GROUNDED PEOPLE APPAREL INC.

MANAGEMENT’S DISCUSSION & ANALYSIS

For the three months ended May 31, 2026

(Unaudited - Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of Grounded People Apparel Inc. (the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements and accompanying notes for the three months ended May 31, 2026 and the audited consolidated financial statements and accompanying notes for the year ended February 28, 2026. The condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise indicated, all amounts discussed herein are denominated in Canadian dollars ($).

Information contained herein is presented as of July 30, 2026, unless otherwise indicated.

Forward-Looking Statements

Certain information included in this MD&A may constitute forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information, or statements, may not be achieved and that the assumptions underlying such information or statements will not prove to be accurate. Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, as a result of numerous risks, uncertainties and other factors such as those described above and in "Business and Industry Risks" below.

Description of Business

Grounded People Apparel Inc. was incorporated on April 20, 2020 in British Columbia under the Business Corporations Act. The head office and registered and records office of the Company is located at 800 – 1199 West Hastings Street, Vancouver, BC, Canada, V6E 3T5. On October 5, 2022, the Company commenced trading under the trading symbol "SHOE" on the Canadian Securities Exchange ("CSE").

The Company was previously engaged in the business of fair trade, sustainable and earth-conscious fashion, with a focus on the design and production of high-top and low-cut canvas shoes.

On October 27, 2025, the Board of Directors approved a plan to terminate all retail operations and commence the liquidation of remaining inventory. Accordingly, the Company shifted its focus to the investigation of new opportunities or projects for acquisition or investment with the goal of increasing shareholder value. Following this, the Company is designated as an inactive issuer and effective November 26, 2025, its trading symbol is changed from SHOE to SHOE.X.

Selected Quarterly Financial Information

A summary of results for the eight most recently completed quarters are as follows:

For the Period Ending	May 31, 2026	Feb 28, 2026	Nov 30, 2025	Aug 31, 2025
Sales	$ -	$ 8,264	$ 9,951	$ 4,258
Net loss	$ 156,533	$ 199,282	$ 195,483	$ 163,152
Loss per share	$ 0.00	$ 0.01	$ 0.01	$ 0.01

For the Period Ending	May 31, 2025	Feb 28, 2025	Nov 30, 2024	August 31, 2024
Sales	$ 6,539	$ 21,967	$ 24,429	$ 95,603
Net loss	$ 107,161	$ 756,775	$ 512,141	$ 669,754
Loss per share	$ 0.00	$ 0.03	$ 0.02	$ 0.03

The Company's sales have been declining over the past 8 quarters, due to a lower volume of business activities being engaged in. The decrease in activity was largely attributed to the Company's lack of funding to promote its products and ultimately its decision to terminate all retail operations and liquidate remaining inventory, which resulted in lower revenue. The Company generated no sales during the May 31, 2026 quarter, as the Company's retail operations and its efforts to liquidate remaining inventory had ceased by February 28, 2026.

The net losses for the quarters ended May 31, 2025, August 31, 2025, November 30, 2025, February 28, 2026 and May 31, 2026 are lower, as the Company reduced its expenses in order to preserve cash.

Results of Operations

For the three months ended May 31, 2026

During the three months ended May 31, 2026, the Company reported a net loss of $156,533 as compared to a net loss of $107,161 for the three months ended May 31, 2025. The Company generated net sales of $Nil and gross profit of $Nil during the three months ended May 31, 2026, as compared to net sales of $6,539 and gross profit of $6,347 during the three months ended May 31, 2025. The Company generated no sales during the three months ended May 31, 2026, as the Company's retail operations and its efforts to liquidate remaining inventory had ceased by February 28, 2026.

Total expenses for the period amounted to $129,801 as compared to $113,508 for the comparable period, an increase of $16,293. The increase in overall expenditures can be attributed to the following:

- Advertising and marketing expenses of $550 for the current period compared to a recovery of $85,718 in 2025. The Company did not incur much advertising and marketing expenses in the current period as the Company did not need to promote its shoe products anymore. The 2025 recovery was mainly due to a large refund from a third party consultant no longer being used by the Company.

- Consulting fees have decreased to $4,500 from $65,222, which resulted from the engagement of third party consultants for accounting and distribution services in 2025.

- Professional fees have increased to $113,629 from $46,803, which can be attributed to higher fees paid to third party consultants for professional services, audit fees, and legal fees, related to its efforts to investigate new opportunities or projects for acquisition or investment.

- Selling expenses have decreased to $nil from $18,843, which can be attributed to no fees paid to third party vendors for services related to storage, maintenance, and fulfilment of shipping services to customers, as the Company had ceased its retail operations and efforts to liquidate remaining inventory by February 28, 2026.

- Share based compensation decreased to $Nil from $23,951, as no stock options and restricted share unit awards were granted during the current period.

In addition, the following other items were incurred during the current fiscal period:

- Loss on debt settlement of $22,500 was recorded in the three months ended May 31, 2026, as the Company issued shares to settle debt.

