Pecoy Copper Corp.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS

For the three months ended July 31, 2026

Background and Date

The following interim management's discussion and analysis – quarterly highlights (the "**Interim MD&A**") is intended to assist in the understanding of the financial condition and results of operations of the Corporation for the three months ended July 31, 2026 ("**Q1 2027**"). This Interim MD&A has been prepared to provide updates to the business operations, liquidity and capital resources of the Corporation since its last annual management's discussion and analysis for the year ended April 30, 2026 (the "**Annual MD&A**") and does not provide a general update to the Annual MD&A.

This Interim MD&A has been prepared in accordance with section 2.2.1 of Form 51-102F1 of National Instrument 51-102 – *Continuous Disclosure Obligations*. This Interim MD&A should be read in conjunction with the Annual MD&A, the Corporation's unaudited condensed interim consolidated financial statements as at July 31, 2026 and for the three months then ended (the "**Interim Financial Statements**") and the Corporation's audited consolidated financial statements for the year ended April 30, 2026 (the "**Annual Financial Statements**"). The Interim Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") applicable to the preparation of interim financial statements under IAS 34, *Interim Financial Reporting*.

Unless otherwise noted or required by the context, references to "Pecoy" or the "Corporation" refer to Pecoy Copper Corp. and all of its subsidiaries, collectively, or to Pecoy Copper Corp. and/or one or more of its subsidiaries, as applicable.

Pecoy's management ("**Management**") is responsible for the preparation of the Interim Financial Statements and other financial information relating to the Corporation included in this Interim MD&A.

Unless otherwise noted, all monetary amounts included in this Interim MD&A are expressed in Canadian dollars, the Corporation's reporting currency. Assets and liabilities of the subsidiaries that have a functional currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate in effect on the balance sheet date and revenues and expenses are translated at the average exchange rate over the reporting period. The information contained in this Interim MD&A is as of September 25, 2026, the date the Board of Directors authorized for issue the Interim Financial Statements, following the recommendation of the Corporation's Audit Committee. This Interim MD&A contains forward-looking statements and should be read in conjunction with the "Cautionary Statement Regarding Forward-Looking Statements" section and the risk factors referred to in the "Risk Factors" section.

The Corporation's common shares are listed on the TSX Venture Exchange ("**TSXV**") under the trading symbol "PCU" and also trade on the OTCQX® Best Market ("**OTCQX**") in the United States of America under the symbol "PCUUF" and on the Frankfurt Stock Exchange under the symbol "D5E".

Additional information relating to the Corporation, including the Annual MD&A, is available on SEDAR+ under the Corporation's profile at www.sedarplus.ca.

Qualified Person

The scientific and technical information in this Interim MD&A has been reviewed and approved by Vincent Cardin-Tremblay, P.Geo., a Qualified Person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). An NI 43-101 technical report in respect of the Pecoy Project with an effective date of April 30, 2025 and dated July 23, 2025 was prepared by Mining Plus and is available on SEDAR+ under the Corporation's profile. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Mr. Cardin-Tremblay is responsible for the preparation and/or verification of the technical disclosure in this document unless otherwise noted.

Cautionary Statement Regarding Forward-Looking Statements

This Interim MD&A contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect Management's expectations regarding the Corporation's future operations, activities, developments, results of operations, performance and business prospects and opportunities. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect Management's current beliefs and are based on information currently available to Management.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements in this Interim MD&A include, but are not limited to, statements relating to the Corporation's 2026 Exploration Program (as defined below) and the Corporation's exploration and drilling activities at the Pecoy Project and at the Tororume Project (each as defined below); the work toward resource expansion and definition; and the Corporation's ability to fund its expenses and meet its liabilities, obligations and existing commitments as they become due.

Such forward-looking statements are based on a number of estimates and assumptions that the Corporation believes are reasonable when made, including that the Corporation will be able to secure additional funding through equity or debt financing on terms acceptable to it and in the amounts needed when required in the future; the Corporation's ability to achieve current exploration, development and other objectives concerning the Corporation's properties (including the Pecoy Project); certain expectations regarding future demand and prices for copper and other commodities; that the Corporation will be able to obtain requisite permits, licences and necessary governmental approvals; that the Corporation will be able to retain and hire key personnel and maintain relationships with its suppliers and other business partners, that the Corporation will continue to operate its business in the normal course, that the Corporation will not suffer any material challenges or any material disruption in its exploration and development activities, and general business and economic conditions in the markets in which the Corporation operates.

