CYPRESS HILLS RESOURCE CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

INTRODUCTION

This management discussion and analysis ("MD&A") of financial position and results of operations of Cypress Hills Resource Corp. (the "Company") is prepared as at February 17, 2026 and should be read in conjunction with the Company's audited financial statements and related notes as at and for the years ended December 31, 2025 and 2024, which were prepared in accordance with IFRS Accounting Standards ("IFRS").

All information presented in this MD&A is expressed in Canadian dollars unless otherwise indicated. Additional information relating to the Company's activities can be found on SEDAR+ at www.sedarplus.ca.

COMPANY OVERVIEW

Cypress Hills Resource Corp. (the "Company" or "Cypress") is on the NEX tier of the TSX Venture Exchange ("TSXV"). Until June 14, 2024, the Company held mineral claims to an exploration-stage graphite property in British Columbia (the "Amar Property"), but these have been forfeited. As a result, the Company currently has no commercial operations and seeks new business assets or an operating entity for a reverse take-over or other such transaction.

The Company is incorporated in the Province of British Columbia and the address of its registered office is 12 Waterfront Centre, 200 Burrard St., Vancouver, BC V6C 3L6.

Private Placement of Common Shares

On April 22, 2025, the Company completed a non-brokered private placement of 5,000,000 common shares at a price of $0.05 per share for total proceeds of $250,000.

The Company intends to use the proceeds from the private placement for general working capital and to pursue new commercial operations through the acquisition of assets or business combination with an active company.

SELECTED ANNUAL FINANCIAL INFORMATION

As at December 31,	**2025**	2024	2023
	$	$	$
Current and total assets	**196,525**	20,231	68,340
Current and total liabilities	**15,394**	38,256	37,008
Shareholders' equity (deficiency)	**181,131**	(18,025)	31,332

For the Year Ended December 31,	**2025**	2024	2023
	$	$	$
Operating and administrative expenses	**(50,844)**	(67,044)	(101,121)
Other	**-**	17,687	-
Net loss and comprehensive loss	**(50,844)**	(49,357)	(101,121)
Basic and diluted loss per share	**(0.00)**	(0.00)	(0.01)
Dividends per share	-	-	-

General Trends

Following the forfeiture of its mineral claims, the Company reduced its operating and administrative expenses to a base level required for a publicly-traded company. Such expenses are incurred for corporate and administrative services, legal and accounting fees, and transfer agent, listing, filing and shareholder communications services. The amounts of these expenses are typically at consistent monthly amounts throughout the year, but additional charges in some quarters are incurred in connection with the Company's annual audit and annual general meeting.

Results of Operations

<u>*Year ended December 31, 2025*</u>

The Company reported a $50,844 net loss for the year ended December 31, 2025 compared to a $49,357 net loss for the comparative year ended December 31, 2024.

The loss for the year ended December 31, 2025 is primarily owing to the following operating and administrative expenses incurred as a publicly-traded entity:

- $20,290 (2024 - $14,548) for transfer agent, listing, filing and shareholder communication fees;
- $16,679 (2024 - $28,211) for professional fees related to audit and legal services; and
- $13,656 (2024 - $9,150) for corporate and administrative services provided by a related party.

Generally, the expenses for the year ended December 31, 2025 and 2024 were comparable except for an increase in transfer agent and shareholder communication fees incurred in 2025 for the Company's annual general; there was no meeting held in 2024. Also, an adjustment to accrued year-end audit fees in 2024 resulted higher 2024 professional fees than those for 2025.

In addition to routine general and administrative expenses, the Company incurred exploration and evaluation expenses of $15,000 provided by a related party for the year ended December 31, 2024. On June 14, 2024, the Company forfeited its claims to the Amar Property and no such expenses were incurred in the year ended December 31, 2025. Also in the year ended December 31, 2024, the Company recorded a $17,687 of gain on the write-off of certain accounts payable that were disputed by the Company and became statute-barred.

SUMMARY OF QUARTERLY RESULTS

Quarterly Financial Information:	Operating and Administrative Expenses	Net Loss	Basic & Diluted Loss per Share
	$	$	$
Q4 – December 31, 2025	19,899	(19,899)	(0.00)
Q3 – September 30, 2025	11,681	(11,681)	(0.00)
Q2 – June 30, 2025	10,548	(10,548)	(0.00)
Q1 – March 31, 2025	8,716	(8,716)	(0.00)
Q4 – December 31, 2024	21,383	(21,383)	(0.00)
Q3 – September 30, 2024	15,147	(15,147)	(0.00)
Q2 – June 30, 2024	3,702	(3,702)	(0.00)
Q1 – March 31, 2024	26,812	(9,125)	(0.00)

Operating and administrative expenses include charges for audit and legal fees, stock exchange listing and filings, transfer agent services and management services. These expenses are typically incurred evenly throughout the year except for audit costs, which are recorded in the fourth quarter and fees incurred in connection with the Company's annual general meeting, which are typically incurred in the second or third quarters.

