IRONMAN INTERNATIONAL LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED MAY 31, 2026, AND 2025

INTRODUCTION

This management's discussion and analysis ("MD&A") for Ironman International Ltd. (the "Company" or "Lite Access") dated July 29, 2026, should be read in conjunction with the condensed consolidated interim financial statements as at May 31, 2026 and for the six months then ended. Except as otherwise disclosed, all financial information in this report is presented in Canadian dollars.

The Company's unaudited condensed consolidated interim financial statements and the notes thereto as at May 31, 2026, and for the three and six months then ended were prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Additional information relating to the Company, including the Company's continuous disclosure filings, is available on SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING INFORMATION, DEFINITIONS AND RISKS NOTICE

This MD&A is a review of the Company's financial performance and financial condition as at May 31, 2026 and for the six months then ended, and based on facts and circumstances as of July 29, 2026. When we discuss our costs and timing of current and proposed operations, working capital requirements, the requirement for additional capital, future prices, future accounting changes or other things that have not yet happened in this review we are making statements considered to be *forward-looking information* under Canadian securities laws.

The forward-looking information in this MD&A typically includes words and phrases about the future, 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 state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". We can give no assurance that the forward-looking information will prove to be accurate. It is based on a number of assumptions management believes to be reasonable, including, but not limited to, no material adverse change in the construction service market and exchange rates, competition, reliance on significant customers, limited volatility in the Company's share price, no material changes in the competitive market, the Company will be successful in retaining qualified staff, management's expectations regarding increases in cash flow, management's expectations regarding demand for services, and securing new contracts or service opportunities, the successful integration of the RTO and realization of anticipated operational synergy, the Company's ability to bid on and be awarded large-scale projects, and such other assumptions and factors as set out herein. If our assumptions prove to be incorrect or risks materialize, our actual results and events may vary materially from what we currently expect as set out in this review.

It is also subject to risks associated with our business, including, but not limited to: risks inherent in the construction service business, ability to fulfill any contract awards or to be retained for the full value of a contract award, requirements for additional capital, government regulations, reliance on key personnel, rapid technology changes, competition, lack of demand, equipment failures, environmental risks, protection of intellectual property rights, and the timing and possible outcome of pending litigation and other risks that are set out below.

We recommend that you review this MD&A, which includes a discussion of material risks that could cause actual results to differ materially from our current expectations. Forward-looking information is designed to help you understand management's current views of our near- and longer-term prospects, and it may not be appropriate for other purposes.

Non-IFRS Measure: Adjusted earnings before interest, tax, depreciation and amortization ("EBITDA") and adjusted working capital are measures not recognized under IFRS. However, management of the Company believes that most shareholders, creditors, other stakeholders and investment analysts prefer to have these measures included as reported measures of operating performance, a proxy for cash flow and to facilitate valuation analysis. The Company believes that these supplementary measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in its business. It also allows for relevant comparisons of financial performance with the Company's peers, which will help investors make better investment decisions. The Company may include additional measures in Adjusted EBITDA as presented in the ***Adjusted EBITDA*** section based on other non-cash or non-recurring expenses incurred or income earned. Management believes Adjusted EBITDA and adjusted working capital are useful measures that facilitate period-to-period operating comparisons.

Adjusted EBITDA and adjusted working capital do not have any standardized meanings prescribed by IFRS, and therefore, may not be comparable to similar measures presented by other issuers. Readers are cautioned that adjusted EBITDA and adjusted working capital are not an alternative to measures determined in accordance with IFRS and should not, on its own, be construed as indicators of performance, cash flow or profitability. References to the Company's adjusted EBITDA and working capital should be read in conjunction with the condensed consolidated interim financial statements of the Company posted on SEDAR+ (www.sedarplus.ca).

COMPANY OVERVIEW

Ironman International Ltd. is a telecom construction contractor based in British Columbia with significant self-performing capabilities. Lite Access provides services to both private and public customers and offers integrated solutions for all types of telecom requirements, including project analysis, engineering, design, permitting, aerial and underground construction, testing and maintenance.

The Company was incorporated on October 20, 2003, under the *Business Corporations Act* (British Columbia). The head office is located at 9701 201 Street, Langley, British Columbia, Canada, V1M 3E7 and its registered and records office is located at 1111 West Hastings Street, 15th floor, Vancouver, British Columbia, Canada, V6E 2J3. The Company is a public company listed as a Tier 1 Industrial Issuer on the TSX Venture Exchange ("TSX-V").

On September 26, 2025, Lite Access completed a share exchange with 1097195 B.C. Ltd. (or "1097195" or "Ironman"), and its shareholders, whereby the shares of 1097195 were exchanged for shares of Lite Access (the "Share Exchange Agreement" or "RTO"). While Lite Access was the legal acquirer, 1097195 was identified as the accounting acquirer in accordance with IFRS 3 *Business Combinations*, as the former shareholders of 1097195 (the "1097195 BC Ltd. Shareholders") obtained control of the combined entity. The transaction was considered a reverse takeover for accounting purposes. This MD&A was prepared from the perspective of 1097195 as the accounting acquirer and reflects Ironman's 2026 and 2025 results, which includes the impact of acquiring Lite Access on September 26, 2025.

The RTO was a transformational event for 1097195 as it increased its self-performing capabilities and had a significant impact on its assets, liabilities and workforce. The RTO allowed the parties to pursue telecom and construction opportunities, which individually each party would not have been able to realize. The RTO enabled the Company to integrate its service offerings so it could access the established customer base and benefit from the cross-selling opportunity to drive revenue growth. The Company anticipates the RTO will improve operation efficiency and provide a roadmap for revenue growth.

See the section *Share Exchange Agreement* for additional information regarding the transaction.

1097195 was incorporated on November 18, 2016, under the *Business Corporations Act* (British Columbia). Its wholly owned subsidiary, Ironman Directional Drilling Ltd., is a leading North American provider of horizontal directional drilling and trenchless infrastructure services, operating 24/7 to support residential, commercial, industrial and utility clients. Ironman specializes in delivering cost-effective, low-impact underground installation solutions across a broad range of applications, including telecommunications, electrical, water and sewer, oil and gas, geothermal and irrigation systems. With a modern fleet of specialized equipment and an experienced technical team, Ironman can execute complex projects across diverse and challenging environments, including lakes, rivers, coastal and near-shore marine installations, rail corridors, roadways and highways. Ironman also provides complementary services designed to enhance efficiency, maintain safety standards, and ensure projects are completed on time and on budget.