Such estimates and assumptions are made by the Corporation in light of the experience of Management and their perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such risk factors include, but are not limited to, risks relating to: the Corporation's lack of revenue and future capital requirements; dependence on the Pecoy Project; exploration and development risks; mineral resource estimates; uninsurable risks; the Corporation having a history of losses; operations in Peru; political risks in Peru; title to the Corporation's mineral property; community and social risks in Peru; environmental regulations, permits and licenses; volatility of metal prices; health and safety; lack of availability of resources; mineral exploration and mining carrying inherent risks; infrastructure; prices of power and water supplies; the Corporation's reliance on key personnel; the Corporation's reliance on outside consultants and contractors; labour and employment relations in Peru; cybersecurity and information technology systems; the impacts of climate change; competition; global financial conditions and geopolitical events; risk associated with an emerging and developing market; currency fluctuation; risk of litigation; difficulty in enforcement of judgements; internal controls; anti-corruption and anti-bribery laws; the market price of the shares of the Corporation; future sales of the Corporation's securities; the Corporation's dividend policy; securities or industry analysts; conflicts of interest; and shareholder activism.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding the Corporation. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading "Risk Factors" of the Annual MD&A. Furthermore, forward-looking statements speak only as of the date they are made. This Interim MD&A reflects information available to the Corporation as of September 25, 2026, the date of this Interim MD&A. Except as required under applicable securities laws, the Corporation does not intend, and does not assume any obligation, to update, revise or review any forward-looking statements, whether as a result of new information, future events or otherwise.

For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Corporation's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Corporation's business, or if the Corporation's estimates or assumptions prove inaccurate. All forward-looking statements attributable to the Corporation or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained and risk factors identified in "Risk Factors" below and in the Annual MD&A as well as in other materials made available on the Corporation's profile on SEDAR+ at www.sedarplus.ca. The forward-looking statements contained in this Interim MD&A are expressly qualified by this cautionary statement.

Description of business

The Corporation, a Canadian mineral exploration company, is focused on advancing exploration of the 9,975-hectare Pecoy Copper-Gold-Molybdenum-Silver Project (the "**Pecoy Project**"), a large, undeveloped porphyry system located in southern Peru's Arequipa region, within the Southern Peru Porphyry Copper Belt. The Pecoy Project hosts an Inferred Mineral Resource of 865 million tonnes grading 0.34% Cu, 0.05 g/t Au, 0.012% Mo and 1.33 g/t Ag. Prior to the Corporation's current drill program, less than 49,000 metres of historical drilling had been completed at the Pecoy Project, defining a broad and continuous mineralized system with potential for expansion along strike and at depth. The Pecoy Project is located at relatively moderate elevations for an Andean porphyry project and benefits from a favourable regional infrastructure setting, including road access and proximity to regional power infrastructure, potential water sources and Pacific coast ports. Mine-scale power, water and other infrastructure requirements have not yet been fully defined or secured and will require further evaluation as the Pecoy Project advances. Positioned within the prolific southern Peru copper belt, the Corporation is focused on delivering a world-class copper exploration and development project that supports the global demand for critical minerals and battery metals essential to the clean energy transition.

The Corporation also holds the Tororume property, which is located 8 kilometers from the Pecoy Project, an exploration project that hosts an initial discovery (the "**Tororume Project**").

The Pecoy Project is at the exploration and mineral resource definition stage. No Mineral Reserves have been defined at the Pecoy Project, and the Corporation has not completed a preliminary economic assessment, pre-feasibility study or feasibility study. Additional exploration, resource modelling, metallurgical testing, engineering, environmental and social studies, permitting, infrastructure evaluation and economic analysis would be required before the Corporation could make a decision regarding potential development of the Pecoy Project.

The address of the Corporation's registered office is 666 Burrard Street, Suite 2700, Vancouver, British Columbia, Canada.

