SALAZAR RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2026

This discussion and analysis of financial position and results of operation is prepared as at August 27, 2026 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended June 30, 2026 of Salazar Resources Limited (the "Company" or "Salazar"). The following disclosure and associated condensed consolidated interim financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

Certain information in this MD&A may constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward- Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in Salazar's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; successful completion of planned drill program; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and Salazar's ability to attract and train key personnel; changes in world metal markets and equity markets beyond Salazar's control; mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized; production rates and capital and other costs may vary significantly from estimates; unexpected geological conditions; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; community relations; all phases of a mining business present environmental and safety risks and hazards and are subject to environmental and safety regulation, and rehabilitation and restitution costs; and management of Salazar have experience in mineral exploration but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. Although Salazar believes that the expectations reflected in the Forward-Looking Statements, and the assumptions on which such Forward-Looking Statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on Forward-Looking Statements, as there can be no assurance that the plans, intentions or expectations upon which the Forward-Looking Statements are based will occur. Forward-Looking Statements herein are made as at the date hereof, and unless otherwise required by law, Salazar does not intend, or assume any obligation, to update these Forward-Looking Statements.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedarplus.ca and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Company Overview

The Company's principal business activity is the acquisition, exploration and development of mineral properties in Ecuador. As of the date of this MD&A the Company considers itself to be an exploration stage company.

The Company is a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia. The Company's shares trade on the TSX Venture Exchange ("TSXV") under the symbol "SRL" as a Tier 1 mining issuer, on the OTCQB under the symbol "SRLZF", and on the Frankfurt Exchange under the symbol "CCG". The Company's executive head office is located in Quito, Ecuador.

The Company has focused on the exploration and advancement towards development of resource properties in Ecuador. The Curipamba Project was the initial cornerstone project of the Company. In 2017 the Company completed an earn-in agreement with Adventus Mining Corporation ("Adventus") whereby Adventus could earn a 75% interest in the Curipamba Project by making cash payments, funding costs of US $25,000,000 and delivery of a feasibility study. On December 31, 2021 Adventus earned its interest and became a 75% shareholder of Salazar Holdings Ltd. ("Salazar Holdings"), the holding company for the Curipamba Property including the El Domo Project.

Upon achievement of commercial production, Adventus will receive 95% of the distributions from the Curipamba Project until its aggregate investment, including the US $25,000,000, minus the Company's historical carrying value of US $19,800,000 when the Curipamba Option was signed, has been received after which distributions will be shared on a pro-rata basis according to their respective ownership. In December 2024 certain amendments were made to the Salazar Holdings Shareholders' Agreement to allow funding to be provided by Silvercorp with the terms of such funding to be in compliance with the Salazar Holdings Shareholders' Agreement.

In 2017 the Company and Adventus also entered into an exploration alliance agreement (the "Exploration Alliance") to jointly explore in Ecuador. The Exploration Alliance company, Minera Dos Gemas M2G S.A. ("Dos Gemas"), was formed in 2017, owned 80% by Adventus and 20% by the Company with Adventus funding all activities incurred up to a construction decision.

On July 31, 2024 Silvercorp Metals Inc. ("Silvercorp") completed its transaction to acquire all of the outstanding common shares of Adventus not already owned. Adventus is now a wholly-owned subsidiary of Silvercorp.

On December 23, 2024 the Company signed a binding Letter Agreement for the purchase, from Silvercorp, of the balance of the Exploration Alliance properties owned by Adventus as well as certain other exploration properties in Ecuador. The consideration for the acquisitions was limited to NSRs on the subject properties. In July 2025 the Company and Silvercorp signed definitive agreements for the acquisition and, in March 2026, the acquisition closed whereby the Company acquired interests in the Santiago, Pijilí & Tarqui-Quimi projects, in exchange for a 1.5% net smelter return royalty.

Property Assets and Exploration Activities

Investment in Associate - Curipamba Project

On July 31, 2024, with the completion of Silvercorp's acquisition of Adventus, Silvercorp became the Company's joint venture partner, holding a 75% indirect interest in Salazar Holdings. The principal asset of Salazar Holdings remains the El Domo Project. This marked a significant milestone in the Company's growth trajectory and a commitment to advancing the El Domo deposit. Silvercorp is a proven mine operator and has made substantial progress in advancing the construction of the El Domo Project.

The El Domo Project is a permitted, construction stage copper-gold project. The El Domo Project is located in central Ecuador, approximately 150 km northeast of the major port city of Guayaquil (about a three hour drive). The El Domo Project spans low-lying hills and plains between 300 to 900 m above sea level.

On April 23, 2025, Silvercorp announced the construction plan, schedule, and estimated costs for the development of the El Domo Project. On April 16, 2026, the Company issued an updated construction plan and schedule. The total estimated costs remained unchanged from the US $283,600,000 previously announced on February 4, 2026.

The El Domo mine construction advanced steadily despite rainfall challenges in Q1/2027. The non-contact water channel, foundation work for the processing plant and the initial dam for the tailings storage facility advanced with a total of approximately 604,600 cubic metres of earthworks excavation and fill completed. In Q1/2027 US $12,300,000 of capital expenditures at El Domo was incurred, bringing cumulative project expenditures to US $66,000,000.

Key construction activities during Q1/2027 included continued earthworks for the non-contact water channel, processing plant foundations, and the initial tailings storage facility dam, with approximately 604,600 cubic metres of excavation and fill completed. Open-pit pre-stripping also commenced, supported by additional equipment, expanded operating areas and road improvements.

Major equipment for the processing plant and water treatment facilities was procured and shipped to Ecuador, while the contract for construction of the processing plant was awarded. Construction of the temporary camp was completed and the facility became operational, with capacity for approximately 520 personnel, while the permanent camp reached approximately 77% completion.

Construction also progressed on the mine infrastructure and supporting facilities. Approximately 788 personnel were working at the site in July 2026, including 323 workers from communities surrounding the El Domo Project and nearby cantons.

In February 2026 Silvercorp finalized a definitive mining contract with China Railway 19th Bureau Group Co., Ltd. ("CRCC 19"). This fixed-unit-rate agreement consists of two key components: i) a $35,000,000 Construction Phase for pre-stripping and earthworks, and ii) a five-year Operations Phase valued at approximately $63,000,000 for ongoing ore and waste mining. In addition, the contract includes the construction and management of the multi-stage raising of the TSF dam ($8 million). CRCC19 has a regional headquarter in Quito with over ten years operating experience in Ecuador building a large open pit copper-gold mine and ongoing mining and stripping. In advance of executing the contract CRCC 19 began mobilizing personnel to the El Domo site in January 2026 and equipment mobilization began in February 2026.

Silvercorp has a precious metals purchase agreement ("PMPA") with Wheaton Precious Metals International Ltd. ("Wheaton") for the El Domo Project, that provides access to a cash consideration of US $175,500,000, available in four installments during construction, subject to certain customary conditions precedent being satisfied. In October 2025 the first drawdown of US $43,875,000 was made and received by Silvercorp. In July 2026 the second installment of US $43,880,000 under the PMPA was received.