Prior to the closing of the RTO, 1097195 and Lite Access were related parties, as Michael Irmen was the sole director of 1097195 and was a director of Lite Access. 1097195 and Lite Access had been working together pursuant to a cooperation agreement dated July 26, 2022. 1097195 was a significant subcontractor, creditor and investor of Lite Access prior to closing of the RTO.

On September 26, 2025, the Company changed its name from Lite Access Technologies Inc. to Ironman International Ltd., and the TSX-V stock symbol changed from "LTE" to "IMI".

On December 1, 2025, Ironman Directional Drilling Ltd. and another subsidiary, Lite Access Technologies (Canada) Inc., amalgamated.

Our operations are highly seasonal. The volume of services we provide, revenue recognized, and our profitability are heavily dependent on weather conditions. Historically, weather patterns in Western Canada and Alaska allow for a greater volume of services during our second and third quarters (spring and summer months), while we have reduced services in the first and fourth quarters (winter and fall months). We expect this seasonal pattern to continue in future periods. To manage the impact, the Company actively pursues diversified project portfolio and carefully manages the working capital to support the operation during the winter period. We believe the RTO will reduce the impact of seasonality as the Company's services and self-performing capabilities have expanded. The impact of seasonality may shift over time due to the weather variation, project timeline and economic conditions.

2026 YEAR TO DATE

To date in FY2026, the primary activities of the Company have been as follows:

- Construction revenue of $14.7 million was earned in the first six months of 2026, representing 68% increase compared to $8.7 million earned in the comparative period of 2025. The revenue growth was mainly driven by the acquisition growth and reflected the Company's strategy to grow the operation as an expanding, self-performing company.
- The Company entered into a master construction agreement with an arm's length US-based communications infrastructure company to provide construction and related services for fiber optic network infrastructure projects in east-central Alaska for US$12.1 million. The services will be provided under a series of statements of work.
- Formation of a new division, Ironman Pipe Inspection, that will leverage our background in civil works to help support utility projects in Western Canada. We anticipate the new division will support our existing customers to protect Ironman and our customers from expensive delays on projects. We will be engaging with our existing network of customers and supply chain to launch the division.
- Continuous integration of 1097195 and Lite Access to realize the benefits from the RTO.

2026 OUTLOOK

We expect to see strong market demand in 2026 and will continue to focus on sustainable growth and profitable operations. Completing the RTO increases our self-performing capabilities and operational capacity. The Company will continue exploring additional opportunities to expand its core service offerings, focusing on expansion within its existing customer base. We are well positioned to bid and win large project awards in FY2026 and beyond. Accordingly, we anticipate the following activities will drive the performance for our 2026 fiscal year:

- Initiate new contracts in Alaska and other regions in Canada and the US.
- Continue pursuit of larger scale sales and service opportunities in continental US and other parts of Canada.
- Maintain and grow the existing business portfolio in Western Canada with a focus on margin enhancement.
- Integrate the new workforce and capital assets acquired to realize operational synergy and improve project execution.

FINANCIAL PERFORMANCE

The impact from the RTO was pervasive throughout the Company's financial performance for the three and six months ended May 31, 2026 in comparing with the comparable periods of last year. The first six months of 2026 reflected the consolidated performance post RTO while the comparative periods of 2025 reflected Ironman as a standalone business. As a result, revenues, cost of sales, gross margin and operating expenses and other income (expenses) are all substantially different.

Operating results for the three months ended May 31, 2026 and 2025

For the three months ended May 31, 2026, the Company reported total revenue of $8,285,922, gross margin of $2,268,845 and net loss of $333,196. Certain prior period comparative figures have been reclassified to conform with the current year's presentation.

(Expressed in Canadian dollars, unless otherwise stated)

Significant variances include:

	Three Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Revenue	8,285,922	7,764,803	521,119	7%

Revenue of $8,285,922 was reported for the quarter, up $521,119, or 7% compared to the amount reported last year. This is the second full quarter after the RTO. The revenue growth reflected the additional revenue contributed from the acquisition, partially offset by the lower revenue from drilling services due to the project delay for certain jobs.

	Three Months Ended May 31			
Gross margin	2026	2025	Change ($)	Change (%)
	2,268,845	5,162,319	(2,893,474)	-56%
	27%	66%		

Gross margin for the quarter was $2,268,845, down 56% from $5,162,319 reported for the second quarter of 2025. The gross margin percentage decreased to 27% from 66%. The lower gross margin was primarily due to the change of revenue mix post the RTO. In the second quarter of last year, the revenue from US market with higher margin level contributed more than half of the total revenue, which increased the overall margin for the quarter.

Operating Expenses

	Three Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Total operating expenses	1,823,221	864,578	958,644	111%
Operating expenses as a percentage of total revenue	22%	11%		

Operating expenses for the quarter were $1,823,221, up 111% from $864,578 reported last year. The increase was primarily attributed to the additional operating expenses from the acquisition. The higher operating expenses were also driven by the new customer acquisition, expanded service offering and operational capacity.

Significant variances include:

	Three Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Depreciation and amortization	204,339	24,490	179,849	734%

Depreciation and amortization increased to $204,339 compared to $24,490 reported for the second quarter of last year, mainly attributed to the additional depreciation of the leased assets from Lite Access. The amortization of intangible assets $61,500 contributed 34% of the increase.

	Three Months Ended May 31			
	2026	2025	Change ($)	Change (%)
General and administrative	1,494,761	788,417	706,344	90%

(Expressed in Canadian dollars, unless otherwise stated)

General and administrative for the quarter was $1,494,761, up 90% from the amount $788,417 reported for the second quarter of last year. The operating expenses of Lite Access contributed most of the increase. The primary driver of the increase included wages and consulting $357,991, professional fee $170,424 office expenses $63833 and stock-based payments $54,547.

	Three Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Sales and marketing	124,121	51,671	72,450	140%

Sales and marketing increased by 140% to $124,121 compared to $51,671 reported for the second quarter of last year, mainly due to the additional expenses from Lite Access post the merger transaction. The higher sales and marketing expenses were also driven by the new business development activities the Company has engaged to pursue revenue growth.

Other income (expenses)

	Three Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Other income (expenses)	(366,818)	(206,298)	(160,520)	78%

Other income (expenses) for the quarter was $366,818, up $160,520 from $206,298 for the second quarter last year. The increase was contributed by interest expenses for the vendor loan post RTO and the additional interest expense from Lite Access, partially offset by the lower foreign exchange loss and gain from the property and equipment disposal this quarter.