Highlights – Three months ended July 31, 2026

Corporate matters

- Appointed Javier del Rio to its Board of Directors in May 2026. Mr. del Rio is currently Senior Vice President, US Business Unit at Hudbay Minerals Inc. and brings experience spanning mine operations, project development, executive leadership and corporate strategy; as a Peruvian national, he also adds in-country relationships and regional perspective relevant to the Corporation's activities in Peru. In connection with his appointment, the Corporation granted Mr. del Rio 40,000 options to purchase common shares on May 11, 2026 at an exercise price of $1.66.
- Announced, on June 26, 2026, the annual grants of incentive awards under the Corporation's omnibus equity incentive plan for the financial year ending April 30, 2027, comprising 1,971,600 options at an exercise price of $1.78, 230,400 restricted share units and 50,000 deferred share units.

Exploration activities

- Incurred exploration expenses during Q1 2027 of $3,574,823, reflecting the ramp-up of the 2026 Exploration Program following the conclusion of the rainy season.
- Commenced, on May 4, 2026, drilling with a third drill rig on the planned 35,000-metre diamond drilling program at the Pecoy Project, with drilling underway across the Centre of the Pit and Central Breccia zones and the third rig re-initiating drilling in the South Breccia zone.
- Released, on May 26, 2026, the results of an independent Phase 1 metallurgical review completed by Global Resource Engineering Ltd., which identified a potential step-change in gold recovery from South Breccia material to approximately 73%, updated Phase 1 base case copper recoveries of approximately 90% to 93% and silver recoveries of approximately 84% to 85% across the primary domains, and the potential for a separate molybdenum concentrate. The updated recovery estimates remain subject to validation through Phase 2 metallurgical test work.
- Continued expanding its operational team to support project advancement, exploration activities and organizational growth, with the Corporation employing 64 personnel in Peru.

Financial information

- Recorded a net loss of $4,669,307 for Q1 2027, or $0.02 per common share, basic and diluted, and a comprehensive loss of $4,206,864 (three months ended July 31, 2025 ("**Q1 2026**") – $3,944,556).
- Ended the quarter with cash and cash equivalents of $28,795,808, short-term investments of $6,313,050 and working capital of $27,811,067.
- No financing transactions were completed during Q1 2027. The Corporation continued to fund its activities from cash and cash equivalents and short-term investments on hand.

Highlights – Subsequent to July 31, 2026

Corporate matters

- Commenced trading on the OTCQX® Best Market on September 21, 2026, under the existing symbol "PCUUF". The Corporation's common shares continue to trade on the TSXV under the symbol "PCU" and on the Frankfurt Stock Exchange under the symbol "D5E".

Exploration activities

- Reported, on September 1, 2026, assay results from six diamond drill holes, PEC26-067 through PEC26-072, totalling 5,678.3 metres. PEC26-072 intersected 804.0 metres grading 0.34% Cu, 0.08 g/t Au, 1.19 g/t Ag and 0.007% Mo from 24.0 metres, including 485.2 metres grading 0.40% Cu and 0.09 g/t Au from 244.8 metres, including 100.8 metres grading 0.56% Cu and 0.13 g/t Au from 608.5 metres, providing a third broad South Breccia intercept; and PEC26-067, in the Northwest area, intersected 209.0 metres grading 0.40% Cu from 15.0 metres, including 42.3 metres grading 1.01% Cu and 11.1 metres grading 1.90% Cu, together with a separate interval of 296.0 metres grading 0.24% Cu from 744.0 metres to the end of the hole at 1,040.0 metres.
- Commenced operations of a fourth drill rig at the Pecoy Project, with a fifth rig planned as the 2026 Exploration Program continues.
- Released an updated integrated geophysical interpretation combining the three-dimensional magnetotelluric resistivity model with new and historical drilling, geology, induced polarization chargeability and magnetics, which defined four principal MT target areas (MTP-01 to MTP-04). MTP-01, a largely untested Northwest target measuring approximately 1,200 metres in width and approximately 1,000 metres in vertical extent within the three-dimensional model, has been allocated to the fourth drill rig for systematic testing. Geophysical responses are interpretive and are not direct evidence of mineralization.