FOURTH QUARTER 2025 RESULTS

The Company reported a $19,899 net loss for the three months ended December 31, 2025 compared to a $21,383 net loss for the three months ended December 31, 2024. The operating and administrative costs are as follows:

- $12,000 (2024 - $17,000) for professional fees incurred for the accrual of year-end audit services;
- $4,750 (2024 - $1,575) for corporate and administrative fees provided by a related party; and
- $3,135 (2024 - $2,783) for transfer agent, listing, filing and shareholder communication fees.

The decrease in professional fees for the three months ended December 31, 2025 is owing to a reduction in audit fees as a result of decreased operating activities for 2025 compared with 2024.

The increase in corporate and administrative fees for the three months ended December 31, 2025 is the result of a restoration of fees charged by a related party following the Company's private placement and improved working capital in April 2025. This is further discussed under "Transactions with Related Parties", herein.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company is party to a corporate service agreement with Earlston Management Corp. ("Earlston"), a company related by virtue of providing management services to the Company and having certain officers and directors in common. Starting April 1, 2024, Earlston reduced its monthly service charge from $1,500 per month to $500 per month, plus applicable taxes. Effective June 1, 2025, Earlston's monthly fee was restored to $1,500. During the year ended December 31, 2025, Earlston charged $13,656 (2024 - $9,150) for corporate and administrative services of which $1,575 was owing to Earlston and is included in accounts payable and accrued liabilities as at December 31, 2025 (December 31, 2024 - $3,696).

On July 1, 2023, the Company entered into a consulting agreement (the "Agreement") with Graham's Geological Data Ltd. ("GGDL"), a company controlled by the Company's former Chief Executive Officer who resigned on June 1, 2024. Pursuant to the Agreement, the Company paid GGDL $5,000 per month starting July 1, 2023 for general project management and geological services, and reimbursed GGDL for out-of-pocket expenses. GGDL ceased to charge for services on April 1, 2024, and the Agreement was terminated effective June 1, 2024. Exploration and evaluation expenses for the year ended December 31, 2024, includes $15,000 (2023 - $30,000) charged by GGDL prior to the termination of the Agreement, of which $15,750 was owing to GGDL and is included in accounts payable and accrued liabilities as at December 31, 2024 (December 31, 2023 - $5,250).

DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of the MD&A, there are 24,986,965 common shares outstanding. The Company has no stock options, warrants or other instruments convertible into common shares at this date.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2025, the Company's financial instruments comprise cash and accounts payable and accrued liabilities. The fair values of amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market data (unobservable inputs).

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. As at December 31, 2025, the Company had a cash balance of $196,525 which is insufficient to pay current liabilities of $15,394.

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 equity prices. As the Company has no interest-bearing financial instruments other than cash, assets or liabilities denominated in a foreign currency, marketable securities or other financial instruments subject to fluctuations in equity prices, it has no exposure to these market risks.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. The Company's material accounting policy information is included in Note 3 of its audited financial statements for the year ended December 31, 2025.

Significant estimates made by management as at December 31, 2025 includes the following:

Taxation

Estimates

Deferred tax assets and liabilities are determined using the tax rates expected to be in effect at the time the assets are realized and liabilities settled. The actual tax rate in effect at that time may vary from the expected tax rates.

Judgments

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters. However, the outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recovered.

RISKS AND UNCERTAINTIES

The Company has sufficient cash to pay its general and administrative expenses for the next 12 months, but with no current sources of revenue, additional financing will be required should the Company not complete a business combination or acquisition of commercial assets on a timely basis. While the Company has been successful in previous financings, there is no assurance that future financing attempts will be successful.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A, and other reports and filings made with the securities regulatory authorities constitute forward-looking statements.

All forward-looking statements are based on the Company's beliefs and assumptions, which are based on information available at the time the assumptions were made. Forward-looking statements relate to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, new services, market forces, commitments and technological developments. In particular, this MD&A contains forward-looking statements pertaining to its ability to identify and enter into other commercial activities and to remain a going concern for the next 12 months. Actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors, which include, but are not limited to the following and others that may be set forth elsewhere in this MD&A such the ability of the Company's management to acquire new commercial assets or enter into a business combination with an active company, as well as the functioning of capital markets to support such a transaction.

The forward-looking statements contained herein are subject to change after the date of the MD&A. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on the forward-looking statements.