	Three Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Net income (loss)	(333,196)	3,313,443	(3,646,639)	-110%

The Company reported total loss of $333,195 for the quarter, compared to the net income of $3,313,443 for the second quarter of last year. The decrease was primarily due to the lower gross margin this year and higher operating expenses resulting from the merger transaction.

Operating results for the six months ended May 31, 2026 and 2025

For the six months ended May 31, 2026, the Company reported total revenue of $14,706,069 and gross margin of $3,391,242. Gross margin percentage decreased to 23% from 54% a year ago. Operating expenses increased 65% to $3,367,872 from the comparative period of last year. Net losses of $1,054,109 were reported for the six-month period, compared to the net income of $1,993,022 for the comparative period of last year. Certain prior period comparative figures have been reclassified to conform with the current year's presentation.

Significant variances include:

	Six Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Revenue	14,706,069	8,754,637	5,951,432	68%

Revenue of $14,706,069 was reported for the period, up $5,951,432 or 68% compared to the amount reported last year. The revenue growth was primarily driven by the realization of the expansion efforts of the Company as a self-performing business through the completion of the RTO and other new business generated.

(Expressed in Canadian dollars, unless otherwise stated)

	Six Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Gross margin	3,391,242	4,728,517	(1,337,275)	-28%
	23%	54%		

The gross margin decreased to $3,391,242 from $4,728,517 reported for the comparative period of last year. Gross margin percentage decreased from 54% last year to 23% this year. The overall gross margin decrease was primarily due to the lower construction revenue this year from US market, which typically self-performed and had higher margin.

Operating Expenses

	Six Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Total operating expenses	3,367,872	2,043,535	1,324,337	65%
Total operating expenses as a percentage of total revenue	23%	23%		

Operating expenses for the six months ended May 31, 2026 were $3,367,872, up 65% from $2,043,535 reported last year. The increase in the operating expense is in line with the revenue growth, which remained at 23% of the top line. The increase of $1,324,337 was mainly attributed to additional operating expenses from Lite Access, including wages and benefits $658,875, professional fee $209,012, depreciation $260,169, intangible assets amortization $123,000, insurance and permits $103,242, partially offset by the office expense saving from the integration $252,411.

Other income (expenses)

	Six Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Other income (expenses)	(710,479)	(63,960)	(646,519)	1011%

Other income (expenses) for the six-month period was $710,479, up $646,519 from $63960 for the comparative period last year. The increase was mainly due to the additional interest expense of $134,593 contributed from Lite Access and interest of $609,329 for the vendor loans post RTO. The interest increase was partially offset by the gain from equipment and vehicle disposal in the amount of $255,633.

	Six Months Ended May 31			
	2026	2025	Change ($)	Change (%)
Net income (loss)	(1,054,109)	1,993,022	(3,047,131)	-153%

The Company reported net loss of $1,054,109 for the six months ended May 31, 2026, compared to the net income of $1,993,022 reported for the comparative period of last year. The decrease was mainly attributed to the lower gross margin resulting from change of revenue mix post RTO, additional operating expenses from Lite Access and higher interest expenses post RTO.

ADJUSTED EBITDA

For the six months ended May 31, 2026 and 2025, the Company uses a non-IFRS financial measure labelled Adjusted EBITDA. The Company's non-IFRS measures may differ from similar computations as reported by other similar organizations, and accordingly, may not be comparable to similar non-IFRS measures and ratios as reported by such organizations. The Company's non-IFRS measures should not be construed as alternatives to net income, cash flows from operating activities, working capital or other financial measures and ratios determined in accordance with IFRS, as an indicator of the Company's performance.

(Expressed in Canadian dollars, unless otherwise stated)

This measure is calculated by removing the items below from the net loss presented on our condensed consolidated interim statements of loss and comprehensive loss. This measure does not have a standardized meaning under IFRS. Management uses this measure internally to evaluate its results of operations as it removes:

- the impact of non-cash depreciation, amortization, interest and accretion, and gain on disposal of property and equipment; and
- the impact of cash-based interest expense, net of interest income, which is a result of the financing strategy undertaken at that point in time.

Earnings (loss) per share for the six months ended May 31, 2026 and 2025 has been impacted by the items enumerated in the table below, which reconciles net loss to Adjusted EBITDA.

		Six Months Ended May 31, 2026		**Six Months Ended May 31, 2025**
Net income (loss)	$	(1,054,109)	$	1,993,022
Basic and diluted loss per share	$	(0.01)	$	0.02
Income taxes expense (recovery)	$	367,000	$	628,000
Depreciation and amortization	$	1,831,921	$	693,650
Interest on loans and leases, net of interest income	$	952,710	$	38,652
Gain on disposal of equipment	$	(255,633)	$	(16,714)
Adjusted EBITDA	**$**	**1,841,889**	**$**	**3,336,610**
Basic and diluted Adjusted EBITDA per share	**$**	**0.01**	**$**	**0.04**

Adjusted EBITDA for the six months ended May 31, 2026 was $1,841,889 compared to Adjusted EBITDA of $3,336,610 for the comparative period of 2025. The decrease of adjusted EBITDA of $1,494,721 was primarily attributed to the lower gross margin and higher operating expenses post RTO.

SUMMARY OF QUARTERLY RESULTS

	May 31, 2026 $	**February 28, 2026 $**	**November 30, 2025 $**	**August 31, 2025 $**
Revenues	8,285,922	6,420,147	4,850,275	8,961,308
Income (loss) from operations	445,624	(422,254)	(2,502,815)	3,424,059
Net income (loss)	(333,196)	(720,915)	(2,495,346)	2,687,490
Basic and diluted earnings (loss) per share	(0.00)	(0.00)	(0.02)	0.03
Cash	2,912,255	2,631,319	2,907,491	2,009,549
Total assets	31,751,601	30,941,303	29,723,230	23,123,676
Non-current liabilities	16,864,539	16,428,913	16,655,042	2,561,583

(Expressed in Canadian dollars, unless otherwise stated)

	May 31, 2025 $	February 28, 2025 $	November 30, 2024 $	August 31, 2024 $
Revenues	7,764,803	989,834	5,649,678	7,190,653
Income (loss) from operations	4,297,741	(1,612,759)	1,052,074	3,491,790
Net income (loss)	3,313,443	(1,320,421)	707,576	2,644,714
Basic and diluted earnings (loss) per share	0.04	(0.02)	0.01	0.03
Cash	907,671	3,768,715	160,924	869,645
Total assets	19,573,315	14,698,422	17,230,564	15,576,536
Non-current liabilities	1,679,093	1,528,042	1,740,349	1,692,349

Overall, the Company has seen a fluctuation in operational activity over the eight most recently completed quarters primarily due to the nature of its business.