Under the PMPA, Wheaton will purchase 50% of the payable gold production until 145,000 ounces have been delivered, thereafter dropping to 33% for the life of mine; and 75% of the payable silver production until 4,600,000 ounces have been delivered, thereafter dropping to 33% for gold and 50% for silver for the life of mine.

Wheaton will make ongoing payments for the gold and silver ounces delivered equal to 18% of the spot prices ("Production Payment") until the value of gold and silver delivered less the Production Payment is equal to the upfront consideration of US $175,500,000, at which point the Production Payment will increase to 22% of the spot prices.

In June 2024, an action seeking to void the environmental license of the El Domo Project was brought in the local court in Las Naves Canton, Bolívar Province, Ecuador (the "Court") by a group of plaintiffs alleging defects in the environmental consultation process for the El Domo Project. The Court rejected the litigation on July 24, 2024 ruling that the Ecuadorean government correctly discharged its environmental consultation obligations prior to issuing an environmental license for the El Domo Project. The plaintiffs filed an appeal (the "Appeal") to the provincial court, and the Appeal was heard by the provincial court of Bolívar Province on October 17, 2024, and the Appeal was dismissed by the provincial court on November 12, 2024, affirming the lower court decision that the Ministry of Environment, Water, and Ecological Transition of Ecuador ("MAATE") correctly discharged its environmental consultation obligations prior to issuing an environmental licenses of the El Domo Project. The plaintiffs subsequently filed an Extraordinary Protection Action ("EPA") before the Constitutional Court of Ecuador. On February 26, 2025, the Constitutional Court issued a decision declining to admit the EPA. On March 3, 2025, the plaintiffs filed a motion for clarification. A clarification motion may proceed where disputed issues have not been fully resolved. On July 24, 2025, the Constitutional Court unanimously rejected the clarification motion.

On August 15, 2025, a constitutional protection action was filed challenging the validity of the environmental license and related mining rights for the El Domo Project. Although the case was initially dismissed by a Quito judge for lack of jurisdiction on August 19, 2025, the plaintiffs appealed the decision. Subsequently, on April 29, 2026, the Provincial Court of Pichincha accepted the appeal and remanded the case back to the lower court for a formal hearing.

Despite anti-mining groups having failed at every level of Ecuador's judiciary - including the Constitutional Court – they continue to engage in unlawful and disruptive activities aimed at obstructing the lawful development of the El Domo Project. These actions have created safety concerns and threaten the rule of law but have not materially impacted advancement to date. Silvercorp remains committed to advancing the El Domo Project responsibly and in full compliance with Ecuadorian law.

On July 15, 2026 the Company provided an update on the El Domo Project. The update is based on an independent NI 43-101 Technical Report prepared by SRK Consulting (China) Ltd. ("SRK") for Silvercorp and the Company, with an effective date of December 31, 2025 and issued on May 31, 2026 (the "2025 Technical Report"), and includes a comparison with the October 26, 2021 feasibility study (the "2021 FS").

Key Highlights

Mineral Resource:

- **Measured + Indicated (M+I) Mineral Resources** increased by 27%, from 9 Mt to 11.4 Mt, grading 1.85% Cu, 2.11 g/t Au, 2.42% Zn, 0.22% Pb, and 41.69 g/t Ag.
- **Inferred Mineral Resources** increased by 245%, from 1.1 Mt to 3.8 Mt, grading 0.46% Cu, 0.97% Zn, 0.13% Pb, 0.80 g/t Au, and 28.49 g/t Ag.

El Domo Project Mineral Reserves:

- **Mineral Reserves (Proven + Probable)**: 7.13 Mt, an increase of 10% compared to the 6.48 Mt reserves reported in the 2025 Technical Report.
- The metal content of the reserves increased by 10% for copper (137.7 kt), 11% for gold (584 koz), 16% for zinc (187.7 kt), 14% for lead (18.4 kt), and 15% for silver (11.0 Moz).

Update on the Analysis of Economic Data for the El Domo Project:

- After-Tax NPV (8% discount rate) is US$573 million, representing a 121% increase compared to the October 2021 Feasibility Study. After-Tax NPV (5% discount rate), is US$ 705.6 million according to the updated economic analysis.
- Construction of El Domo is fully funded, and production of the first commercial concentrates is expected to begin in mid-2027.
- The El Domo Project is currently under construction, with a mine life of 13 years processing 666,000 metric tons of mineralized material per year. This mine life includes the approximately 1.5 years of mine construction.
- Salazar's 25% interest is fully carried through to commercial production, with no additional development or construction financing obligations.

Updated Mineral Resource Estimate as of December 31, 2025

The current mineral resource estimate is based on information obtained from 427 diamond drill holes, totaling 79,357 metres, completed between 2007 and 2024. This updated mineral resource estimate (since the latest NI 43-101 Technical Report dated October 26, 2021) includes 28 additional infill drill holes completed within the open pit and underground areas, as well as 8 drill holes completed for metallurgical testing.

Measured + Indicated (M+I) Mineral Resources total 11.4 Mt, grading 1.85% Cu, 0.22% Pb, 2.42% Zn, 2.11 g/t Au, and 41.69 g/t Ag (containing 211.6 kt Cu, 25.2 kt Pb, 275.9 kt Zn, 775 koz Au, and 15.3 Moz Ag). In addition, Inferred Mineral Resources total 3.8 Mt, grading 0.46% Cu, 0.13% Pb, 0.97% Zn, 0.80 g/t Au, and 28.49 g/t Ag (containing 17.6 kt Cu, 5.0 kt Pb, 37.1 kt Zn, 98.0 koz Au, and 3.5 Moz Ag).

Table 1 below has a full summary of mineral resource statement for El Domo Project, as of December 31, 2025.

Table 1. Mineral Resource Statement for El Domo Project, as of December 31, 2025

Resource Category	Tonnes	Grade					Contained Metal				
		Cu	Pb	Zn	Au	Ag	Cu	Pb	Zn	Au	Ag
	(Mt)	(%)	(%)	(%)	(g/t)	(g/t)	(kt)	(kt)	(kt)	(koz)	(koz)
Open Pit Resources											
Measured	3.6	2.67	0.25	2.59	3.09	46.77	97.3	9.0	94.2	362	5,473
Indicated	7.5	1.42	0.21	2.36	1.66	39.67	105.5	15.8	176.2	397	9,504
M+I	**11.1**	**1.83**	**0.22**	**2.44**	**2.13**	**42.00**	**202.8**	**24.8**	**270.4**	**759**	**14,978**
Inferred	3.5	0.48	0.12	1.00	0.72	22.10	16.7	4.3	34.7	80	2,472
Underground Resources											
Indicated	0.3	2.73	0.12	1.72	1.58	31.14	8.8	0.4	5.5	16	321
Inferred	0.4	0.25	0.20	0.67	1.53	89.06	0.9	0.7	2.5	18	1,051
Total Mineral Resources											
Measured	3.6	2.67	0.25	2.59	3.09	46.76	97.4	9.0	94.2	362	5,474
Indicated	7.8	1.47	0.21	2.34	1.66	39.32	114.2	16.1	181.7	414	9,825
M+I	**11.4**	**1.85**	**0.22**	**2.42**	**2.11**	**41.69**	**211.6**	**25.2**	**275.9**	**775**	**15,299**
Inferred	3.8	0.46	0.13	0.97	0.80	28.49	17.6	5.0	37.1	98	3,524