Overall performance

Exploration activities

For the three months ended July 31, 2026, the Corporation incurred the following exploration expenses, reflecting mainly the increased level of drilling activities on the Pecoy Project, as described below:

	Cumulative expenditures as at April 30, 2026 $	Expenditures for Q1 2027 $	Cumulative expenditures as at July 31, 2026 $
Compensation and employers' contributions	745,544	347,246	1,092,790
Drilling	2,189,290	1,929,219	4,118,509
Assay and sample management	655,201	732,999	1,388,200
Camp operations, supplies and infrastructure	455,153	183,880	639,033
Community relations	233,215	216,232	449,447
Contractors	615,737	15,103	630,840
Maintenance fees	1,663,238	37,400	1,700,638
Technical studies	64,514	27,383	91,897
Transportation and logistics	194,617	73,937	268,554
Other exploration expenses	5,503	11,424	16,927
Total	**6,822,012**	**3,574,823**	**10,396,835**

Pecoy Project

Assay results from the 2026 Exploration Program as at the date of this Interim MD&A:

On September 1, 2026, the Corporation reported assay results from six diamond drill holes, PEC26-067 through PEC26-072, totalling 5,678.3 metres and testing the South Breccia, Northwest, Centre of the Pit and North-Central areas. Reported intervals represent downhole lengths; true thicknesses have not yet been determined. Highlights were as follows:

- PEC26-072 (South Breccia) intersected 804.0 metres grading 0.34% Cu, 0.08 g/t Au, 1.19 g/t Ag and 0.007% Mo from 24.0 metres, including 485.2 metres grading 0.40% Cu and 0.09 g/t Au from 244.8 metres, including 100.8 metres grading 0.56% Cu and 0.13 g/t Au from 608.5 metres and 52.0 metres grading 0.67% Cu and 0.10 g/t Au from 656.0 metres. Collared approximately 166 metres west of PEC25-066, the hole provides a third broad South Breccia intercept and supports the interpretation of lateral continuity and westward expansion potential.
- PEC26-067 (Northwest) intersected 209.0 metres grading 0.40% Cu from 15.0 metres, including 137.0 metres grading 0.50% Cu, 42.3 metres grading 1.01% Cu from 33.7 metres and 11.1 metres grading 1.90% Cu from 58.0 metres. A separate deeper interval below the historical pit shell returned 296.0 metres grading 0.24% Cu and 0.009% Mo from 744.0 metres to the end of the hole at 1,040.0 metres.
- PEC26-070 (North-Central) returned 345.0 metres grading 0.25% Cu from 424.0 metres, including 194.65 metres grading 0.30% Cu and 83.0 metres grading 0.34% Cu.
- PEC26-069 (Centre of the Pit) returned 119.0 metres grading 0.30% Cu from 29.0 metres, including 58.1 metres grading 0.40% Cu and 22.0 metres grading 0.50% Cu; PEC26-071 (Centre of the Pit) returned 101.4 metres grading 0.34% Cu from 130.0 metres, including 52.0 metres grading 0.42% Cu; and PEC26-068 returned 170.1 metres grading 0.25% Cu from 303.9 metres.

The results do not establish that the separate target areas form one continuous mineralized body, and additional drilling and three-dimensional modelling will be required to determine continuity and true thickness.

2026 Exploration Program

The Corporation's exploration program focused on testing and expanding higher-grade zones at the Pecoy Project, growing the overall size of the deposit, and advancing the exploration on the Tororume Project to assess its district-scale potential (the "**2026 Exploration Program**"). The 2026 Exploration Program is designed to test the recent geological reinterpretation of historical and current drilling, which points to multiple mineralized centres and strong upside from both extensions of known zones and new discoveries.

2026 Exploration Program Highlights as at the date of this Interim MD&A:

- Over 16,000 metres had been drilled since the start of the current campaign, with 16 holes completed and three additional holes in progress.
- Assay results received to date represent approximately 20% of the planned 35,000-metre program.
- Four (4) drill rigs in operation with drilling underway in the Centre of the Pit and Central Breccia zones, in the South Breccia zone and in the Northwest Target Area (MTP-01 program).
- The Corporation released an updated integrated geophysical interpretation combining the 3D MT resistivity model with new and historical drilling, geology, induced polarization chargeability and magnetics, which defined four principal MT target areas (MTP-01 to MTP-04). MTP-01, a largely untested Northwest target measuring approximately 1,200 metres in width and approximately 1,000 metres in vertical extent within the 3D model, has been allocated to the fourth drill rig for systematic testing across multiple sections and elevations. Geophysical responses are interpretive and are not direct evidence of mineralization.