- The Company has historically had considerable seasonality in its operations where the spring and summer months were significantly more active, and the fall and winter months were less active.
- The RTO was completed on September 26, 2025. The results for the first two quarters of 2026 reflects the increased capacity as a self-performing business subsequent to the completion of RTO.
- The Company has increased its asset base considerably, including through the RTO and purchase of property and equipment.
- The increase in non-current liabilities for Q4 2025 is the result of the Transaction Loans issued to the 1097195 BC Ltd. Shareholders discussed under *Share Exchange Agreement* and *Vendor Loans*.

Timing of project execution is subject to many factors that are out of the Company's control. These factors included scope and design change, customer timeline change, project financing delay, regulatory permit approval, weather conditions, material and labour shortage, and delay caused by other subcontractors. All those factors will impact the construction schedule and timing of the revenue recognition. Results in any quarter are not necessarily indicative of results of any other quarter or for the year.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

	As at May 31, 2026 ($)	As at November 30, 2025 ($)	Change ($)	Change (%)
Assets				
Cash	2,912,255	2,907,491	4,764	0
Trade and other receivables	5,921,652	4,415,193	1,506,459	34
Property and equipment	12,193,139	12,109,810	83,329	1
Intangible assets and goodwill	3,374,333	3,497,333	(123,000)	-4
Deferred income taxes	4,377,000	4,539,000	(162,000)	-4
Other assets	2,973,222	2,254,403	718,819	32
Total Assets	**31,751,601**	**29,723,230**	**2,028,371**	**7**
Liabilities				
Bank indebtedness	1,249,957	-	1,249,957	N/A
Trade, other and taxes payable	4,209,421	3,202,658	1,006,763	31
Current and long-term debt and leases	6,775,541	6,876,479	(100,938)	-1
Vendor Loans	16,867,566	16,200,415	667,151	4
Deferred income taxes	1,079,000	874,000	205,000	23
Total Liabilities	**30,181,485**	**27,153,552**	**3,027,933**	**11**
Shareholders' Equity	**1,570,116**	**2,569,678**	**(999,562)**	**-41**
Total Liabilities and Shareholders' Equity	**31,751,601**	**29,723,230**	**2,028,371**	**7**

(Expressed in Canadian dollars, unless otherwise stated)

Cash Flow

	Six Months Ended May 31, 2026 ($)	Six Months Ended May 31, 2025 ($)
Cash, beginning of period	**2,907,491**	**160,924**
Operating activities		
Net income adjusted for non-cash items	1,926,673	3,401,077
Changes in other non-cash working capital	(1,483,676)	(1,787,623)
Investing activity		
Acquisition of equipment	(614,513)	(1,079,495)
Financing activities		
Proceeds from bank indebtedness	1,249,957	508,379
Repayment of lease liabilities	(687,928)	(75,191)
Repayments of long-term debt, leases and other items	(385,749)	(220,400)
Cash, end of period	**2,912,255**	**907,671**

Cash generated by operating activities

During the six months ended May 31, 2026, the Company generated cash of $442,997 from operations, whereas during the six months ended May 31, 2025, the Company generated cash of $1,613,454 from operations, a decrease of $1,170,457. The decrease was mainly due to the net loss this year resulting from the lower gross margin and higher operating expenses. The Company's non-cash working capital position fluctuates from period to period, during the normal course of business, primarily driven by the timing difference between billings and collection of receivables, settlement of payable to subcontractors and suppliers, and the timing of income tax payable.

The Company expects cash flows generated by operations in FY2026 to increase compared to FY2025 based on its expectation that its revenues will continue to increase as a result of the RTO and that its margin will maintain or improve as a result of its previous focus on expanding organizational capabilities.

Cash flows from operations is significantly impacted by the amount of accounts receivable at the end of the reporting period and is subject to a number of factors, including the timing of the active projects, its success in collecting amounts and the economy. The Company expects it will need to increase its non-cash working capital in connection with the business continuing to grow, which will be supported by its cash on hand and line of credit.

Cash used in investing activities

Cash used in investing activities consists of property and equipment purchases and disposals. During the six months ended May 31, the Company continued to invest in the capital assets and purchased property and equipment of $614,513, as compared to $1,079,495 for the first two quarters of 2025. Property and equipment purchases consisted mainly of directional drilling equipment and automotive equipment. The equipment additions allowed the Company to support an increased workforce and continue to prepare for additional growth opportunities in future years. The Company expects, if it is successful in continuing to grow its sales, that it will continue to need to purchase additional property and equipment. We may experience significant variability in our cash flows used to purchase property and equipment in FY2026 and beyond.

Cash provided by financing activities

Cash provided by (used in) financing activities generally consist of:

- amounts borrowed from related parties and financial institutions;
- net borrowing amounts on its lines of credit;
- debt service costs, including repayments in accordance with terms of the loans; and
- dividends paid.

(Expressed in Canadian dollars, unless otherwise stated)

During the six months ended May 31, 2026, the Company:

- borrowed net amounts of $1,249,957 (2025: $508,379) on its lines of credit, and
- made loan, lease and debenture repayments of $1,073,677 (2025: $295,591).

The increase in loan, lease and debenture repayments made during the period reflects the 1) additional equipment and vehicles loans and leases entered into to support the existing operations and 2) the leases, loans and debentures assumed in the RTO.

See the condensed consolidated interim statements of cash flows in our May 31, 2026 condensed consolidated interim financial statements for details of the source and repayment of funds for the six months ended May 31, 2026 and 2025.

In FY2026, the Company may source funds to support new revenue-generating projects for which it has issued proposals, which could be a combination of working capital financing for operations and to meet its obligations as they come due, and the related additional property and equipment such new projects could require. The Company is continually evaluating the forward-looking financing alternative to support its business opportunities, including the sufficiency of its existing working capital to fund operations.

Working Capital

The Company has working capital and adjusted working capital as follows:

	As at May 31, 2026 ($)	As at November 30, 2025 ($)	Change ($)	Change (%)
Working Capital	(1,509,817)	(921,423)	(588,394)	64
Add: Current portion of Vendor Loans	5,189,645	4,536,604	653,041	14
Adjusted Working Capital	**3,679,828**	**3,615,181**	**64,647**	**2**

Adjusted working capital is a non-IFRS measurement. The Company's non-IFRS measures may differ from similar computations as reported by other similar organizations, and accordingly, may not be comparable to similar non-IFRS measures and ratios as reported by such organizations. The Company's non-IFRS measures should not be construed as alternatives to net income, cash flows from operating activities, working capital or other financial measures and ratios determined in accordance with IFRS as an indicator of the Company's performance.