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported above an NSR cut-off value of US$38/t for potential open pit Mineral Resources, and the underground portion are reported using an NSR cut-off value of US$100/t NSR.
3. The NSR value is based on estimated processing recoveries, assumed metal prices, and smelter terms, which include payable factors treatment charges, penalties, and refining charges：84.9 *[Cu] (%) +46.9*[Au] (g/t) + 0.6*[Ag] (g/t) + 3.4 *[Pb] (%) + 19.8*[Zn] (%)
4. Mineral Resources are estimated using the metal price assumptions: USD 10,700/t Cu, USD 3,000/ oz Au, USD40/oz Ag, USD 2,300/t Pb, and USD3,220/t Zn.
5. Mineral Resources are inclusive of Mineral Reserves.
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. Numbers may not add due to rounding.

Table 2 and 3 below shows a comparison of mineral resource tonnage, grades, and contained metal between the 2021 FS published in October 2021 and the 2025 Technical Report in December 2025.

Table 2. Comparison of Measured + Indicated (M+I) Mineral Resources, October 2021 (2021 FS) and December 2025 (2025 Technical Report)

Parameter	FS 2021	SRK 2025	Variation
Measured + Indicated Tonnage and Grades			
Tonnage (Mt)	9.0	11.4	+27%
Cu Grade (%)	2.11	1.85	- 12%
Au Grade (g/t)	2.36	2.11	- 11%
Zn Grade (%)	2.59	2.42	- 7%
Pb Grade (%)	0.24	0.22	- 8%
Ag Grade (g/t)	45.00	41.69	- 7%
Contained Metal			
Contained Cu (kt)	189.4	211.6	+12%
Contained Au (koz)	680	775	+14%
Contained Zn (kt)	231.7	275.9	+19%
Contained Pb (kt)	21.6	25.2	+17%
Contained Ag (koz)	12,969	15,299	+18%

Table 3. Comparison of Inferred Mineral Resources, October 2021 (2021 FS) and December 2025 (2025 Technical Report)

Parameter	FS 2021	SRK 2025	Variation
Inferred			
Tonnage (Mt)	1.1	3.8	+245%
Cu Grade (%)	1.72	0.46	- 73%
Au Grade (g/t)	1.62	0.80	- 51%
Zn Grade (%)	2.18	0.97	- 56%
Pb Grade (%)	0.14	0.13	- 7%
Ag Grade (g/t)	32	28.49	- 11%
Contained Metal			
Contained Cu (kt)	18.5	17.6	−5%
Contained Au (koz)	57	98	+72%
Contained Zn (kt)	23.6	37.1	+57%
Contained Pb (kt)	1.5	5.0	+233%
Contained Ag (koz)	1,118	3,524	+215%

While reported grades for the mineral resources are lower than in the 2021 FS, total contained metal increased across all payable metals. The change in grade primarily reflects: (i) a higher open-pit NSR cut-off value (US $38/t versus US $29/t in 2021); (ii) materially higher metal price assumptions, which brought additional lower-grade material into the resource envelope; and (iii) the incorporation, at higher metal prices, of material previously modelled as a separate underground resource into the open-pit envelope. Grades for the Mineral Reserves are unchanged to slightly higher than in the 2021 FS.

Mineral Reserve Statement for El Domo Project (Open Pit) as of December 31, 2025

Above a cut-off value of US $55/t, there are 7.13 Mt of Proven and Probable Mineral Reserves at an average NSR grade of US $312/t.

Proven and Probable Mineral Reserves total 7.13 Mt, grading 2.55 g/t Au, 47.82 g/t Ag, 1.93% Cu, 0.26% Pb, and 2.63% Zn, containing 584 koz Au (+11%), 11.0 Moz Ag (+15%), 137.7 kt Cu (+10%), 18.4 kt Pb (+14%), and 187.7 kt Zn (+16%).

Note: The percentages shown in parentheses represent the increase in Mineral Reserves and contained metal relative to the Feasibility Study dated October 26, 2021.

Table 4 shows the Mineral Reserve Statement For El Domo Project, as of December 31, 2025.

Table 4. Mineral Reserve Statement For El Domo Project, as of December 31, 2025

Category	Ore Reserve (kt)	NSR (USD/t)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Contained Au (koz)	Contained Ag (koz)	Contained Cu (kt)	Contained Pb (kt)	Contained Zn (kt)
Proven	2,667	392	3.33	48.42	2.60	0.26	2.63	285	4,153	69.34	6.99	70.18
Probable	4,462	263	2.08	47.45	1.53	0.26	2.63	299	6,807	68.38	11.44	117.47
Sub Total	**7,129**	**312**	**2.55**	**47.82**	**1.93**	**0.26**	**2.63**	**584**	**10,960**	**137.72**	**18.44**	**187.65**

Sources: El Domo Project, SRK summarized

Notes:
1. Any differences between totals and sum of components are due to rounding.
2, A Cut-off Value (COV) of US $55 /t was applied.
3. The COV estimates are based on the forecast prices us $2,600/oz gold, US $31 /oz silver, US $9,250 /t copper, US $2,000 /t lead, and US $2,800/t zinc.

4. The Mineral Reserves are reported on a metric dry tonne basis.
5. Mineral Resources are inclusive of Mineral Reserves.
6. The Mineral Resources are effective as of December 31, 2025.

Table 5 shows a comparison of Mineral Reserve tonnage, grades, and contained metal between the October 2021 Feasibility Study and the December 2025 update.

Table 5. Comparison of Minerals Reserves, October 2021 (2021 FS) and December 2025 (2025 Technical Report)

Parameter	FS, DRA Oct 26, 2021	SRK Dec 31, 2025	Variation
Tonnage and Grades			
Tonnage (Mt)	6.48	7.13	+10%
Cu Grade (%)	1.93	1.93	0
Au Grade (g/t)	2.52	2.55	+1%
Zn Grade (%)	2.49	2.63	+6%
Pb Grade (%)	0.25	0.26	+4%
Ag Grade (g/t)	45.7	47.82	+5%
Contained Metal			
Contained Cu (kt)	124.9	137.7	+10%
Contained Au (koz)	524.6	584	+11%
Contained Zn (kt)	161.4	187.7	+16%
Contained Pb (kt)	16.2	18.4	+14%
Contained Ag (koz)	9,516.7	10,960	+15%

Update on the Analysis of Economic Data for the El Domo Project, as of December 31, 2025

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with El Domo Project. The assumptions are as follows:

The ROM (run-of-mine) and final products of El Domo Project, which are lead, zinc, and copper concentrates, are based on the LOM schedule. The local currency for El Domo Project is USD and is used for technical-economic analysis. The effective date is December 31, 2025.

