 per unit for gross proceeds of $250,000 with each unit consisting of one flow-through common share and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of $0.50 until November 13, 2026.

FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, loan payable, due to related parties and accounts payable and accrued liabilities approximate their carrying value, due to the short-term nature of these instruments. The Company's cash under the fair value hierarchy is based on level 1 quoted prices in active markets for identical assets or liabilities.

The Company is exposed in varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk with respect to financial instruments included in receivables is remote, because these instruments are due primarily from government agencies and cash is held with reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at June 30, 2025, the Company had a cash balance of $517,146 (2024 –$1,239,026) to settle current liabilities of $643,992 (2024 – $513,426). All of the Company's financial liabilities are subject to normal trade terms.

Management is actively pursuing options to enable it to meet its current obligations as they become due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

a) Interest rate risk

The Company has cash balances and loans payable bearing interest at 5% per annum. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions when deemed appropriate. Management periodically monitors such investments and debts and makes adjustments as necessary but does not believe interest rate risk to be significant.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars or Euros. Management believes the risk is not currently significant as only a small portion of these assets and liabilities as at March 31, 2025 are denominated in United States Dollars. A 10% fluctuation on foreign exchange would have a $22,000 (2024 - $20,700) impact on profit or loss.

c) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken. Fluctuations in pricing may be significant.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition and exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the six months ended June 30, 2025.

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CORPORATE INFORMATION

John J. Gardiner, Estes Park, Colorado, U.S.A.	President, Chief Executive Officer and Director
Glenn R. Yeadon, Vancouver, B.C., Canada	Secretary and Director
Gary R. McDonald, New Westminster, B.C., Canada	Chief Financial Officer and Director
Richard D. McCloskey, Toronto, Ontario, Canada	Director
Thomas Gardiner, Estes Park, Colorado, U.S.A	Director

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Share Capitalization	
Authorized	Unlimited common shares Unlimited Class A preferred shares
Issued and Outstanding at December 31, 2024	100,082,127 common shares
Issued and Outstanding at August 7, 2025	102,421,487 common shares
Incentive Stock Options outstanding at August 7, 2025	5,650,000
Share purchase warrants outstanding at August 7, 2025	11,901,126