Discussion of Operations and review of performance

Operating results and review of performance for the three months ended July 31, 2026

Operating results:

The Corporation recorded a net loss of $4,669,307 for Q1 2027 (Q1 2026 – $3,944,556), representing total operating expenses of $5,246,564 (Q1 2026 – $3,945,341) partially offset by net other income of $577,257 (Q1 2026 – $785). The expenses during the period were related to Exploration expenses, General and administrative expenses and Share-based compensation. These expenses were partially offset by interest income earned from, and foreign exchange gains resulting from, U.S. dollar-denominated cash equivalents and guaranteed investment certificates held during the period. The increase in net loss period-over-period is primarily attributable to the commencement of the 2026 Exploration Program as well as the following items:

- *Share-based compensation – $310,361 (Q1 2026 – $1,476,297)*

  This expense comprises $279,318 relating to share options and $31,043 relating to restricted share units and deferred share units. It reflects the vesting of options granted in prior periods, together with the vesting of 40,000 options granted on May 11, 2026 at an exercise price of $1.66, the vesting of 1,971,600 options granted on June 26, 2026 at an exercise price of $1.78 (of which 148,500 vested immediately) and the vesting of 230,400 restricted share units and the vesting of 50,000 deferred share units granted on June 26, 2026. The decrease compared with the prior-year period reflects the non-recurrence of pre-reverse-takeover grants recognized in their entirety in the three months ended July 31, 2025.

- *Exploration expenses – $3,574,823 (Q1 2026 – nil)*

  Drilling expenses, Assay and sample management, and Compensation and employers' contributions represent the vast majority of exploration expenses for the quarter. These expenses relate directly to exploration activities on the Pecoy Project and include the following:

  - *Drilling*: Drilling expenses totaled $1,929,219. Three drill rigs were operating at the Pecoy Project during the quarter (compared to none during Q1 2026), resulting in higher drilling expenditures.
  - *Assay and sample management:* Assay and sample management costs totaled $732,999 and include laboratory analysis and sample warehousing. These expenses increased during the quarter in line with the increase in drilling activities and the resulting volume of samples requiring analysis and management.
  - *Compensation:* Compensation expenses totaled $347,246 during the quarter, reflecting an increase in the number of personnel engaged in exploration activities as project activity levels increased.
- *General and administrative expenses – $1,361,380 (Q1 2026 – $2,356,676)*

  The main expenses in this category are related to compensation, legal and accounting expenses. Legal expenses primarily relate to general corporate matters for the Corporation's subsidiaries and accounting expenses include audit fees as well as tax fees. The decrease compared with the prior-year period primarily reflects the non-recurrence of professional fees of $2,214,191 incurred in the context of the Corporation's reverse takeover settled through the issuance of warrants in the three months ended July 31, 2025 partially offset by the increase in activities since the reverse takeover transaction completed on September 3, 2025.
- *Interest income, net – $279,866 (Q1 2026 – $1,091)*

  Interest income is earned on cash equivalents and, to a greater extent, on U.S. dollar-denominated guaranteed investment certificates. The increase reflects the significantly higher average balance of cash equivalents and short-term investments held during the period.
- *Foreign exchange gain – $297,391 (Q1 2026 – loss of $306)*

  The foreign exchange gain is primarily attributable to the movement of the Canadian dollar against the U.S. dollar between April 30, 2026 and July 31, 2026. During this period, the exchange rate moved from 1.3624 to 1.4029. As the Corporation held a net U.S. dollar-denominated monetary asset position, this movement resulted in a foreign exchange gain for the quarter.

Consolidated statement of financial position

The consolidated statement of financial position as at July 31, 2026 reflects the deployment of the Corporation's cash resources to fund the 2026 Exploration Program and general corporate activities. Total assets decreased to $106,086,408 as at July 31, 2026 from $111,933,900 as at April 30, 2026, total liabilities decreased to $8,722,450 as at July 31, 2026 from $10,673,439 as at April 30, 2026 and total shareholders' equity decreased to $97,363,958 as at July 31, 2026 from $101,260,461 as at April 30, 2026. The following discussion highlights the main variations compared to April 30, 2026:

- *Cash and cash equivalents – $28,795,808 (April 30, 2026 – $22,450,343)*

  The increase in cash and cash equivalents is primarily attributable to the redemption at maturity of $13,139,923 (US$9,500,000) of short-term investments, partially offset by $6,855,934 of cash used in operating activities, including exploration expenditures, and by the settlement of accounts payable and accrued liabilities. The increase also includes $137,218 attributable to the effect of exchange rate changes on U.S. dollar-denominated cash and cash equivalents during the quarter. Cash and cash equivalents include $10,000,000 held in guaranteed investment certificates bearing an annual interest rate of prime rate minus 2% with maturity dates in October 2026 (April 30, 2026 – $10,000,000), which are redeemable on demand.

