

NORTHERN SILICON INTERNATIONAL INC.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JULY 31, 2024

Introduction

This Management’s Discussion and Analysis (“MD&A”) for Northern Silicon International Inc. (the “Company”) is prepared as at November 18, 2024 and should be read in conjunction with the Company’s audited consolidated financial statements for the years ended July 31, 2024 and 2023.

The audited consolidated financial statements for the years ended July 31, 2024 and 2023, and comparative information presented therein, have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations as issued by the IFRS Interpretations Committee (“IFRIC”).

The Company is a reporting issuer in British Columbia and Alberta, but its common shares are not listed for trading on any stock exchange.

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedarplus.ca.

Forward-Looking Statements

This MD&A contains forward-looking statements or information (collectively “forward-looking statements”) that relate to the Company’s management’s current expectations and views of future events. Statements that are not historical fact are forward-looking information as that term is defined in National Instrument 51-102 (“NI 51-102”) of the Canadian Securities Administrators. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the ability of the Company to obtain necessary future financing;
- the acquisition of new business opportunities;
- the Company’s future liquidity and financial capacity; including repayment of outstanding loans; and
- costs, timing and future plans concerning the business and operations of the Company.

Forward-looking statements are based on certain assumptions and analysis made by the Company based on its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. Although the Company’s management believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, prospective purchasers of the Company’s securities should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect

NORTHERN SILICON INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JULY 31, 2024

the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

Description and Overview of Business

The Company currently does not have any business related assets, does not carry on any active business, and is searching for new business opportunities.

The Company historically had a mandate to explore for and develop high purity industrial minerals required by modern technologies for use in applications such as solar power production and battery storage technologies and engaged principally in the acquisition, exploration and development of resource properties and the research and development of related technologies. The Company acquired the intellectual property rights to a process to refine and produce high purity silicon (the "Silicon Process") and agreed to finance a research, development and testing program to complete the detailed design for a proof-of-concept prototype for the Silicon Process. The testing program produced inconclusive results and was unable to verify the chemical engineering design of the Silicon Process. As a result, the Company entered into a termination agreement whereby the vendor surrendered all 20,000,000 escrow shares issued to acquire the Silicon Process and the Silicon Process was returned to the vendor in Fiscal 2022. In addition, the Company did not exercise its rights to continue to explore the Lac Simpson graphite mineral properties in Quebec and allowed the property agreements to lapse.

Selected Annual Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's audited consolidated financial statements. All dollar amounts are in Canadian dollars.

	Year ended July 31, 2024	Year ended July 31, 2023	Year ended July 31, 2022
Financial Results			
Net income (loss)	\$ (32,705)	\$ 237,169	\$ 350,523
Basic and diluted income (loss) per share	\$ (0.00)	\$ 0.03	\$ 0.01
Financial Position			
Working capital (deficiency)	\$ (79,169)	\$ (46,464)	\$ (17,283)
Total assets	\$ 2,653	\$ 6,732	\$ 5,248

NORTHERN SILICON INTERNATIONAL INC.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JULY 31, 2024

During Fiscal 2024, the Company reported net loss of \$32,705, compared to net income of \$237,169 for the year ended July 31, 2023. The majority of the net loss was from general and administrative expenses.

During Fiscal 2024, the Company received \$34,530 in loans in order to continue operations. During Fiscal 2024, total liabilities increased by \$28,626 to \$81,822 (July 31, 2023 - \$53,196).

During Fiscal 2023, the Company reported net income of \$237,169, compared to net income of \$350,523 for the year ended July 31, 2022. The majority of the net income was the result of recognizing a \$266,350 gain on the extinguishment of special warrants through disposition of the non-operating subsidiary. Expenses consisted mostly of general and administrative expenses associated with the amendment and exercise of 3,663,500 Special Warrants (99% of issued Special Warrants). The Special Warrants were originally convertible into common shares of the Company, however the terms were amended whereby the Special Warrants converted into shares of the Company’s subsidiary – Northern Silicon Inc. As a result, the Company’s wholly owned subsidiary was effectively transferred to the Special Warrant holders in the three months ended July 31, 2023. The carrying value of the subsidiary at the time of disposition was \$Nil, and the value of the Special Warrants converted to shares of Northern Silicon Inc. was \$266,350.

During Fiscal 2023, the Company received \$30,000 in loans in order to continue operations. During Fiscal 2023, total liabilities increased by \$30,665 to \$53,196 (July 31, 2022 - \$22,531).

During Fiscal 2022, the Company had net income of \$350,523, compared to a loss of \$58,747 for the year ended July 31, 2021. The net income was the result of recording the recovery of patent and technology acquisition costs of \$400,000 (2021 - \$nil) and the recovery of accrued professional fees of \$76,475 (2021 - \$nil) which were partially offset by the recognition of an impairment of \$91,607 with respect to the graphite property (2021 - \$nil). The decrease in operating expenses for the year further arose from decreased technology expenses of \$2,208 (2021 - \$17,010) and decreased patent expenses of \$6,743 (2021 - \$17,729).