The technical-economic analysis was conducted using conventional Discounted Cash Flow ("DCF") techniques. The projection for El Domo Project operation shows a positive economic prospect. At a discount rate of 8%, the NPV of the Project is US $573 million. The net present values ("NPVs") at different discount rates were estimated by SRK through DCF model, presented in Table 6.

The economic analysis was conducted for 7.13 Mt, classified as reserves at the El Domo open pit mine, see in Table 7. An additional approx. 8 million tonnes of mineralized material remain within the Measured & Indicated and Inferred Mineral Resource categories, representing meaningful upside potential to extend mine life and increase future production as these resources advance toward Reserve classification.

Table 6. Estimated NPVs at Different Discount Rate, NPV in US $ millions

Discount Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
NPV	705.59	657.8	613.7	572.9	535.0	499.9	467.2	436.8	408.5	382.0	357.3

Sources: SRK

Table 7. Analysis of Economic Data for the El Domo Project

Open-pit, economic data update	DRA, October 26, 2021	SRK, December 31, 2025	Variation
Study Type	Feasibility Study Results and Updated Mineral Resources	Technical Report on Curipamba-El Domo Polymetallic	—
After-Tax NPV (US$ million, 8% discount rate)	US$259	US$573	+121%
After-Tax IRR (%)	32%	45%	+41%—
Payback Period (years)	2.6	3	—
Initial Capital Cost (US$ M)	US$248	US$283.7	+14%
Total Estimated LOM operating cost (US$ million)	US$364	US$416.3	+ 14%
Average Unit Cost (US$/t -milled)	US$56.21N/A	US$58.39	+ 4%
Sustaining Capex (US$ million)	US$29	US$72.5	+ 150%
Closure Cost (US$ million)	US$24	US$17.3	- 28%
Total LOM Capital	US$ 323M (incl. US$ 22M Pre-Construction)	US$373.5	+16%
Mine life (years)	10	13 total (≈11.5 operating + 1.5 construction)	+1.5 operating years
Proven + Probable Reserves	6.48 Mt	7.13 Mt	+10%
Nominal processing capacity (tpd/ tpy-annual)	1,850 tpd	666k tpy	—

Prices Assumed, DRA, October 26, 2021: *US $1,700 Oz of Gold, US $23 Oz of Silver, 7,716 US $/t copper (US $3.5/lb), US $0.95 /lb of lead, US $1.20/lb of zinc*

Prices Assumed, SRK, December 31, 2025: *US $2,600 Oz of Gold, US $31 Oz of Silver, 9,250 US $/t copper, 2,000 US$/t lead, 2,800 US$/t zinc*

Qualified Person

The scientific and technical information contained in this MD&A is derived from the 2025 Technical Report entitled "Technical Report on the Curipamba–El Domo Polymetallic Project, in Ecuador", prepared by SRK Consulting (China) Ltd. for Silvercorp Metals Inc., with an effective date of December 31, 2025. The independent Qualified Persons for the 2025 Technical Report include Ms. Yanfang Zhao (MAIG), responsible for the Mineral Resource estimate, and Mr. Falong Hu (FAusIMM), responsible for the Mineral Reserve estimate. The estimates have been classified in accordance with the 2014 CIM Definition Standards. The 2021 comparative figures are derived from the Feasibility Study dated October 26, 2021 (the "2021 Technical Report"). Dorota El-Rassi, M.Sc., P.Eng, was responsible for the Mineral Resource estimate in the 2021 Technical Report and Daniel M. Gagnon, P.Eng was responsible for the Mineral Reserve estimate in the 2021 Technical Report.

Mr. Falong Hu (FAusIMM), a qualified person under NI 43-101 who is independent of Salazar, has reviewed and approved the scientific and technical disclosure made by the Company with respect to the 2025 Technical Report.

References

[1] DRA (2021). NI 43-101 Technical Report – Feasibility Study Curipamba-El Domo Project
[2]News Release (2021). Adventus and Salazar announce Feasibility Study Results and Updated Mineral Resources for the Curipamba Copper-Gold Project
[3]SRK Consulting China Ltd. (2026). Technical Report on Curipamba-El Domo Polymetallic Project, in Ecuador.

Exploration Alliance and Other Acquisitions

In fiscal 2017 and 2018 the Company entered into various agreements (the “Exploration Alliance Agreements”) with Adventus to jointly explore in Ecuador (the “Exploration Alliance”). Pursuant to definitive agreements the Company held a 20% interest in Dos Gemas and certain other companies (the “Entities”) which hold mineral concessions in Ecuador (collectively the “Exploration Alliance Concessions”). The principal concessions in the Exploration Alliance are Pijili and Santiago.

In December 2024 the Company was advised by Silvercorp that it wished to abandon all exploration assets held in the Exploration Alliance, initially established with Adventus, and focus on completing construction at El Domo and initiating mining operations. Accordingly on December 23, 2024 the Company entered into a binding letter agreement (the “Silvercorp LOI”) to acquire the Entities holding the Exploration Alliance Concessions. In addition to the Exploration Alliance Concessions, the Company also agreed to purchase another entity and its mineral projects, Tarqui and Quimi, wholly owned by Silvercorp, on similar acquisition terms to the Exploration Alliance Concessions. On July 23, 2025 the Company and Silvercorp finalized and signed the purchase and sale agreement formalizing the acquisitions under the Silvercorp LOI. The Company and Silvercorp subsequently completed the closings of the acquisitions on March 18, 2026 and the Company now holds a 100% interest in the entities.

The Company acquired the properties from Silvercorp in exchange for NSR royalties in such properties as follows:

(i) the portion of the Santiago Project Silvercorp owns in exchange for a 1.5% NSR royalty on the entire project, subject to a US $3,000,000 repurchase option;
(ii) the portion of the Pijilí Project Silvercorp owns in exchange for a 1.5% NSR royalty on the entire project, subject to an option to repurchase a 1% NSR royalty in exchange for US $1,000,000;
(iii) the Tarqui Project in exchange for a 1.5% NSR royalty on the entire project, subject to an option to repurchase a 1% NSR in exchange for US $1,000,000; and
(iv) the Quimi Project in exchange for a 1.5% NSR royalty on the project, subject to an option to repurchase a 1% NSR royalty in exchange for US $1,000,000.

WHOLLY-OWNED PORTFOLIO

The following section summarizes exploration activities conducted on the Company’s 100%-owned properties during Q1/2027 and up to the date of this MD&A. Exploration expenditures are presented on a property-by-property basis in the notes to the financial statements.

The Company’s 100%-owned portfolio comprises the Monja, Santiago, El Tigre, Pijilí, Tarqui and Quimi projects.

Monja Copper-Gold Project

Location:	Loja Province, Ecuador
Concession Area:	9,088 hectares across two mineral concessions
Ownership:	100% Salazar Resources
Target Type:	Copper-gold porphyry

Property Description

The Monja Project is located on the northeast margin of the Lancones Basin, within a Paleocene-Miocene metallogenic belt prospective for porphyry copper-gold deposits. The basin hosts analogous systems regionally, including the Tambo Grande volcanic-hosted massive sulphide district and the Rio Blanco porphyry in Peru, and is in close proximity to Sunstone Metals’ Bramaderos porphyry project in Ecuador.