- *Short-term investments – $6,313,050 (April 30, 2026 – $19,073,600)*

  Short-term investments include $6,313,050 (US$4,500,000) held in guaranteed investment certificates bearing annual interest rates between 3.75% and 3.87% with maturity dates between October and December 2026. The decrease in short-term investments reflects the redemption at maturity of guaranteed investment certificates during the quarter of $13,139,923 (US$9,500,000) as mentioned above.
- *Accounts payable and accrued liabilities – $3,141,544 (April 30, 2026 – $5,222,069)*

  The majority of accounts payable and accrued liabilities relates to exploration expenses incurred during the quarter and, to a lesser extent, to corporate activities. The decrease of $2,080,525 primarily reflects the settlement during the quarter of amounts accrued at April 30, 2026 in respect of the maintenance fees of the claims in Peru. These maintenance fees, paid in June 2026, totaled $1,663,238 and were accrued as of April 30, 2026.

The components of exploration and evaluation assets are described in Note 6 to the Interim Financial Statements.

Operating activities

For Q1 2027, net cash flows used in operating activities totaled $6,855,934 (Q1 2026 – $74,819). This outflow primarily reflected a net loss of $4,669,307 (Q1 2026 – $3,944,556), a decrease in accounts payable and accrued liabilities of $2,080,525 (Q1 2026 – increase of $179,249) and an unrealized foreign exchange gain of $431,537, partially offset by non-cash items including share-based compensation of $310,361 (Q1 2026 – $1,476,297).

Investing activities

For Q1 2027, cash flows provided by investing activities totaled $13,064,181 (Q1 2026 – cash flows used of $63,167,937). The main cash inflow relates to the redemption at maturity of short-term investments of $13,139,923, partially offset by the acquisition of exploration and evaluation assets of $49,000 and the acquisition of property and equipment of $26,742. These short-term investments are U.S. dollar-denominated guaranteed investment certificates that are not redeemable before maturity and are therefore classified as short-term investments. The comparative outflow of $63,167,937 in Q1 2026 primarily reflected the transfer of subscription proceeds to restricted cash following completion of the private placement in July 2025.

Liquidity and capital resources

As an exploration stage company, the Corporation has negative cash flow from operating activities and is reliant on raising funds from investors or lenders in order to continue to fund its exploration and evaluation activities. As at July 31, 2026, the Corporation had a working capital (calculated as current assets less current liabilities) of $27,811,067 (April 30, 2026 – $32,274,165), which includes a cash and cash equivalents balance of $28,795,808 (April 30, 2026 – $22,450,343) and short-term investments of $6,313,050 (April 30, 2026 – $19,073,600). During the three months ended July 31, 2026, the Corporation incurred a net loss of $4,669,307, had negative cash flows from operating activities of $6,855,934, and had an accumulated deficit of $20,726,819 as at July 31, 2026 (April 30, 2026 – $16,057,512).

While the Corporation believes that it has sufficient funds to pay its ongoing general and administrative expenses and exploration expenses and to meet its liabilities, obligations and existing commitments for the ensuing 12 months as they fall due, the Corporation will require further financing in the future. The future capital requirements of the Corporation will depend on many factors, including the results of the 2026 Exploration Program, the cost and timing of further exploration, metallurgical and geotechnical studies and activities, and the extent to which the Pecoy Project is advanced toward a preliminary economic assessment. The Corporation's ability to continue future operations beyond 12 months and fund its exploration expenses is dependent on Management's ability to secure additional financing in the future, which may be completed in a number of ways, including, but not limited to, the issuance of debt or equity

instruments. Management will pursue such additional sources of financing when required, and while Management has been successful in securing financing in the last 12 months, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. Management is aware of material uncertainties related to events and conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. There is no assurance that the Corporation will be able to raise the funds required to continue exploration activities in respect of the Pecoy Project or its other properties and to finance the development of any potentially economic deposit that is identified, on terms acceptable to the Corporation or at all. Failure to obtain necessary financing in a timely manner, upon satisfactory terms and in the amounts needed, may impact and/or curtail the planned activities for the Corporation, which may include, but are not limited to, the suspension of certain exploration activities. See "Risk Factors" in the Annual MD&A, including the risk factors disclosure regarding the Corporation's lack of revenue and future capital requirements.