During Fiscal 2022, total liabilities decreased by \$60,160 to \$22,531 (July 31, 2021 - \$82,691).

Selected Quarterly Information

The following table presents selected financial information for each of the last eight fiscal quarters:

Fiscal Quarter Ended	Net Income (Loss)	Income (Loss) per Share	Working Capital (Deficit)
July 31, 2024	\$ (11,764)	\$ -	\$ (79,169)
April 30, 2024	\$ (1,523)	\$ -	\$ (67,405)
January 31, 2024	\$ (18,626)	\$ -	\$ (65,882)
October 31, 2023	\$ (792)	\$ -	\$ (47,256)
July 31, 2023	\$ 264,587	\$ 0.03	\$ (46,464)
April 30, 2023	\$ (1,693)	\$ -	\$ (44,700)
January 31, 2023	\$ (24,793)	\$ -	\$ (43,008)
October 31, 2022	\$ (932)	\$ -	\$ (18,215)

NORTHERN SILICON INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JULY 31, 2024

Net income reported in the Fiscal Quarter ended July 31, 2023 was primarily due to the \$266,350 gain on the extinguishment of special warrants through disposition of the non-operating subsidiary. The losses reported for the first three quarters in Fiscal 2023 consisted primarily of general and administrative expenditures.

Analysis of the Company's Financial Performance and Condition

Year Ended July 31, 2024

The Company reported a net loss of \$32,705 and a loss per share of \$0.00 for the year ended July 31, 2024 compared to net earnings of \$237,169 and earnings per share of \$0.03 for the year ended July 31, 2023.

For the year ended July 31, 2024 and 2023, the differences and changes in expenditures were as follows:

- The Company recognized a gain on the extinguishment of special warrants through disposition of the non-operating subsidiary of \$Nil (2023 - \$266,350). The terms of the Special Warrants were originally convertible into common shares of the Company, however the terms were amended whereby the Special Warrants converted into shares of the Company's subsidiary – Northern Silicon Inc. As a result, the Company's wholly owned subsidiary was effectively transferred to the Special Warrant holders in the three months ended July 31, 2023. The carrying value of the subsidiary at the time of disposition was \$Nil, and the value of the Special Warrants converted to shares of Northern Silicon Inc. was \$266,350.
- General and administrative expenses were \$28,807 (2023 - \$27,436). Professional fees increased by \$5,546 in 2024 from third party accounting services and audit fees.
- Finance charges were \$3,898 (2023 - \$1,745) from accrued interest on the loans payable.

Three Months Ended July 31, 2024

The Company reported a net loss of \$11,764 during the three months ended July 31, 2024 (Q4/2024) compared to net earnings of \$264,587 for the three months ended July 31, 2023 (Q4/2023). Significant items that make up the Q4/2024 loss and discrepancies between Q4/2024 and Q4/2023 are as follows:

- The Company recognized a gain on the extinguishment of special warrants through disposition of the non-operating subsidiary of \$Nil (2023 - \$266,350).
- Professional fees were \$10,000 (2023 - \$Nil) for the accrual of audit fees.
- Finance charges were \$1,259 (2023 - \$1,745) from accrued interest on the loans payable.

Liquidity, Capital Resources, and Changes to Expense Structure

As at July 31, 2024, the Company's cash position was \$556 (July 31, 2023 - \$5,465) and the Company had a working capital deficiency of \$79,169 (2023 - \$46,464).

Sources of cash for the Company included \$34,530 from loan financing.

Uses of cash by the Company included \$39,439 for operating activities.

NORTHERN SILICON INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JULY 31, 2024

As the Company does not currently carry active operations that generate cash flows, the continuing operations of the Company are primarily dependent on its ability to raise future financing. No assurance or guarantee can be given that the Company will find sources of funding.

International Financial Reporting Standards – Changes in Accounting Policies

Refer to note 3 of the July 31, 2024 and 2023 audited consolidated financial statements.

Financial Instruments

Refer to notes 3 and 6 of the July 31, 2024 and 2023 audited consolidated financial statements.

Off-Balance Sheet Arrangements

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

Related Party Transactions

Refer to note 4 of the July 31, 2024 and 2023 consolidated financial statements.

Outstanding Share Data

As at the date of this MD&A, the Company had the following securities issued and outstanding:

	Number	Exercise Price	Expiry Date
Common shares	9,439,094	n/a	n/a
Special warrants	55,000	n/a	Note 1
Fully Diluted	9,494,094		

Note 1

Any unexercised special warrants will be deemed to be exercised on that day which is the earlier of a) the first business day following the day on which a receipt for a final prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia and in such other jurisdictions as may be determined by the Company qualifying the distribution of the common shares to be issued upon exercise of the special warrants; and b) the tenth anniversary of the date of the holder's special warrant certificate.

NORTHERN SILICON INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JULY 31, 2024

Directors and Officers

David Patterson	Director, CEO and CFO
Jeff Lightfoot	Director
Colin Watt	Director