Work Completed During the Period

April 2026 - June 2026 - Initial Sampling and Target Identification

Surface geological mapping defined a copper-gold porphyry system with a 2 km × 1 km central core. Mineralization indicators identified include hydrothermal breccias with pyrite-chalcopyrite matrix, quartz-sulphide stockwork veining, locally occurring bornite and tourmaline breccias, and evidence of historical small-scale gold extraction from peripheral epithermal veins.

A total of nine rock chip samples were collected from mineralized outcrops. Three returned encouraging results:

- Sample 51584: 4.77% Cu, 1.12 g/t Au, 19.5 g/t Ag, 74 ppm Mo
- Sample 51583 and 51587 also returned elevated copper and gold values

Following the initial identification of the porphyry target, the Company conducted an expanded rock and soil sampling program and detailed geological mapping over the central area of the 2 km × 1 km porphyry core. A total of 99 rock samples (chip and channel) and 23 soil samples were collected.

Soil Sampling Results:

A total of 23 initial soil samples were collected along three north-south-trending lines, following a 100-meter-by-100-meter grid pattern. The results of the initial soil sampling program indicated that 70% of the samples analyzed had copper values greater than 100 ppm, delineating a zone with copper anomalies covering approximately 180,000 m², with individual values of up to 2,242 ppm Cu.

Based on the initial results, a 100 m × 100 m soil sampling grid was established, comprising 752 planned points. A total of 429 soil samples were collected from the B horizon, and the remaining 323 planned points will be completed as part of the ongoing exploration program. Soil samples were collected at depths ranging from approximately 0.5 to 2.5 m using an auger.

Rock Sampling Results:

Of 99 rock samples, 64 samples (64%) returned copper values greater than 300 ppm and 20 samples (20%) exceeded 1,000 ppm Cu. Selected high-grade results are presented in Table 1 below.

Table 1. Rock Sample Results - highlights

Sample	**Au (ppm)**	**Ag (ppm)**	**Cu (ppm)**	**Mo (ppm)**	**Notes**
200101	0.989	10.3	17,070	162	Highest Cu-Au
200079	0.613	2.7	10,940	10	
51744	0.608	10.4	12,910	9	
51748	0.644	1.5	6,250	4	
700154 (channel)	0.252	1.2	5,363	4	

Note: Rock chip samples are selective in nature and may not be representative of the overall mineralization. Samples submitted to Bureau Veritas, Quito/Lima; 44-element aqua regia digestion with ICP-AES finish; gold by lead collection fire assay with AAS finish.

Detailed Geological Mapping:

Detailed mapping along a 150-metre southwest-to-northeast trending creek ("Creek 1") provided continuous exposure of the mineralized system. Stockwork veining was mapped at densities averaging approximately 10 veins per metre, with a dominant northwest-southeast structural orientation. Observed veins are predominantly quartz-rich Type B veins containing chalcopyrite, pyrite, and bornite, with sericite alteration halos indicative of an overprinting phyllic (Type D) signature.

Collectively, these results confirm porphyry-style mineralization over an area of approximately 1.5 km × 0.5 km within the broader 2 km × 1 km porphyry core identified in April 2026. The alteration distribution - propylitic to phyllic and argillic assemblages with localized K-feldspar and magnetite - is consistent with a vertically and laterally zoned porphyry system.

July2026 - August 2026 - Continued Systematic Surface Exploration

Between July 1, 2026 and August 21, 2026, Salazar continued its systematic geological, geochemical, and surface exploration at Monja in order to expand and complete the existing geochemical coverage, as well as to further evaluate the mineralized porphyry system.

Soil sampling continued according to the initially proposed program, and 55 additional samples were collected. The remaining portion of the program comprises 268 soil sampling points. The analytical results from the soil sampling program are not yet complete and will be published as soon as we have the final results.

Rock sampling also continued, and 73 additional samples were collected during this period. We do not yet have the final results.

Current Status and Next Steps

The boundaries of the Monja mineralized system are not yet fully defined. Planned activities include:

- Continued surface geochemical work and geological mapping across the remaining portions of the porphyry core
- Completion of the remaining soil sampling sites
- Infill soil sampling to further define the extent of the copper anomaly
- Geophysical surveys to support the refinement of drill targets
- Integration and interpretation of the expanded soil and rock geochemical results;
- Development of a drill-ready exploration program targeting the most prospective portions of the Monja copper-gold porphyry system.

The Company considers Monja its highest-priority early-stage exploration asset and, subject to financing, intends to allocate a significant portion of its fiscal 2027 exploration budget to advancing this project.

Santiago Copper-Gold Project

Location:	Loja Province, southern Ecuador, approximately 37 km north of the city of Loja
Concession Area:	2,350 hectares (single concession)
Ownership:	100% Salazar Resources (consolidated effective March 18, 2026)
Target Type:	Copper-gold porphyry with near-surface epithermal overprint

Property Description

The Santiago Project is located within the Western Cordillera of the Ecuadorian Andes, on the eastern margin of the Cangrejos-Zaruma Intrusive Belt. The local geology comprises Oligocene volcanic formations (Saraguro Formation) of andesitic and dacitic lavas and tuffs, intruded by granodioritic dikes. The alteration and mineralization assemblage is consistent with a medium- to high-sulphidation epithermal system with underlying porphyry potential estimated at 200-700 m depth.

Exploration at Santiago spans several decades and operators including the United Nations Development Program (1964-1972), Prospection Panama S.A. (1971-1981), Newmont Overseas Exploration Limited (1993-1994), and a Salazar/Adventus Mining exploration alliance (2018-2022). The Company acquired the project in 2010.

Work Completed During the Period

During Q1/2027, the Company continued its technical review of the Santiago Project and its historical exploration database and continued evaluating the available geological, geochemical and geophysical information to determine the most appropriate strategy for testing the untested porphyry core.

No new drilling or major field exploration program was reported during Q1/2027.

Current Status and Next Steps

The porphyry core at depth remains entirely untested by drilling. Planned activities include:

- Integration and 3D reinterpretation of all available technical datasets to develop a targeted drill program
- Assessment of the best strategy to realize value for shareholders, including potential joint venture arrangements
- Continued road maintenance and site access work

Santiago is considered a high-priority target within the Company's portfolio.

El Tigre Project

Location: Loja Province, southern Ecuador, within the Alamor-Lancones Basin
Concession Area: 288 hectares
Ownership: 100% Salazar Resources
Target Type: VMS-style gold-silver and epithermal mineralization

Property Description

The El Tigre Project is located within the Alamor-Lancones Basin, prospective for both epithermal gold and VMS-style mineralization. The property lies along the same regional trend as the Tambo Grande VMS district in northern Peru (TG1: 109 Mt @ 1.6% Cu, 1.0% Zn, 0.5 g/t Au, 22 g/t Ag; TG3: 82 Mt @ 1.0% Cu, 1.4% Zn, 0.8 g/t Au, 25 g/t Ag) within correlative Lancones Formation stratigraphy. This comparison remains conceptual and insufficient work has been completed to confirm a direct analogue.