Adjusted working capital consists of working capital, adjusted for the impact of removing amounts due to and due from related parties, excluding any trade payables due to related parties. The Company has presented the amounts for adjusted working capital to provide information on the working capital when removing the impact on working capital for preferred shares, Vendor Loans, and amounts due to and due from related parties. This adjusted working capital represents the working capital available to the Company from the viewpoint of management.

As at May 31, 2026, the Company has adjusted working capital of $3,679,828, up by $64,647, or 2%, compared to working capital as at November 30, 2025. The small increase was driven by the higher addback of current portion on vendor loan as at May 31, 2026.

To improve the working capital position, the Company has worked with customers to accelerate the collection process, extend the payment terms with the subcontractors and vendors, and reduce the excess inventory. These measures, combined with cash flow monitoring and disciplined spend control, the Company expects to shorten the cash conversion cycle and generate more cash from the operation.

(Expressed in Canadian dollars, unless otherwise stated)

Capital Resources

In addition to the working capital, the Company has access to funds available through its revolving credit facilities. The Company has three lines of credit whereby the aggregate borrowing amount of the facilities was $2,500,000 with a borrowing rate of bank prime plus 1.5%, or alternatively on a fixed interest rate basis at current market rates. As at May 31, 2026, the outstanding balance of the line of credit was $1,249,957 (November 30, 2025: $nil).

Liquidity

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective is to ensure that there are sufficient committed financial resources to meet its business requirements for the foreseeable future. During the six months ended May 31, 2026, the Company incurred a net loss of $1,054,109, earned adjusted EBITDA of $1,841,889 (see *Adjusted EBITDA*) and generated cash flow from operations of $442,997.

As at May 31, 2026, the Company had cash of $2,912,255 and adjusted working capital of $3,679,828. The Company maintains lines of credit of $2,500,000 (of which $1,249,957 has been drawn down), which serves as a key source of liquidity to address the timing mismatch of cash inflow and outflow and to support the seasonality of our operations.

The Company has total contractual commitments as follows:

	Payments Due by Period				
Contractual Commitments as at May 31, 2026	**Total ($)**	**Less than 1 Year ($)**	**2-3 Years ($)**	**4-5 Years ($)**	**5+ Years ($)**
Bank indebtedness	1,249,957	1,249,957	-	-	-
Trade and other payables	3,878,421	3,878,421	-	-	-
Vendor Loans payable	19,814,825	5,520,667	7,474,042	6,820,116	-
Loans payable	2,357,969	1,136,344	704,460	517,165	-
Lease liabilities	4,888,350	1,412,512	2,329,528	1,146,310	-
Convertible debentures	530,000	530,000	-	-	-
Total Contractual Commitments	**32,719,522**	**13,727,901**	**10,508,030**	**8,483,591**	**-**

The Company manages the liquidity risk through cash flow forecasting, accounts receivable management, extending the supplier term and disciplined control over non-essential expenditures. With these measures, the Company expects to provide sufficient liquidity to support the operation and meet the obligations. However, any material delay in project collection or unexpected downturn could still pressure cash resource.

To mitigate liquidity risk, the Company will look to improve the working capital, generate positive cash flow from forecasted sales and services, raise capital through equity financing, and maintain an accessible line of credit. Management plans to continue to deliver contracts and obtain new contracts and ensure the Company can generate sustainable, long-term profitability. The Company may need to raise additional funds to meet the debt obligation and there can be no assurances that sufficient funding will be available. The ability of the Company to arrange additional financing in the future depends, in part, on the prevailing capital market conditions and profitability of its operations.

For additional information, see the Company's condensed consolidated interim statements of changes in shareholders' equity in its condensed consolidated interim financial statements.

FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument default on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations that have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

i. Cash

Cash consists of balances on deposit at a Canadian chartered bank. The Company has assessed credit risk of cash as nominal.

ii. Trade receivables and contract assets

Trade receivables and contract assets consist of:

- trade receivables – $5,580,739
- contract assets – $2,699,907
- other amounts – $340,913

The Company extends credit to certain customers for its services and represents the most significant financial instrument risk to the Company. The Company performs credit evaluations on new customers, extends credit under specific terms and monitors recurring customers for the credit terms to be followed appropriately. The Company considers trade receivables and contract assets to be credit-impaired when the customer has amounts more than 120 days past the invoice date and determines on a customer-by-customer basis whether collection of the trade receivable is considered impaired.

As at May 31, 2026:

- there were three customers owing 53% of net accounts receivable of the Company (November 30, 2025: three customers owing 52%);
- there were three customers making up 89% of contract assets of the Company, for which these three customers were included in the concentration of accounts receivable (November 30, 2025: 77%), and
- the Company was carrying allowances for doubtful accounts of $116,668 (November 30, 2025: $116,668).

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign exchange risk on cash balances held in US dollars, accounts receivable denominated in US dollars and accounts payable denominated in US dollars. A fluctuation in the exchange rate between the Canadian and US dollars of 10% would result in a nominal change in the net loss of the Company. The Company does not use any techniques to mitigate foreign exchange risk.

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 on floating interest rate financial instruments, which consist of its lines of credit and one equipment loan. A 1% change in interest rates would have an insignificant effect on the net loss of the Company based on the amount borrowed on the line of credit and the amount owing on the equipment loan as at May 31, 2026. The Company does not utilize any instruments to mitigate changes in interest rates.

The Company does not have any hedging activities.

Fair Value of Vendor Loans

One of the vendor loans was issued without a stated interest rate, and accordingly, was issued below the market rate for a commercial loan with similar terms. The other two vendor loans payable were issued with an interest rate of 8% (collectively, the "Vendor Loans").

The initial fair value of these loans was determined by using a discounted cash flow analysis. To determine the discounted cash flow, the Company had to determine the discount rate to apply to record the loans at fair value at initial recognition. The discount rate selected at initial recognition has a significant impact on the amount recorded for the initial fair value of the loans. In determining the appropriate discount rate, the Company considered the interest rates of similar long-term debt arrangements with similar terms. Management used a discount rate of 8% based on its analysis of:

(i) the cost of borrowing debt instruments of comparable terms for companies with a comparable investment grade to the Company.
(ii) the cost of borrowing available to the Company; and
(iii) the Company's risk factors.

Management determined that interest rates incurred by companies with a comparable investment grade and discount rates were within the range of 6% to 11%. Management considered discount rates in this range, ultimately determining that the discount rate of 8% was most appropriate.