Financings

During the year ended February 28, 2026, the Company issued 10,000 common shares pursuant to the exercise of restricted share units, which had an estimated fair value of $11,000.

During the three months ended May 31, 2026, the Company issued 4,500,000 common shares pursuant to the settlement of debt, which had a total fair value of $472,500.

During the three months ended May 31, 2026, the Company received additional advances of $8,745 from the CEO of the Company. The advances are unsecured, non-interest bearing and payable on demand. As at May 31, 2026, the outstanding balance of the advances was $26,078 (February 28, 2026 – $17,333).

Liquidity and Capital Resources

The Company's cash position as at May 31, 2026 was $823 (February 28, 2026 - $3,246) with a working capital deficiency of $739,424 (February 28, 2026 - $1,055,391). Total assets as of May 31, 2026 were $44,907 (February 28, 2026 - $37,806).

The Company's budget is its working capital which is currently at a deficit; therefore, management believes that the current capital resources are not sufficient to pay overhead expenses and fund its operations for the next twelve months. The Company continues to raise additional funding to fund its operations, marketing, general working capital and potential expansions, if such opportunities arise. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company may not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. At May 31, 2026, the Company has not achieved profitable operations, has an accumulated deficit of $7,913,124 since inception and expects to incur further losses in the development of its business.

The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. These condensed interim consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amount on its statement of financial position.

As at May 31, 2026, the Company had a working capital deficiency of $739,424 and an accumulated deficit of $7,913,124 since inception. These conditions, together with the Company's inability to generate sufficient cash flows or obtain additional financing, contributed to management's decision to approve the liquidation of the Company's retail operations.

Capital Management

The Company's objectives when managing capital are to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises of cash and shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the period.

Off-Balance Sheet Arrangements

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

Proposed Transactions

Option Agreement

On April 24, 2026, the Company entered into a property option agreement (the "Option Agreement") with DG Resource Management Ltd. ("DGRM"), Global Energy Metals Corporation ("GEMC"), and DG Resource Management (US) Ltd. ("DGUS", and collectively with DGRM and GEMC, the "Optionors"), pursuant to which the Company has been granted the right to acquire 100% of the Optionors' legal and beneficial interest in and to the Monument Peak Property (the "Transaction"), which consists of a series of mineral claims located in Lemhi County, Idaho, USA (the "Property").

Pursuant to the Option Agreement, the Company has the right to acquire the Optionors' 100% interest in and to the Property (the "Option"), in consideration for payments and obligations as follows:

1. a cash payment of $200,000 to DGRM on or before the date that is five calendar days following the receipt of CSE approval of the Transaction (the "Closing Date");

2. a cash payment of $50,000 and the issuance of common shares having an aggregate deemed value of $100,000 to GEMC on the Closing Date;

3. a cash payment of $150,000 and the issuance of common shares having an aggregate deemed value of $150,000 to GEMC on the first anniversary of the effective date of the Option Agreement (the "Effective Date");

4. a cash payment of $200,000 and the issuance of common shares having an aggregate deemed value of $250,000 to GEMC on the second anniversary of the Effective Date;

5. a cash payment of $250,000 and the issuance of Common Shares having an aggregate deemed value of $250,000 to GEMC on the fourth anniversary of the Effective Date; and

6. the incurrence of a minimum of $250,000 in Eligible Expenditures on the Property on or before the date that is 12 months from the Closing Date, or such other date as mutually agreed between the parties.

The common shares issued pursuant to the Option Agreement will be subject to a four-month hold period pursuant to applicable securities laws (the "Hold Period") as well as to voluntary resale restrictions commencing immediately following the expiry of the Hold Period (the "Initial Release Date"), pursuant to which one-sixth of the common shares will be released from voluntary restrictions each month over a period of six consecutive months, such that 100% of the common shares will be released from voluntary restrictions six months following the Initial Release Date.

Upon the Company's acquisition of the Property following the exercise of the Option, the Company will be deemed to have granted to each of DGRM and GEMC a 1% net smelter returns royalty on commercial production from the Property (each, a "Production Royalty"). The Company will have the right, at its option, to purchase one-half of the original Production Royalty held by each of DGRM and GEMC (the "Buy Back Right") for cash consideration of $1,000,000 payable to each of DGRM and GEMC if exercised prior to the fifth anniversary of the Effective Date, and for $2,000,000 payable to each of DGRM and GEMC if exercised on or after the fifth anniversary of the Effective Date.

The Transaction is subject to a number of conditions in addition to CSE approval, including shareholder approval.

In connection with the Transaction, the Company intends to re-list on the CSE as a Mining Issuer.

The Offering

In connection with the Transaction, the Company intends to complete a private placement of subscription receipts (each a "Subscription Receipt") at a price of $0.15 per Subscription Receipt (the "Offering Price"), for gross proceeds of approximately $2,000,000 (the "Offering"). The Company's shares have been halted for trading and are expected to remain halted until such time as the CSE approves the Transaction.