Use of Proceeds from Financing

On July 8, 2025, the Corporation completed a private placement for aggregate gross proceeds of $63,480,000. After deducting agent's fees and expenses, the net proceeds to the Corporation were $59,935,467. The net proceeds of the private placement were initially allocated to fund acquisition-related payments and obligations incurred in connection with the consolidation of the Pecoy Project, exploration and study activities at the Pecoy Project and general corporate purposes, as described in the Corporation's Listing Application dated September 3, 2025. Since completion of its reverse takeover on September 3, 2025, the Corporation has continued to deploy such proceeds toward these purposes, including the 2026 Exploration Program and related project advancement and corporate activities. The following table summarizes the use of proceeds as at July 31, 2026, based on expenditures incurred as at that date (whether or not paid). The remaining portion of the net proceeds of the private placement is currently intended to be used substantially in accordance with the initially intended use of proceeds from the private placement.

	Initial Use of Proceeds – Listing Application $	**Actual Use of Proceeds $**
Satisfaction of Pembrook liabilities, and payments relating to the acquisition of Pecoy Peru and the Minandex Claims	14,577,600	11,945,598
2026 Exploration Program [(1)]	21,050,000	11,831,574
Fees and expenses payable in connection with the RTO and related transactions	1,500,000	629,464
General and administrative expenses for 18 months	2,400,000	4,676,455
Unallocated working capital	21,231,488	—
Remaining proceeds	—	30,852,376
Total	**60,759,088**	**59,935,467**

(1) *This category includes the Phase 1 and Phase 2 of the proposed medium-term exploration and study program and budget for the Pecoy Project and surface validity payments*.

Outstanding Share Data

At the date of this Interim MD&A, the Corporation had 209,488,853 issued and outstanding common shares and 16,166,667 share purchase warrants and 9,616,600 share options outstanding. The Corporation also had 230,400 restricted share units and 50,000 deferred share units outstanding. There was no other outstanding security convertible or exercisable into common shares of the Corporation.

Transactions between related parties

During the three months ended July 31, 2026, the Corporation granted to key management personnel and directors 40,000 share options on May 11, 2026 at an exercise price of $1.66, 1,971,600 share options on June 26, 2026 at an exercise price of $1.78, 230,400 restricted share units and 50,000 deferred share units. Share-based compensation recognized in respect of these grants to key management personnel and directors during the period totaled $300,182.

Risk Factors

The Corporation is subject to a number of risks and uncertainties due to the nature of the industry in which it operates. More specifically, as an exploration company, the Corporation faces financial and operational risks inherent to the nature of its activities. For a description of risk factors associated with the Corporation and its business, refer to "Risk Factors" in the Annual MD&A filed on SEDAR+ under the Corporation's profile at www.sedarplus.ca. The risks presented in the Annual MD&A should not be considered exhaustive, and it is possible that additional risks, including those not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially adversely affect the Corporation's business, results of operations or financial condition. Investors should carefully consider the risks and uncertainties before investing in the Corporation's securities.

Corporate information

Registered and Head Office
666 Burrard Street, Suite 2700
Vancouver, BC
V6C 2X8, Canada

Directors
Paul Matysek, Chair
Javier del Rio
Jerrold Annett
Jose Luque
Vincent Metcalfe, President and Chief Executive Officer
Luis Zapata

Officers
Vincent Metcalfe, President and Chief Executive Officer
Vincent Cardin-Tremblay, Chief Geological Officer
Annie Dutil, Chief Financial Officer

Qualified Person (as defined by NI 43-101)
Vincent Cardin-Tremblay, P.Geo., Chief Geological Officer

Transfer Agent
Computershare Trust Company of Canada

Auditors
Crowe MacKay LLP

Additional Information

Additional information relating to the Corporation is available on SEDAR+ (www.sedarplus.ca) under the Corporation's profile.