SELECTED ANNUAL INFORMATION

The financial information included in this section is stated in Canadian dollars and presented in accordance with IFRS.

Year Ended November 30	Revenue ($)	Net Income ($)	Basic and Diluted Earnings Per Share ($)	Total Assets ($)	Non-current Liabilities ($)	Cash Dividend ($)
2025	22,566,220	2,185,166	0.02	29,723,230	16,655,042	500,000
2024	19,594,396	4,705,239	0.06	17,230,564	1,740,349	-
2023	12,454,343	928,193	0.01	9,212,217	915,642	190,000

During the years ended November 30, 2025, 2024 and 2023, the primary activities of the Company were generally consistent. In September 2025, the Company completed the business combination, which resulted in an increase of revenues, total assets and non-current liabilities. Up to that point, the Company focused on operating its business of providing directional drilling services to customers in Canada and Alaska. The significant change between FY2025 and FY2024 to the revenue, net income and assets of the business were a result of the Company's expansion activities into Alaska. The increase in non-current liabilities between FY2025 and FY2024 was primarily a result of the issuance of the Transaction Loans to the 1097195 BC Ltd. Shareholders.

RELATED PARTY TRANSACTIONS AND BALANCES

During the six months ended May 31, 2026 and 2025, the Company entered related party transactions or held balances with the following individuals and corporations:

Related Party	Relationship to the Company
Michael Irmen[1,3]	Chief Executive Officer ("CEO") and Director
Robert Scott[3]	Chief Operating Officer ("COO") and Director
Linda Han[3]	Chief Financial Officer ("CFO")
David Toyoda[3]	Director
Mark Tommasi[3]	Director
Calvin Irmen[3]	Director
Jason Earl[3]	Director
Denise Irmen[1, 3]	Insider and key management personnel
Carson Irmen[2]	Son of the CEO
Colton Irmen[2]	Son of the CEO
Tara Irmen[2]	Daughter-in-law of the CEO
Kaitlyn Irmen[2]	Daughter-in-law of the CEO
599837	A company controlled by the CEO and an insider
Next Level Traffic Services	A company controlled by the COO
MDM Farms	Business owned by the CEO and an insider
Mountaintop Advisory Services Ltd.	A company controlled by Mark Tommasi

[1] Michael Irmen and Denise Irmen are married
[2] Close family member pursuant to *Other Related Party Transactions*
[3] Included as key management personnel in current period

<u>Related Party Transactions</u>
Key Management Compensation

Key management personnel of the Company as at May 31, 2026 consist of the Board of Directors, officers and an insider holding a key management position). Compensation to key management personnel was as follows:

	Three Months Ended May 31		Six Months Ended May 31	
	2026	**2025**	**2026**	**2025**
Short-term benefits	$ 300,680	$ 155,000	$ 593,031	$ 325,100
Post employment benefits	11,309	10,000	23,859	20,000
	$ 311,989	$ 165,000	$ 616,890	$ 345,100
Presented as				
Cost of sales	$ 143,605	$ 132,000	$ 269,506	$ 275,900
Genereal and administrative expense	168,384	33,000	347,384	69,200
	$ 311,989	**$ 165,000**	**$ 616,890**	**$ 345,100**

Short-term benefits consist of salaries and bonuses paid

Post employment benefits consist of pension contribution payments

<u>Other Related Party Transactions</u>

The following table summarizes Ironman's related party transactions for the period, excluding transactions with LTE, which are included further below:

(Expressed in Canadian dollars, unless otherwise stated)

	Three Months Ended May 31, 2026 ($)	**Three Months Ended May 31, 2025** ($)
Employment wages and pension contributions to close family members of the CEO for their roles as employees of the Company, included in cost of sales and general and administrative expenses	**$** 92,010	$ 142,026
Contract services with a company controlled by a director and officer of the Company, included in cost of sales	**$** 121,302	$ 13,534

	Six Months Ended May 31, 2026 ($)	**Six Months Ended May 31, 2025** ($)
Employment wages, pension costs and share-based payments related to the grant of stock options to close family members of the CEO for their roles as employees of the Company included in cost of sales and general and administrative expenses	149,650	231,835
Trailer rental fees paid to Michael Irmen for use of his personal trailer	-	14,200
Contract services of Next Level Traffic Services, a company controlled by a director and officer, included in cost of revenues	174,966	34,326

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Transactions with Lite Access Prior to the Business Combination Closing

The RTO with Lite Access closed on September 26, 2025. Ironman and Lite Access were related parties prior to the close of the business combination. Prior to the RTO, 1097195 held 226,544 common shares of Lite Access and convertible debentures of Lite Access with a face value of $250,000. These investments were transferred to 1097195 BC Ltd. Shareholders as part of reorganization activities prior to the closing of the RTO.

Ironman had the following transactions regarding Lite Access during the six months ended May 31, 2025:

Revenue earned by the Company from LTE for directional drilling services	$ 1,454,820
Interest income earned by the Company from LTE on convertible debentures	$ 15,000
Unrealized gain on the fair value of convertible debentures of Lite Access	$ 3,955
Unrealized gain on the fair value of common shares of Lite Access	$ 1,631

During the six months ended May 31, 2025:

- Lite Access accounted for 17% of the total revenues earned by Ironman.
- The interest income earned and unrealized gains recognized were included in other items.

Related Party Balances

Vendor Loans

The Vendor Loans are issued to related parties. See *Vendor Loans* for information regarding these instruments.

Other Balances with Related Parties

a. Included in prepaid expenses at May 31, 2026 are advances of $29,106 (November 30, 2025: $14,939) made pursuant to a lease for the premises of the Company between the CEO and 1097195. The Company has a lease liability of $186,796 at May 31, 2026 (2025: $nil)

   During the six months ended May 31, 2026, the Company paid $10,500 per month until December 31, 2027. The Company incurred lease accretion of $4,102 (2025: $2,428) and made lease repayments of $7,500 (2025: $nil).

b. Included in trade and other payables are:

   i. accrued wages of $49,174 as at May 31, 2026 (November 30, 2025: $36,000) to key management personnel, which were paid in accordance with the normal payroll cycle.
   ii. Amounts owing of $75,350 as at May 31, 2026 (November 30, 2025: $74,863) for flagging services to Next Level Traffic Services.

c. Included in convertible debentures are debentures with a carrying value of $250,000 (November 30, 2025: $250,000) held by 599837 ($225,000) and Robert Scott ($25,000). The debentures were assumed in the RTO. Interest of $15,000 was paid on these debentures during the six months ended May 31, 2026.

d. The Company had transactions with Lite Access, balances owed from Lite Access, and transactions and balances regarding Lite Access prior to closing the business combination, as described below.