Each Subscription Receipt will entitle the holder to receive one unit of the Company (each, a "Unit"), with each Unit comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one common share (each, a "Warrant Share") at an exercise price of $0.17 per Warrant Share for a period of 36 months from the date of issuance.

Subsequent to May 31, 2026, the Company closed the first tranche of the Offering for gross proceeds of $752,000.

Related Party Transactions and Key Management Compensation

Key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors.

	For the three months ended May 31, 2026	For the three months May 31, 2025
Key Management Compensation		
Wages and salaries, to Maximilian Justus, Director, CEO	$ -	$ 20,000
Revenue Royalties		
Revenue royalties, to Maximilian Justus, Director, CEO	-	33
Shared Based Compensation		
Christopher Gulka, CFO	-	23,951
	$ -	**$ 43,984**

As at May 31, 2026, $1,325 (February 28, 2026 - $1,325) in balances owing to related parties is included within accounts payable. These amounts are unsecured, non-interest bearing, and due on demand.

For the three months ended May 31, 2026, the Company recognized $Nil (2025 - $33) of royalty payments due to Maximilian Justus, CEO. As at May 31, 2026, the balance of royalty payments due to Maximilian Justus was $2,264 (February 28, 2026 - $2,264). This is included in the accrued liabilities as at May 31, 2026 and February 28, 2026.

During the three months ended May 31, 2026, the Company received additional advances of $8,745 from the CEO of the Company. The advances are unsecured, non-interest bearing and payable on demand. As at May 31, 2026, the outstanding balance of the advances was $26,078 (February 28, 2026 – $17,333).

Critical Accounting Policies and Estimates

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are disclosed in Note 4 of the condensed interim consolidated financial statements.

Financial Instruments

Refer to Note 12 of the Company's audited financial statements for the year ended February 28, 2026, for disclosure regarding the Company's financial instruments.

Subsequent Events

Subsequent to May 31, 2026, the Company received an additional advance of $7,251 from the CEO of the Company. The advance is unsecured, non-interest bearing and payable on demand.

Subsequent to May 31, 2026, the Company entered into an agreement for corporate administration services, which includes a monthly fee of $5,000 and an administrative success fee which is payable upon the completion of certain M&A and investment transactions in the Company. An administrative success fee of 101,000 common shares is payable upon the Company's re-listing as a Mining Issuer. Additional administrative success fees are also payable, up to 2% of the transaction value in the event of an acquisition or divestiture of an asset or company, a merger or business combination, or an equity or debt financing.

Outstanding Share Data

The Company had the following securities issued and outstanding:

	May 31, 2026	**July 30, 2026**
Common shares	31,975,240	31,975,240
Restricted share units	-	-
Stock options	-	-
Warrants	-	-
Common shares – fully diluted	31,975,240	31,975,240

Management's Report on Internal Control Over Financial Reporting

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements for the three months ended May 31, 2026 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR+ at www.sedarplus.ca.

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

Business and Industry Risks

There are a number of risk factors that could cause future results to differ materially from those described herein. Additional risks and uncertainties, including those that the Company does not know about or that it currently deems immaterial, could also adversely impact the Company's business and results of operations. The following sets out the principal risks faced by the Company:

Reliance on Management

One risk associated with the Company's business is the loss of important staff members. The Company is currently in good standing with all high-level employees and believes that with well managed practices it will remain in good standing. The success of the Company will be dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and key personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Insurance and Uninsured Risks

The Company may become subject to liability for risks against which the Company cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. The Company does not currently carry insurance. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Need for Additional Financing and Possible Effects of Dilution

The Company may issue equity securities to finance its activities, including future acquisitions. If the Company were to issue additional common shares, existing common share holders may experience dilution in their holdings. Moreover, when the Company's intention to issue additional equity securities becomes publicly known, the Company's share price may be adversely affected.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for common shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

Governmental Regulations and Risks

Government approvals and permits may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from conducting its business. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, or remedial actions.

The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Changes to current laws and regulations may be unfavorable and have an adverse effect on the Company's operations.

Liability for Actions of Employees, Contractors and Consultants

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company.

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, the curtailment of the Company's operations or asset seizures, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, the Company may disclose confidential information relating to the business, operations or affairs of the Company. Although confidentiality agreements are to be signed by third parties prior to the disclosure of any confidential information, a breach of such confidentiality agreement could put the Company at competitive risk and may cause significant damage to its business. The harm to the Company's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There can be no assurance that, in the event of a breach of confidentiality, the Company will be able to obtain equitable remedies, such as injunctive relief from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Conflicts of Interest

Members of the Board of the Company may become directors of other reporting companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the Board may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company and its Board will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Company's Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the British Columbia Business Corporations Act ("BCBCA"). The provisions of the BCBCA require a director or officer of a corporation who has a material interest in a contract or listing of the corporation, or a director or officer of a corporation who is a director or officer of or has a material interest in a person who has a material interest in a contract or listing with the corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.