Historical work at El Tigre identified VMS-style high-grade gold-silver mineralization in silica-barite breccia bodies and mineralized pillow lavas, with previous rock chip samples returning up to 29.60 g/t Au and gold-in-soil anomalies up to 9.94 g/t Au.

Work Completed During the Period

Between March and June 2026, the Company conducted a rock chip sampling and geological mapping program at El Tigre (press release June 16, 2026). A total of 66 rock chip samples were collected, following exposed outcrops along horse trails (traverses T1-T4) and a ravine (T5). Fifteen samples (23% of total) returned values above 0.4 g/t Au, all associated with hydrothermal breccia.

Fifteen samples were aligned with historical rock chip samples to form trench-like intervals:
- T2 Zone: 45 m at 8.94 g/t AuEq (weighted average from semi-continuous rock chip samples)
- T3 Zone: 50 m at 2.02 g/t AuEq (weighted average from semi-continuous rock chip samples)

These intervals are weighted averages over total sampled lengths and do not represent true widths; the geometry and continuity of mineralization at depth have not yet been established. The Au-bearing barite zone is interpreted to be horizontally continuous at surface (manto-style), and the intersections are considered possible representative grades of that horizon.

Integrated with prior datasets, these results define a laterally extensive gold-bearing barite-rich hydrothermal breccia horizon exposed at surface over approximately 650 m × 500 m with up to 60 m of vertical relief. Geological characteristics are considered to show similarities to the gold-bearing barite cap and oxide zones at the TG1 deposit in the Tambo Grande district; this comparison remains conceptual.

Ground-based magnetic and gravity surveys completed in late 2020 provide additional geological support. Magnetic data define an anomaly underlying the central portion of the property coincident with gold-in-soil anomalies; gravity data outline a relative low-density zone coincident with mapped hydrothermal brecciation. These geophysical features are considered preliminary and require further validation.

Current Status and Next Steps

El Tigre is considered a priority drill target. Subject to financing the planned activities include:
- Additional mapping and systematic channel sampling where outcrop exposure permits
- Refinement of priority drill targets
- Design of a scout drilling program to test surface mineralization and potential subsurface sulphide mineralization at depth

Tarqui and Quimi Concessions

Location: Morona Santiago Province, Ecuador, approximately 15 km from Gualaquiza
Concession Area: 7,547 hectares across the Tarqui and Quimi concessions
Ownership: 100% Salazar Resources (consolidated effective March 18, 2026)

Target Type: Copper-molybdenum porphyry (Tarqui); copper porphyry (Quimi); high-grade gold-silver epithermal veins (Yumi)

Property Description

The Tarqui and Quimi concessions are located within Ecuador's Zamora Metallogenic Belt, host to major deposits including the Mirador Mine, Panantza-San Carlos, the Warintza project, and Fruta del Norte 48 km to the south. The Tarqui concession is approximately 20 km from Mirador Norte; Quimi is approximately 5 km from that deposit. The project area is underlain by Jurassic-aged intrusive rocks of the Zamora Batholith with porphyry-style hydrothermal alteration assemblages.

Prior exploration was conducted by Luminex Resources (2018) and BHP Billiton (2019-2022) under an earn-in agreement, comprising 1,015 rock chip samples, 2,815 soil samples, 349 line-km of airborne VTEM geophysics, and 6,862 metres of diamond drilling across 13 holes. The project was acquired from Silvercorp, with closing effective March 18, 2026.

Work Completed During the Period

Following the acquisition, the Company conducted a technical review of all historical data and completed its own sampling program at Tarqui. During the Q1/2027, 70 rock samples were collected within the Tarqui-Quimi and Yumi concessions, followed by an additional 25 rock samples collected during July 2026 and August 2026. The samples were collected as part of the ongoing geological exploration program and are being submitted for laboratory analysis.

For the rock sampling campaign in Tarqui-Quimi concession, seven rock samples were collected during Q1/2027, followed by an additional 21 rock samples collected during July and August 2026. The samples are currently being submitted for laboratory analysis, with results expected to be reported in a future news release.

Yumi High-Grade Gold-Silver Epithermal Veins

The Yumi Vein system is located on the southern flank of the Tarqui Porphyry and comprises at least three NW-SE trending low- to intermediate-sulphidation epithermal veins over approximately 100 m in length with vein widths of 0.3 to 2 m. During Q1/2027 the Company collected 77 rock chip samples across the porphyry anomaly and Yumi vein system. Notably, sample 400362 returned over-limit values of 105.03 ppm Au and 1,038 ppm Ag, highlighting the high-grade precious metal potential of the Yumi vein system. Selected results are presented in Table 3.

Table 3. Rock Sample results – Tarqui-Yumi

Sample	Type	Width (m)	Au (ppm)	Ag (ppm)	Notes
400344	Chips	0.4	7.07	81.4	
400345	Chips	0.3	80.90	824.0	High-grade
400362	Chips	0.5	105.30	1,038.0	Over-limit
400363	Chips	0.3	8.99	133.2	
400367	Chips	0.3	9.58	266.0	
700095	Chips	0.4	17.40	318.0	

Notes: Rock chip samples are selective in nature and may not be representative of overall grade or mineralization extent. Sample 400362 is over the upper detection limit; over-limit analysis is pending. Samples submitted to Bureau Veritas, Quito/Lima; 44-element aqua regia digestion with ICP-AES finish; gold by lead collection fire assay with AAS finish.

Furthermore, during July and August 2026, the Company collected an additional four rock samples from the same area. The samples are currently undergoing laboratory analysis, with results expected to be reported in a future news release.

Quimi Copper Target

The Quimi concession hosts a surface copper anomaly delineated by BHP Billiton in 1990, covering approximately 1.8 km × 0.8 km with soil values ranging from 300 to 1,401 ppm Cu, hosted in quartz dioritic intrusions with associated quartz veining, malachite, pyrite, and copper-molybdenum sulphides. No systematic follow-up work has been completed by the Company to date.

Current Status and Next Steps

Planned activities at Tarqui-Quimi include:
- Integrated geological and geophysical reinterpretation to refine drill targeting at Tarqui, with emphasis on higher-grade zones adjacent to and below historical BHP drilling
- Systematic mapping and channel sampling of the Yumi vein system to define strike continuity, width, and structural controls
- Drill program design to test the reinterpreted porphyry core and the high-grade epithermal vein system along strike and at depth
- Detailed mapping and geochemical sampling at Quimi to further define the copper surface anomaly

Pijilí Project

Location:	Azuay Province, southwestern Ecuador
Ownership:	100% Salazar Resources (consolidated effective March 18, 2026)
Target Type:	Copper-gold-molybdenum porphyry; tungsten

Property Description

The Pijilí Project is located in the copper-molybdenum porphyry belt of southwestern Ecuador's Azuay province, approximately 5 km from the Chaucha copper-molybdenum project. The project hosts porphyry-style copper-gold-molybdenum mineralization with the presence of tungsten.