CRITICAL ACCOUNTING ESTIMATIONS AND JUDGMENTS

The Company's MD&A is based on its condensed consolidated interim financial statements that have been prepared in accordance with IFRS. The preparation of condensed consolidated interim financial statements requires management to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management re-evaluates its estimates and judgments, particularly those related to the determination of the impairment of long-lived assets.

Refer to Note 4 of the Company's condensed consolidated interim financial statements for the six months ended May 31, 2026.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

Certain new standards, amendments to standards and interpretations were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning after December 1, 2025, or later, that the Company has decided not to adopt early. The adoption of the new standards, interpretations and amendments, which were issued but are not yet effective, are not expected to have a material impact on the Company's condensed consolidated interim financial statements, except as disclosed here:

IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 is effective for reporting periods beginning on January 1, 2027. IFRS 18 will supersede International Accounting Standard ("IAS") 1 *Presentation of Financial Statements* and will result in amendments to IFRS, including IAS 8 *Basis of Preparation of Financial Statements*. Even though IFRS 18 will not have any effect on the recognition and measurement of items in the condensed consolidated interim financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and subtotals in the condensed consolidated interim statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

(Expressed in Canadian dollars, unless otherwise stated)

IFRS 7 *Financial Instruments: Disclosures* and IFRS 9 *Financial Instruments*

Amendments have been issued to IFRS 9 and IFRS 7 to clarify the date of recognition and derecognition of some financial assets and liabilities, add new disclosure requirements for certain instruments and update disclosure requirements for equity instruments designated at fair value through other comprehensive income. The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after January 1, 2026. The Company is evaluating the impact that these amendments will have on its condensed consolidated interim financial statements.

SHARE STRUCTURE

The Company is authorized to issue unlimited common voting shares and unlimited preferred shares.

As at July 29, 2026, the Company's share structure, basic and fully diluted, is shown below. Any option exercise that occurs would provide funding to the Company as indicated below:

	Number of Securities Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Life of Derivative (years)
Common Shares	173,585,076	N/A	N/A
Incentive Options*	9,900,000	0.10	2.11
Restricted Share Units	1,600,000	N/A	N/A
Convertible Debentures*	5,000,000	0.10	0.47
	190,085,076		

* Incentive options and convertible debentures are convertible into common shares of the Company at their respective exercise price.

There were no preferred shares issued and outstanding as at May 31, 2026. Between the six months ended May 31, 2026 and the date of this MD&A, there have been no transactions involving the common shares or preferred shares of the Company nor have there been any transactions involving instruments that are exercisable or convertible into common shares or preferred shares of the Company. On April 1, 2026, 145,000 incentive options expired unexercised.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as of May 31, 2026 and the date of this MD&A.

SUBSEQUENT EVENT

The Company had no reportable subsequent events from the quarter end to the date of this MD&A.

SHARE EXCHANGE AGREEMENT

Lite Access and Ironman built a long-term partnership over the years leading up to the RTO with the objective of collaborating to secure sustained revenues from the telecom and construction sector in British Columbia.

In May 2023, Lite Access entered into a non-binding letter of intent to acquire the common and preferred shares of Ironman in exchange for issuing common shares of Lite Access. In December 2024, the parties entered into a definitive Share Exchange Agreement. On September 26, 2025, the Company completed the Share Exchange Agreement whereby Lite Access acquired all of the issued and outstanding common shares of Ironman.

The transaction was considered a reverse takeover for accounting purposes. Ironman is deemed to be the acquirer for accounting purposes and Lite Access is deemed to be the acquiree for accounting purposes.

A summary of the key terms of the transaction can be seen in Note 5 of the condensed consolidated interim financial statements.

(Expressed in Canadian dollars, unless otherwise stated)

The following tables summarize the fair values of the identifiable assets acquired and liabilities assumed by 1097195 at the date of the RTO:

Fair Value of Net Assets Acquired:		
Cash	$	1,207,000
Trade and other receivables		3,701,000
Prepaid expenses and deposits		100,000
Contract assets		1,420,000
Property and equipment		2,897,000
Intangible assets		2,460,000
Deferred income tax asset		4,243,000
Goodwill		1,174,000
Trade and other payables		(957,000)
Lease liabilities		(2,620,000)
Convertible debenture		(500,000)
Long-term debt		(44,000)
Due to Ironman		(6,726,000)
Total Net Assets Acquired	**$**	**6,355,000**
Consideration issued		
88,192,538 shares issued at $0.07 per share	$	6,173,000
500,000 deemed restricted share units ("RSUs") issued with a fair value of $0.07 per share		35,000
4,940,000 deemed stock options issued with a fair value of $0.03 per option using the Black-Scholes option pricing model		147,000
Total Consideration	**$**	**6,355,000**

The RTO had a significant impact on both 1097195 and Lite Access as it increased the self-performing capabilities, increased the overall asset base and allowed the parties to pursue telecom and construction opportunities which they would not have been able to realize individually. The RTO enabled them to to integrate our service offerings so we could access the established customer base and benefit from the cross-selling opportunity to drive revenue growth.

RISK FACTORS

General Economic Conditions

Uncertainty and volatility surrounding global economic conditions could impact demand for the Company's services or have an impact on clients' ability to pay their suppliers, such as the Company, in the event they are unable to access equity or debt financing on terms that are acceptable to fund their existing or new projects. These conditions could influence the level of activity in the industries in which the Company operates, thereby causing clients to slow down spending on the Company's services or seek contract terms more favorable to them. Any of these disruptions could adversely affect the Company's business, revenue, results of operations, cash flow and profitability.

In addition, general inflationary pressures and interest rate fluctuations may result in higher costs for some key inputs required for its operations. The Company's operating costs can materially increase in an inflationary environment, which may erode operating margins and adversely affect the Company's business, revenue, results of operations, capital expenditures, cash flow and profitability.

Cyclical Downturn

An operating risk affecting the Company is a downturn in demand for its services, which can be due to, among other things, a decrease in activity in the industries in which the Company operates. In attempting to mitigate this risk, the Company is exploiting its competitive advantage in specialized drilling and continues to explore opportunities to diversify and to rationalize its regional infrastructures. A prolonged downturn in the industries in which the Company operates could result in a decrease in demand for the Company's services, which could adversely affect the Company's revenue, cash flow and profitability.

Seasonality

Our business is highly seasonal. We operate in Western Canada and Alaska. These regions experience severe winter conditions, including sub-zero temperatures, heavy snowfall, and prolonged periods of reduced daylight. Consequently, our most productive construction periods occur during the spring, summer, and early autumn months. This pronounced seasonality impacts our operations and financial results in several critical ways including reduced revenues in late fall and winter, cash flow imbalances, risk of project delays, logistical and supply constraints.

We expect these seasonal fluctuations to continue. If we experience an unusually long or severe winter, or an early start to winter, our annual financial condition, cash flows, and results of operations could be materially and adversely affected. Quarter-to-quarter comparisons of our financial results may not be meaningful.

Safety

The Company's activities and services may involve hazards that increase risks to health and safety and may result in personal injury, loss of life and/or damage to property (including environmental damage). While the Company has implemented health and safety initiatives and procedures at worksites to protect the health and safety of its employees and contractors, and continues to invest in training to improve skills, abilities and safety awareness, there can be no assurance that such measures will eliminate the occurrence of such accidents, personal injuries, loss of life and/or damage to property, which could give rise to regulatory fines and/or civil liability. The Company may be held liable if it is proven to be at fault and to have caused a worksite accident. In such circumstances, the Company's operations at the affected site may be impacted and the Company's inability to effectively deal with these consequences in a timely fashion, along with any potential negative publicity related to the event, could adversely affect the Company's revenue, cash flow and profitability. Failure to maintain a record of safety performance may have an adverse impact on the Company's ability to attract and retain customers and personnel, and therefore, on the Company's revenue, cash flow and profitability.

Managing Growth Effectively

As its business grows, the Company must effectively address and manage growth, placing additional demands on the Company's operational, safety and financial processes, measures and systems. The Company may not be able to do so effectively and in a timely fashion, which may have an adverse impact on the Company's revenue, cash flow and profitability.

Competitive Pressures

The Company competes with many small regional or local companies, as well as larger companies, and the intensity of competition may vary significantly from region to region at any time. Increased demand in the region where the Company operates may attract new competitors and impact on the degree of work in such region. Pressure from competitors in a region may also result in an oversupply of drilling services in such region, which in turn may result in decreased contract prices and adversely affect the Company's revenues. Furthermore, the Company may lose business to its competitors if it is unable to demonstrate competence, competitive pricing, adequate equipment or reliable performance to its customers. There can be no assurance that the Company's competitors will not be successful in capturing a share of the Company's present or potential customer base, which could adversely affect the Company's revenue, cash flow and profitability.

Specialized Skills and Cost of Labor Increases

The Company relies on an experienced team across the Company to carry on its business. The departure of several members of the team at one time could have an adverse financial impact on operations.

A material increases in the cost of labor and the inability to attract and retain qualified drillers could result in, among other things, loss of opportunities, cost overruns, failure to perform on projects, breach of contract and materially affecting gross margins, and therefore, the Company's financial performance and reputation. The Company may also experience intense competition for personnel and may not be able to retain key employees or successfully attract and retain personnel in the future.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and/or systems (including, among other things, IT systems) or from external events. Operational risk is present in all aspects of the Company's activities, and incorporates exposure relating to fiduciary breaches, regulatory compliance failures, legal disputes, business disruption, pandemics, technology and cybersecurity failures, processing errors, business integration, theft and fraud, damage to physical assets, employee safety and insurance coverage.

Dependence on Key Customers

From time to time, the Company may be dependent on a small number of customers for a significant portion of overall revenue and net income. Should one or more such customers terminate contracts with the Company, there can be no guarantee that the Company will obtain sufficient replacement contracts to maintain the existing revenue and income levels. Consequently, the Company continues to work to expand its client base and geographic field of operations to mitigate its exposure to any single client or region.

Regulatory and Legal Risks

The drilling industry is highly regulated by laws and regulations, including environmental laws and regulations, which are not necessarily consistent across the jurisdictions in which the Company operates. The Company is unable to predict what legislation, revisions or regulatory directives may be proposed that might affect its operations or when such proposals may be effective. The Company can provide no assurance that it will always be in full compliance with such laws and regulations. To the extent that the Company fails to comply, or is alleged to fail to comply, with applicable legislation, regulatory directives and permits, it could be subject to monetary fines, suspension of operations or other penalties.

Equipment Modernization and Parts Availability

The Company's ability to provide reliable service is dependent upon timely delivery of equipment and replacement parts from fabricators and suppliers. Any factor that substantially increases the order time and increases uncertainty surrounding final delivery dates may constrain future growth, existing operations and the financial performance of the Company.

The meeting of clients' demands relating to performance and cost in the provision of the Company's services will depend on the ability of the Company to continuously improve the efficiency of its operations and to adopt or invest in new equipment and technologies. Failure by the Company to do so could result in a loss of market share and a decrease in earnings for the Company due to a potential lack of competitiveness with competitors.

Reputational Risk

Negative publicity, whether true or not, regarding practices, actions or inactions, could adversely affect the Company's value, liquidity or customer base.

Insurance

The Company maintains insurance coverage for various aspects of its business and operations. The Company's insurance programs have varying coverage limits, as well as exclusions for certain matters. Additionally, the Company's customer contracts generally separate the responsibilities of the Company and the customer, and the Company tries to obtain indemnification from its customers by contract for some of these risks even though the Company also has insurance coverage. The Company cannot assure, however, that its liability insurance or indemnification agreements will adequately protect the Company against all liabilities or losses that may arise from the hazards of the Company's operations. The occurrence of a significant event that has not been fully insured or indemnified against, or the failure of a customer to meet its indemnification obligations to the Company, if any, could materially and adversely affect the Company's business and financial results. Moreover, the Company cannot assure that insurance will continue to be available on commercially reasonable terms, that the possible types of liabilities that may be incurred will be covered by insurance or that the dollar amount of the liabilities will not exceed policy limits. A successful claim resulting from a hazard for which it is not fully insured could adversely affect the Company's revenue, cash flow and profitability.

Tariffs

The announcement regarding the potential imposition of a 25% tariff on Canadian products and a 10% tariff on energy products by the US on Canada has created an atmosphere of uncertainty for many businesses in North America. These tariffs could significantly impact the Canadian economy. Significant pressure could be felt particularly on the aluminum, steel, agriculture and energy industries, which could notably lead to an increase in production costs and a reduction in the competitiveness of Canadian products in the American market. Ironman continues to closely monitor the development of this matter and will deploy all necessary resources to mitigate the impact on its operations of a potential tariff increase.