Historical Exploration

The project was previously explored under the Salazar/Adventus Exploration Alliance:
- Hole MERC-001: 20.6 m grading 1.13% CuEq (Salazar/Adventus joint press release, October 26, 2020)
- Hole MERC-011: 151.81 m grading 0.35% CuEq, including 18.55 m at 0.99% Cu, 0.25 g/t Au, 0.03% Mo, 189.8 g/t Ag, and 0.23% W (Salazar/Adventus joint press release, April 20, 2021)

These results are historical and relate to work conducted prior to the current reporting period. The Company has not independently verified this historical data.

Work Completed During the Period

During the period, the Company completed an internal technical review of historical drilling and assay data from the Mercy concession. The review focused on the previously identified tungsten-silver mineralization associated with drill hole MERC-011 and highlighted the potential significance of a high-grade tungsten-silver overprint within the Ensillada porphyry system.

The review confirmed a significant tungsten anomaly defined by historical surface rock and soil sampling over an area of approximately 600 m by 450 m. Re-interpretation of MERC-011 results identified a higher-grade 2.0 m interval grading 1.8% W, 740 g/t Ag and 0.63% Cu within a broader near-surface mineralized interval. Geological and petrographic observations indicate that the higher-grade mineralization is hosted within a hydrothermal breccia associated with a fault or shear zone and represents a distinct mineralizing event overprinting the main Cu-Au-Mo porphyry system.
The Company also reviewed the geological context of the tungsten-silver mineralization and its potential to add value to the near-surface portion of the Pijilí Project, while assessing the opportunity to further evaluate critical mineral potential across its project portfolio.

Current Status and Next Steps

Planned activities at the Pijili Project include:

- Plans to undertake detailed geological mapping of the hydrothermal breccia and associated fault/shear zone at the Mercy concession to better define the controls on the highest-grade tungsten and silver mineralization.

The Company also intends to develop drill targets to test the continuity of the high-grade mineralization identified in MERC-011 at surface and at depth.
- Plans to re-analyse its other 100%-owned projects for potential critical mineral occurrences, including scandium, germanium, antimony, magnesium, molybdenum, lithium, neodymium and vanadium, to identify additional opportunities within its existing project portfolio.

Qualified Person

Kieran Downes, Ph.D., P.Geo., a Qualified Person ("QP") as defined by National Instrument 43-101, is the Company's QP for the Company's wholly-owned properties and has reviewed and verified the technical information provided.

Administrative Levy ("TASA")

On June 20, 2025 the Government of Ecuador, through the Board of the Mining Regulation and Control Agency ("ARCOM") put forth a resolution related to a new administrative fee on the mining sector. The stated objective of this fee is to strengthen oversight and combat illegal mining activities. This fee is to be applied to all mining operations, except for artisanal mining, with the aim of generating funds to support enforcement efforts.

The Company is aware that constitutional challenges against the new administrative fees have been presented in Ecuador and are being analyzed by the Court to determine if the claims will be accepted. On June 23, 2026 the Ecuadorian government amended its mining regulations to exempt projects in the exploration stage from the TASA for calendar 2026. Any further decision whether or not to accept the claims with respect to the 2025 TASA may be prolonged and, if accepted, the constitutional challenges could take several years. In the meantime, if the claims are accepted, ARCOM may or may not be directed to halt the collection of the fees.

In addition, there is uncertainty as to whether non-payment of the 2025 TASA could affect the status of the Company's mining concessions. The Company will continue to monitor information and legal developments as it becomes available.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2027	**Fiscal 2026**				**Fiscal 2025**		
Three Months Ended	**Jun. 30 2026 $**	**Mar. 31 2026 $**	**Dec. 31 2025 $**	**Sep. 30 2025 $**	**Jun. 30 2025 $**	**Mar. 31 2025 $**	**Dec. 31 2024 $**	**Sep. 30 2024 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(435,303)	(1,258,081)	(417,236)	(460,811)	(530,178)	(833,819)	(480,301)	(516,232)
Other items	(3,510)	356,352	518,041	(49,874)	(87,316)	(62,243)	91,449	(1,959,920)
Net (loss) income	(438,813)	(901,729)	100,805	(510,685)	(617,494)	(896,062)	(388,852)	(2,476,152)
Other comprehensive income (loss)	304,495	(233,059)	(32,891)	173,833	(330,180)	117,895	366,473	(105,515)
Comprehensive (loss) income	(134,318)	(1,134,788)	67,914	(336,852)	(947,674)	(778,167)	(22,379)	(2,581,667)
Basic and diluted (loss) income per share	(0.00)	(0.01)	0.00	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)
Balance Sheet:								
Working capital (deficit)	(915,951)	(298,614)	621,042	749,356	1,595,047	2,149,782	1,158,236	1,737,287
Total assets	25,626,377	25,579,858	25,420,340	22,434,027	22,598,312	23,382,645	22,384,301	22,581,100
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

As at the date of this MD&A, the Company has not earned any production revenue, nor found proved reserves on any of its unproven mineral interests; therefore, the expenses are not subject to seasonal fluctuations or general trends. The Company's expenses and cash requirements will fluctuate from quarter to quarter depending on the level of activity and, therefore, lack some degree of comparability. The Company's quarterly results may be affected by many factors such as timing of exploration activities, share-based payment costs, marketing activities and other factors that affect Company's exploration and financing activities. Furthermore, the Company's net loss/income may also be affected by interest rates received on cash and foreign exchange fluctuations. In addition to the above factors, the significant increase in net loss during the September 30, 2024 quarter was primarily attributed to the recognition of a $2,143,748 impairment charge with regards to the Company's El Potro concession.

Results of Operations

Three Months Ended June 30, 2026 Compared to the Three Months Ended June 30, 2025

During the three months ended June 30, 2026 (Q1/2027) the Company recorded a net loss of $438,813 compared to a net loss of $617,494 for the three months ended June 30, 2025 ("Q1/2026"), a decrease in loss of $178,681 primarily due to the following:

(a) an equity loss in associated company of $106,731 in Q1/2026 compared to $14,430 in Q!/2027 a fluctuation of $92,301;

(b) a $94,875 decrease in general and administrative expenses, from $530,178 during Q1/2026 to $435,303 during Q1/2027. Specific fluctuations in general and administrative expenses are as follows:
  (i) recognized share-based compensation of $51,155 during Q1/2027 on the granting and vesting of share options and RSUs compared to $nil during Q1/2026;
  (ii) a $53,376 decrease in drill and other services expenses, from $117,316 during Q1/2026 to $63,940 during Q1/2027;
  (iii) a $79,699 decrease in general exploration and maintenance, from $93,096 during Q1/2026 to $13,397 during Q1/2027; and
  (iv) incurred audit fees of $37,636 during Q1/2027 compared to $75,000 during Q1/2026. The fluctuation between Q1/2027 and Q1/2026 was solely due to the timing of billings for the audit of the Company's annual financial statements.

Exploration and Evaluations Assets

During Q1/2027 the Company incurred a total of $417,783 (Q1/2026 - $364,694) for exploration and evaluation assets.

Details of the exploration and acquisition expenditures for Q1/2027 are as follows:

	El Tigre $	Monja $	Other $	Total $
Balance at March 31, 2026	7,300,825	217,613	2,018,177	9,536,615
Exploration costs				
Camp supervision and personnel	-	23,343	-	23,343
Camp supplies	-	32,607		32,607
Depreciation	-	631	-	631
Exploration site	3,995	4,721	-	8,716
Geological	-	42,966		42,966
Salaries	-	167,094	-	167,094
	3,995	271,362	-	275,357
Acquisition costs				
Property/concession/option payments	-	-	101,171	101,171
TASA fee and accrued interest	2,612	-	27,412	30,024
Legal	-	-	11,231	11,231
	2,612	-	139,814	142,426
Other				
Foreign exchange movement	139,929	9,363	40,523	189,815
Balance at June 30, 2026	7,447,361	498,338	2,198,514	10,144,213

Financing Activities

Q1/2027

During Q1/2027 the Company did not complete any equity financings.

Fiscal 2026

During fiscal 2026 the Company completed a non-brokered financing and issued a total of 11,003,830 common shares at $0.13 per share, for proceeds of $1,430,498.

Financial Condition / Capital Resources

As at June 30, 2026 the Company had a working capital deficit of $915,951. To date the Company has not earned any revenues from its mineral interests and the Company's operations are primarily funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. The Company requires additional funding to maintain its current levels of overhead for the next twelve months and to fund existing levels of planned exploration expenditures. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

Mining Inspection Fee

On June 20, 2025, ARCOM published a resolution imposing an administrative levy ("TASA") applicable to mining and exploration companies in Ecuador to strengthen oversight and combat illegal mining efforts. On June 27, 2025 ARCOM issued regulations detailing the payment mechanism for this fee. Under the resolution, the Company has been assessed an annual service fee of $1,794,877 payable in two semi-annual instalments on July 31st and January 31st , in respect of the six-month periods ending June 30th and December 31st, respectively. The first installment of $252,403 was due on July 31, 2025, corresponding to the period from June 1, 2025 (the implementation date of the TASA), to June 30, 2025 and the second installment of $1,542,474, corresponding to the period July 1, 2025 to December 31, 2025, was due on January 31, 2026 (collectively the ("2025 TASA").

The Company is collaborating with various chambers and associations in the Ecuadorian mining sector and all other mining/exploration companies in Ecuador, to ensure that relevant authorities understand the damage that this fee will do to the Ecuadorian Mining Industry and to the reputation of the Country as an investment destination. The ARCOM resolution places an unsustainable cost burden on companies operating within the sector and undermines confidence in Ecuador's regulatory consistency and commitment to mining development.

The Company has reached out to the Ecuadorian Government at the highest levels and will continue in discussions with the Mining Chamber of Ecuador and the Company's respective legal counsels as joint industry efforts are taking place to rescind this regulation. The Company will assess options for further courses of action.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the March 31, 2026 audited consolidated financial statements.

Changes in Accounting Policies

There are no changes in accounting policies. A detailed summary of the Company's accounting policies is included in Note 3 to the March 31, 2026 audited consolidated financial statements.

Transactions with Related Parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During Q1/2027 and Q1/2026 the following amounts were incurred with respect to the Company's President and CEO, Fredy Salazar and the CFO, Pablo Acosta:

	Q1/2027 **$**	**Q1/2026** **$**
Mr. Salazar		
- Salaries and compensation	12,446	41,513
- Health benefits	1,946	927
- Share-based compensation (RSUs)	7,551	-
	21,943	42,440
Mr. Acosta		
- Salaries and compensation	9,956	10,050
- Health benefits	1,305	623
- Share-based compensation (RSUs)	2,417	-
	13,678	11,273
	35,621	53,713

As at June 30, 2026 $nil (March 31, 2026 - $7,528) remained unpaid.

(b) *Transactions with Other Related Parties*

(i) During Q1/2027 and Q1/2026 the following consulting expenses were incurred with respect to non-executive directors of the Company:

	Q1/2027 **$**	**Q1/2026** **$**
Consulting fees		
- Nick DeMare	3,114	3,114
- Mr. Marr-Johnson	2,250	2,250
- Jennifer Wu(1)	3,114	3,114
- Freddy Salazar Jr.(2)	29,039	4,149
Share-based compensation (RSUs)		
- Nick DeMare	967	-
- Jennifer Wu	2,416	-
- Mr. Marr-Johnson	2,416	-
- Freddy Salazar Jr.	4,531	-
	47,847	12,627

(1) Ms. Wu was appointed as a director on July 26, 2024.
(2) Mr. Salazar Jr. was appointed corporate secretary on June 19, 2024.

As at June 30, 2026 $4,500 (March 31, 2026 - $6,939) remained unpaid.

(ii) During Q1/2027 the Company incurred a total of $18,742 (Q1/2026 - $19,937) to Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at June 30, 2026 $nil (March 31, 2026 - $4,879) remained unpaid.

(c) During Q1/2027 the Company incurred $29,060 (Q1/2026 - $5,536) for professional services provided by La Orquidea Lorsa S.A., a private corporation controlled by the President of the Company.

(d) During Q1/2027 the Company incurred $8,303 (Q1/2026 - $7,474) for storage facility provided by Agrosamex S.A. ("Agrosamex"), a private corporation controlled by family members of the President of the Company. As at June 30, 2026 $5,684 (March 31, 2026 - $nil) remained unpaid.

(e) During Q1/2027 the Company incurred $12,454 (Q1/2026 - $13,149) for consulting services provided by Sthjobs Services S.A. a private corporation controlled by the CFO of the Company.

(f) During Q1/2027 the Company contributed $nil (Q1/2026 - $6,228) to an unregistered foundation of which a director of the foundation is a family member of the President of the Company, to fund ongoing community costs in Ecuador.

(g) The Company has made an advance to a private corporation controlled by the President of the Company. The advance is non-interest bearing and is without fixed terms of repayment. As at June 30, 2026 $19,738 (March 31, 2026 - $24,717) remained unpaid and has been included in amounts receivable.

(h) The Company holds an interest in the Macara Project pursuant to an agreement dated November 6, 2017 with an Ecuadorian individual (the "Macara Vendor") whereby the Company was granted an option (the "Macara Option") to acquire a 100% interest in one concession (the "Macara Concession"). The Macara Vendor is currently an employee of the Company however, at the time the Macara Vendor acquired the Macara concessions they were at arm's length to the Company. See "Macara Project" for details of the agreement.

    The Macara Vendor has entered into a participation agreement with an employee of the Company and the son of the Company's President to share the option proceeds equally.

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's material mineral properties are located in Ecuador and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at August 27, 2026, there were 265,083,597 issued and outstanding common shares, 120,000 share purchase warrants outstanding at an exercise price of $0.13 per share, 18,282,900 share options outstanding at exercise prices ranging from $0.08 to $0.29 per share, and 1,662,000 restricted share units.